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**Shenzhen Investment Holdings Bay Area
Development Company Limited**
深圳投控灣區發展有限公司
(incorporated in the Cayman Islands with limited liability)
Stock Codes: 737 (HKD counter) and 80737 (RMB counter)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

Highlights

- Net toll revenue increased by 28% YoY to approximately RMB2,582 million was mainly due to (i) the social transportation volume in Chinese Mainland experienced restorative growth; and (ii) the economy of the cities along the expressways maintained steady growth and the operation performance of the toll roads grew at the same pace with economic growth.
- Residential units of the first phase of Grand Park City has started to deliver to buyers in the third quarter of 2023 as scheduled and contributed profit to the Group.
- The Beijing-Hong Kong-Macao Expressway (Guangzhou to Shenzhen Section) Reconstruction and Expansion Project has made significant progress in 2023 as the key project of the Group. Among which, the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway has commenced construction gradually by the end of 2023.
- Profit attributable to equity shareholders of the Company grew by 89% YoY to approximately RMB528 million, mainly due to (i) increase in toll revenue; (ii) reverse in share of resurfacing obligations of the GS Superhighway; and (iii) increase in the share of results of Grand Park City project.
- Proposed final dividend of RMB11.55 cents per share, representing a regular dividend payout ratio of 100% for the year.

CHAIRMAN’S STATEMENT

In 2023, Chinese Mainland’s economic performance has maintained a positive momentum, and was riding on the upward trend of economic recovery as production and consumption steadily rallied with increasing growth propulsion. As the economy recovered, domestic social transportation volume has shown restorative growth. As residents’ traveling continued to return, driving the substantial increase in traffic volume and tolls on the GS Superhighway, the GZ West Superhighway and the Coastal Expressway (Shenzhen Section). I was appointed by the Board as the Executive Director and Chairman of the Board on 6 January 2023, and had the honor to participate in and witness the development of the Group in the past year, and to share its operating results with our investors.

Financial Results and Dividend Proposal

On behalf of the Board, I am delighted to report to the Shareholders the final results of the Group for 2023. The revenue from investment projects attributable to the Group was approximately RMB2,951 million. The profit attributable to equity shareholders of the Company amounted to approximately RMB528 million and a basic earnings per share of RMB17.15 cents, representing a YoY growth of 89%, mainly due to (i) increase in toll revenue; (ii) reverse in share of resurfacing obligations of the GS Superhighway; and (iii) increase in the share of results of Grand Park City project.

The Board has proposed a final dividend of RMB11.55 cents per share for year 2023 with a dividend payout ratio amounting to 100% of total dividend to the profit attributable to equity shareholders of the Company. Payment of the final dividend is subject to approval by Shareholders at the 2024 Annual General Meeting.

Operating Environment

In 2023, the global economy still faced multiple downward risks. As international geopolitical turmoil intensified, global inflation pressure continued to rise, with overseas demand slowing down as uncertainties increase, all of which causing difficulties on the global economic development. Facing complexity and severe condition around the globe, Chinese Mainland's economy has overcome demanding challenges against such downward pressure, making huge contribution to the worldwide economic growth. In 2023, GDP of Chinese Mainland grew by 5.2% YoY, demonstrating strong resilience, and the total economic volume reached a new level of approximately RMB126 trillion, among which, the GDP of Guangdong Province increased by 4.8% YoY, with a total economic volume of approximately RMB13.57 trillion and the total economic volume continued to rank first in the country. The Guangdong-Hong Kong-Macao Greater Bay Area is one of the regions with the strongest economic vitality and the highest degree of openness in the PRC. Located next to the two special administrative regions of Hong Kong and Macao, Guangdong Province is an important player in the region, and has led Chinese Mainland's economic development and maintained its strong economic growth resilience. Guangdong Province managed to realise mutual advancement of domestic and international development, and has taken up an important demonstration role in the country and driving the development of its surrounding areas, accelerating the construction of a new development pattern, and create favorable external operation environment for the steady operation and long-term development for the Group.

Business Review

During the year under review, due to the restorative growth of domestic social transportation volume, residents' traveling volume and traffic volume, the toll revenue of the GS Superhighway, the GZ West Superhighway and the Coastal Expressway (Shenzhen Section) have seen a larger increase as compared with that of last year, total net toll revenue increased by 28% YoY. In 2023, the total toll revenue of the GS Superhighway was approximately RMB2,892 million, average daily toll revenue and average daily mixed traffic increased by 28% and 20% YoY respectively; the GZ West Superhighway grew at the same pace with economic growth, the total toll revenue amounted to approximately RMB1,304 million, average daily toll revenue and average daily mixed traffic increased by 25% and 22% YoY respectively; the total toll revenue of the Coastal Expressway (Shenzhen Section) was approximately RMB629 million, average daily toll revenue and average daily mixed traffic increased by 31% and 34% YoY respectively. The significant increase in annual toll revenue was mainly due to the social transportation volume in Chinese Mainland experienced restorative growth, the economy of the cities along the expressways, such as Shenzhen, Dongguan, Guangzhou, Zhongshan and Zhuhai maintained steady growth, as well as a low comparison base in 2022.

As for the business development, the Beijing-Hong Kong-Macao Expressway (Guangzhou to Shenzhen Section) Reconstruction and Expansion Project has made significant progress in 2023 as the key project of the Group. The project is divided into two phases, namely, the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway and the reconstruction and expansion project of the Dongguan Chang'an to Shenzhen Huanggang section of the Beijing-Hong Kong-Macao Expressway. Among which, the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway was approved by the Guangdong Provincial Development and Reform Commission on 22 August 2023, and has commenced construction gradually by the end of 2023. With the advancement of the Beijing-Hong Kong-Macao Expressway (Guangzhou to Shenzhen Section) Reconstruction and Expansion Project, the Group will continue to consolidate and enhance its main expressway business, which would strengthen the Group's core competitiveness in the toll road industry, and is in line with the Group's development strategy.

In addition, the Group had actively participated in investments in land development projects along expressway. The Grand Park City project, the Group's first comprehensive land development project along the expressway, had achieved remarkable results in 2023. Since the third quarter of 2023, residential units of the first phase of the Grand Park City were gradually delivered to the buyers, achieving cumulative profit of approximately RMB42 million during the year. Meanwhile, the Group maintained active communications with Guangdong Highway Construction, aiming to seize opportunities and release the value of land along the GS Superhighway to achieve substantial investment returns. The Group shall also proceed with the screening for other land parcels along the expressway, conduct market research on multiple industries and diversify its plans to revitalise its existing land resources as soon as possible.

Prospects

2024 is a critical year for the Group's in-depth vertical development under the "14th Five-Year Plan" development strategic plan. The Group will continue to focus on strategic planning, consolidate the main business of toll roads, accelerate the revitalisation of land resources along the expressway, and expand on the investment opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area. At the same time, the Group will focus on promoting the Beijing-Hong Kong-Macao Expressway (Guangzhou to Shenzhen Section) Reconstruction and Expansion Project, in particular, the Group will strive for the approval of the reconstruction and expansion project of the Dongguan Chang'an to Shenzhen Huanggang section of the Beijing-Hong Kong-Macao Expressway, laying the foundation for the Group's high-quality and sustainable development.

Looking forward, the macro environment in Chinese Mainland is expected to be generally positive, but with the complex and ever-changing international affairs, external challenges shall not be overlooked. The Group will anchor on its strategic goals, and go all out to solidify its standing in the Guangdong-Hong Kong-Macao Greater Bay Area to advance on its various tasks. I believe that with the joint efforts of the management and employees, the Group shall continue to achieve high quality and sustainable development and create better returns for the Shareholders.

Appreciation

On behalf of the Company, I would like to take this opportunity to express my sincere gratitude to the Shareholders, banks, business partners and friends from all walks of life for their support and trust in the development of the Company. I would also like to thank the Directors and senior management for their wise contribution, and the staff for their unity, cooperation and diligence. In 2024, all staff of the Company will seize the opportunities, continue to contribute to the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, and strive to achieve a new level of development of the Company.

Xiangwen LIAO*
Chairman

Hong Kong, 19 March 2024

** For identification purpose only*

Final Dividend

The Board has proposed a final dividend of RMB11.55 cents per share (equivalent to HK12.724173 cents per share at the exchange rate of RMB1:HK\$1.10166) for the year ended 31 December 2023. Together with the interim dividend of RMB5.55 cents per share (equivalent to HK6.043062 cents per share at the exchange rate of RMB1:HK\$1.08884) which had been paid on Friday, 10 November 2023, the total regular dividends for the year ended 31 December 2023 will amount to RMB17.10 cents per share (equivalent to HK18.767235 cents per share) which is 90% more than the total regular dividends of RMB9.00 cents per share of last year. The total regular dividends for the year ended 31 December 2023 represented a regular dividend payout ratio of 100% of the Group's profit attributable to equity shareholders of the Company.

Subject to Shareholders' approval at the 2024 Annual General Meeting to be held on Tuesday, 21 May 2024, the proposed final dividend will be paid on Monday, 15 July 2024 to Shareholders whose names appear on the register of members of the Company at the close of business on Monday, 27 May 2024.

If the proposed final dividend is approved by the Shareholders at the 2024 Annual General Meeting, it will be payable in cash in RMB or HK Dollars, or a combination of these currencies, at the exchange rate of RMB to HKD as published by The People's Bank of China on Tuesday, 19 March 2024 and Shareholders will be given the option of electing to receive the final dividend in either RMB or HK Dollars or a combination of RMB and HK Dollars.

To make the dividend election, Shareholders should complete the Dividend Election Form (if applicable) and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Wednesday, 19 June 2024. **If no dividend election is made by a Shareholder, such Shareholder will receive the final dividend in HK Dollars, unless receipt of dividend in RMB has been previously elected.**

Closure of Register

To ascertain Shareholders' eligibility to attend and vote at the 2024 Annual General Meeting to be held on Tuesday, 21 May 2024, the register of members of the Company will be closed from Thursday, 16 May 2024 to Tuesday, 21 May 2024, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify to attend and vote at the 2024 Annual General Meeting, all transfers of Shares, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Tuesday, 14 May 2024.

To ascertain Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed for one day on Monday, 27 May 2024, if and only if the proposed final dividend is approved by the Shareholders at the 2024 Annual General Meeting. No transfer of Shares will be effected on the aforementioned book-close date. To qualify for the proposed final dividend, all transfers of Shares, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Friday, 24 May 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overall Business Performance

During the year under review, the total net toll revenue of the GS Superhighway, the GZ West Superhighway and the Coastal Expressway (Shenzhen Section) increased by 28% YoY to approximately RMB4,825 million. The significant increase in toll revenue was mainly due to the social transportation volume in Chinese Mainland experienced restorative growth, the economy of the cities along the expressways, such as Shenzhen, Dongguan, Guangzhou, Zhongshan and Zhuhai maintained steady growth, as well as a low comparison base in 2022. Among which, growth in passenger vehicles was higher than that of trucks. The average daily toll revenue and average daily mixed traffic of the GS Superhighway increased by 28% and 20% YoY to approximately RMB7.92 million and 632,000 vehicles respectively; the average daily toll revenue and average daily mixed traffic of the GZ West Superhighway increased by 25% and 22% YoY to approximately RMB3.57 million and 270,000 vehicles respectively; the average daily toll revenue and average daily mixed traffic of the Coastal Expressway (Shenzhen Section) increased by 31% and 34% YoY to approximately RMB1.72 million and 189,000 vehicles respectively.

During the year under review, the contracted sales of the Grand Park City amounted to approximately RMB970 million. Residential units of the first phase has started to deliver to buyers in the third quarter of 2023 as scheduled and the construction of residential units of the second phase is in progress as planned.

Year	2023	2022	% Change
<i>At Operational Level</i>			
<i>GS Superhighway</i>			
Average daily toll revenue ^{N1} (RMB '000)	7,924	6,186	28%
Average daily mixed traffic ^{N2} (No. of vehicles '000)	632	527	20%
<i>GZ West Superhighway</i>			
Average daily toll revenue ^{N1} (RMB '000)	3,572	2,862	25%
Average daily mixed traffic ^{N2} (No. of vehicles '000)	270	222	22%
<i>Coastal Expressway (Shenzhen Section)</i>			
Average daily toll revenue ^{N1} (RMB '000)	1,724	1,318	31%
Average daily mixed traffic ^{N2} (No. of vehicles '000)	189	141	34%

N1: Excluding tax

N2: Average daily mixed traffic excludes toll free traffic travelled during the period when Holiday Toll-Free Policy was implemented

Operating Environment

Domestic and External Economic Situation

In 2023, the global economic growth continued to slow down. Amid a series of risks such as intensified geopolitical tensions, weak trade growth, high core inflation and rising financial vulnerabilities, the global economy was still facing a relatively high downward pressure. However, Chinese Mainland's rebounding economy has been promising. As the effect of the policies introduced in the early stage was gradually emerging, domestic demand had continued to recover, economic benefit of enterprises had improved, and market confidence had gradually recovered, withstanding the downward pressure brought by overseas risk challenges and the cumulative and inter-related domestic factors. In 2023, the GDP of Chinese Mainland increased by 5.2% YoY to approximately RMB126 trillion, among which, the GDP of Guangdong Province increased by 4.8% YoY, with a total economic volume of approximately RMB13.57 trillion and the total economic volume continued to rank first in the country.

The Central Economic Work Conference emphasised that, in 2024, it is necessary to adhere to the general working guideline of seeking progress while maintaining stability, by fully, accurately and comprehensively adopting the new development concept and accelerating the construction of a new development pattern, so as to strive for high-quality development, comprehensively deepened reforms and opening up and to encourage high-level of science and technology for independence and strength. Efforts on macro-control will be increased, when coordination will be conducted to expand domestic demand and to deepen structural reforms on the supply side. Resolution to seek progress is required while maintaining stability by advancing and breaking record. More policies that are conducive to securing expectations, growth and employment are required, when it is advised to be proactive in changing methods, adjusting structures, improving quality and increasing efficiency, so as to relentlessly consolidating the foundation for steady improvement. It is believed that with the supporting policies, the national economic operation is expected to constantly rebound in 2024, driving the continuous increase in passenger flow, logistics and transportation demand, providing a solid foundation for the expressway business operated by the Group.

Development of the Bay Area

During the visit of Guangdong by Xi Jinping, the General Secretary, for inspection in April 2023, he emphasised that the Guangdong-Hong Kong-Macao Greater Bay Area should be made a strategic fulcrum for the new development pattern, a demonstration zone for high-quality development and the leading area for Chinese-style modernisation, indicating the direction for further constructing the Guangdong-Hong Kong-Macao Greater Bay Area for the new era. On 29 December 2023, the Economic Work Conference of the Guangdong Provincial Committee emphasised that cooperation among Guangdong, Hong Kong and Macao should be deepened around the new positioning of materialising the “one point for two places (一點兩地)” in the Guangdong-Hong Kong-Macao Greater Bay Area and that the supporting and driving role of the Greater Bay Area should be better made use of, with a focus on comprehensively refined reforms in key areas and critical aspects such as education, science and technology, talent, business environment and corporate governance, so as to increase economic depth during continuous promotion of two-way opening up and to effectively activate the organic driving force for high-quality development in Guangdong. Vigorously spurring the positive development of the highway industry, the Chinese Mainland’s competent authorities, Guangdong Province and the society’s recognition of the importance of the mission and tasks of the development of the Guangdong-Hong Kong-Macao Greater Bay Area will benefit the operating environment of the Group’s expressway business in the long run and provide strong support for the sustainable development of the Group’s business.

Latest Updates on Industry Policies

Five-Year Action Plan for Speeding Up the Building of National Strength in Transportation (2023 - 2027) (《加快建設交通強國五年行動計劃 (2023 - 2027 年)》)

In March 2023, the Ministry of Transport, the National Railway Administration of the PRC, the Civil Aviation Administration of China, the State Post Bureau of the PRC and China State Railway Group Co., Ltd.* (中國國家鐵路集團有限公司) jointly issued the “Five-Year Action Plan for Speeding Up the Building of National Strength in Transportation (2023 - 2027)” (《加快建設交通強國五年行動計劃 (2023 - 2027 年)》) (the “Five-Year Action Plan”), making clear the idea, the target and action tasks for speeding up the building of national strength in transportation in the next five years. The Five-Year Action Plan proposes in one of the ten major activities of the “Modern Comprehensive Transportation Infrastructure Construction Action” that, focusing on “networking, repairing the network and strengthening the chain”, the comprehensive transportation network should be optimised and improved for accelerating the frame construction of the national comprehensive transportation network and international comprehensive transportation hub clusters such as the Beijing-Tianjin-Hebei Urban Agglomeration, the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area and for building a number of comprehensive passenger traffic hubs to support a number of cities in strengthening the project construction of comprehensive freight hubs and collection, distribution, and transportation system, to facilitate the construction of a number of major transportation infrastructure projects and to strive to build a modern comprehensive transportation infrastructure system. Among them, the Guangdong-Hong Kong-Macao Greater Bay Area, as a key construction target under the Five-Year Action Plan, is conducive to the high-quality development of the Group’s business of expressways and the development and utilisation of land along highways.

Promoting the Work Plan for Steady Growth of the Automobile Industry (2023 - 2024) (推動《汽車行業穩增長工作方案(2023 - 2024)》)

In August 2023, seven departments including the Ministry of Industry and Information Technology and the Ministry of Finance jointly issued the “Work Plan for Steady Growth of the Automobile Industry (2023-2024)” (《汽車行業穩增長工作方案(2023-2024)》), proposing that the operation of the automobile industry will maintain a stable and positive development trend in 2023, competing for the realised annual vehicle sales of approximately 27 million vehicles, representing a YoY increase of approximately 3%, of which the sales of new energy vehicles will be approximately 9 million vehicles, representing a YoY increase of approximately 30%. The added value of the automobile manufacturing industry should increase by approximately 5% YoY. The plan clearly proposes to stabilise the consumption of vehicles using fuel. Specifically, local measures on limiting new vehicle purchase are not allowed and addition of a certain number of vehicle purchase indicators on the basis of the vehicle purchase indicators in 2022 is encouraged to further promote vehicle consumption. This measure is conducive to well promoting the stable growth of the automobile industry on the supply side, supporting the continuous growth of car ownership and transportation volume and also the operating environment of the expressway industry.

Policy for Small Passenger Vehicles During the Lunar New Year Holiday in 2024

According to the “Notice of the Ministry of Transport on Optimising the Toll-free Period for Small Passenger Vehicles on Toll Roads during the Lunar New Year holiday in 2024” (《交通運輸部關於優化2024年春節假期收費公路免收小型客車通行費時段的通知》), the toll-free period for small passenger vehicles during the Lunar New Year holiday in 2024 was nine days from 9 February to 17 February, an increase of two days compared to the previous seven days toll-free period.

Annual Vehicle Sales Data in Chinese Mainland

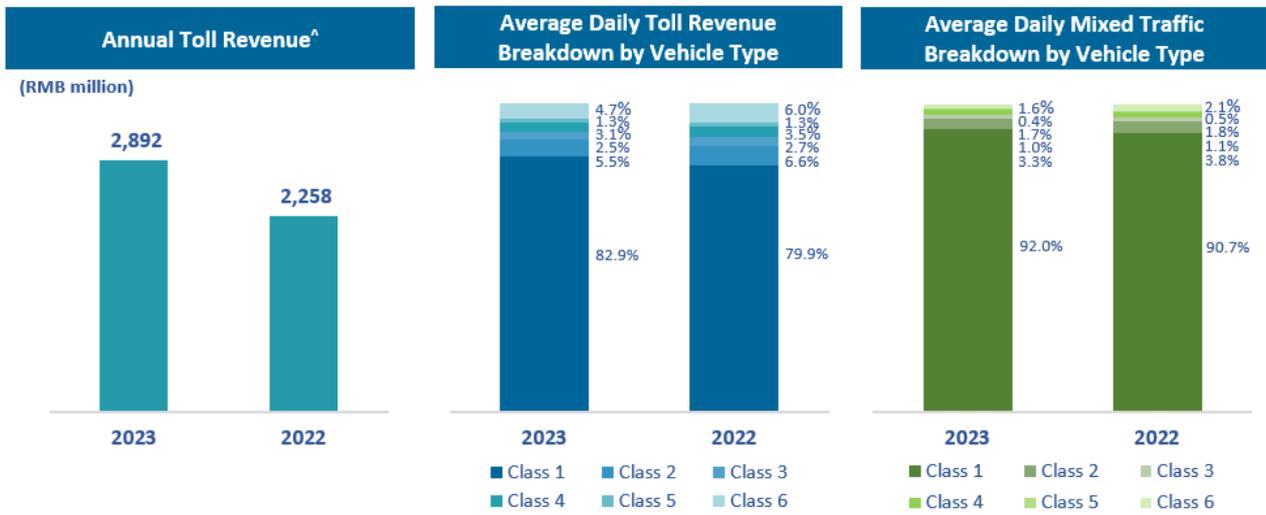
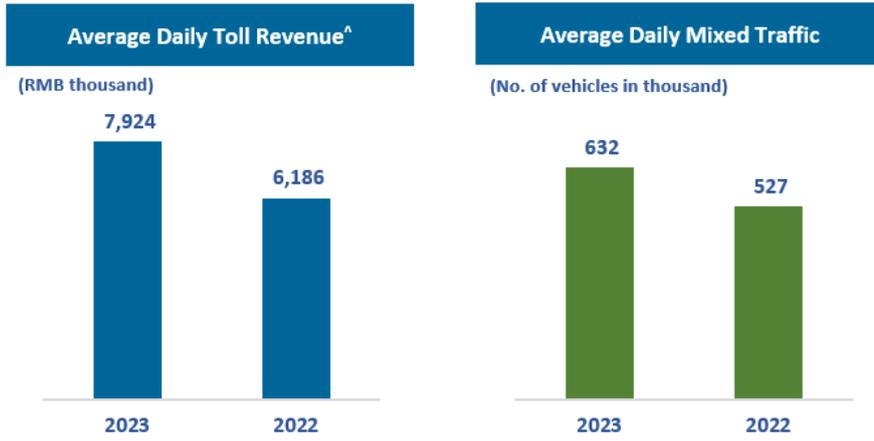
With the intensive introduction of the national and Guangdong policies to promote vehicle consumption, the confidence in consumption has been improved, and the momentum of vehicle consumption in Guangdong has been released, not only stimulating the consumption demand of new energy vehicles but also driving the healthy development of the new energy vehicle industry chain in Guangdong. According to the vehicle sales data released by the China Association of Automobile Manufacturers, the annual domestic vehicle sales volume in 2023 was approximately 30.09 million cars, representing a YoY increase of 12%. The overall recovery and the promising future of the national vehicle market in the face of adversity is beneficial to strong growth, which is conducive to the development of the Group’s toll road business.

GS Superhighway

The GS Superhighway is a main expressway connecting the three major cities – Guangzhou, Dongguan and Shenzhen on the eastern bank of Bay Area to Hong Kong. The GDP of Guangzhou, Dongguan and Shenzhen, the cities along the expressway, rose 4.6%, 2.6% and 6.0% YoY respectively in 2023, showing the economy has maintained steady growth. The operational performance of the GS Superhighway has also improved in line with the economic performance. In 2023, the total toll revenue of the GS Superhighway was approximately RMB2,892 million. The average daily toll revenue and average daily mixed traffic increased by 28% and 20% YoY to approximately RMB7.92 million and 632,000 vehicles respectively. Toll revenue and mixed traffic volume contributed by Class 1 vehicles accounts for 82.9% and 92.0% of the toll revenue and mixed traffic volume of the GS Superhighway respectively. The amount of tolls collected and traffic volume of vehicles using ETC payment cards accounted for approximately 65% and 67% of the toll revenue and traffic volume of the GS Superhighway respectively.

The Dongguan-Panyu Expressway is another major artery running through the central part of Dongguan, connecting the Heyuan-Huizhou-Dongguan Expressway in the east and the Nansha Bridge in the west. It links with several north-south oriented expressways, including connecting with the GS Superhighway at the Houjienan interchange. The project is divided into three phases, with Phase I and Phase II have already opened to traffic. Phase III connects the section between the Conghua-Dongguan Expressway and the Dongguan-Shenzhen Expressway and has opened to traffic by the end of 2023. Currently, the Changhu Expressway, another east-west route, is connected to the GS Superhighway at Xinlian and Wudianmei interchanges. With the completion of the entire Dongguan-Panyu Expressway, vehicles in the central area of Dongguan will have another travel option for east-west journeys, which may result in traffic diversion for vehicles travelling to and from Xinlian and Wudianmei interchanges. The Company will closely monitor the impact of the opening of Phase III of the Dongguan-Panyu Expressway on the GS Superhighway.

The Shenzhen-Zhongshan Channel, a new major channel across the Pearl River and another convenient route for vehicles travelling between Shenzhen and the western Guangdong, is expected to open to traffic in June 2024. The Shenzhen-Zhongshan Channel connects the Jihe Expressway in the east, crosses the Pearl River to the west and connects the Zhongshan section of the Zhongshan-Kaiping Expressway (scheduled to open to traffic in June 2024 simultaneously), and interconnecting the GS Superhighway, the Coastal Expressway (Shenzhen Section) and the Guangzhu East Expressway. Subsequent to the opening of the Shenzhen-Zhongshan Channel, it is expected to cause certain impact of diversion on the vehicles originally passing the Humen Bridge and the Nansha Bridge via the GS Superhighway for travelling to and from the western Guangdong. The Company will closely monitor the impact of the opening of Shenzhen-Zhongshan Channel on the GS Superhighway.



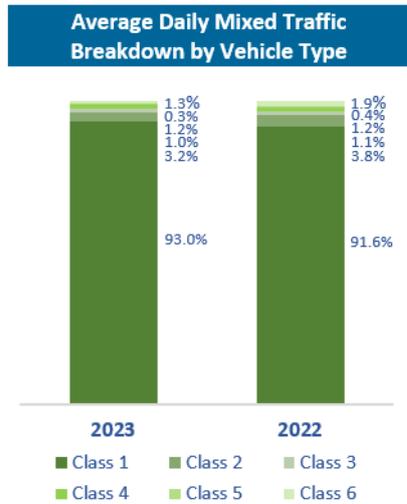
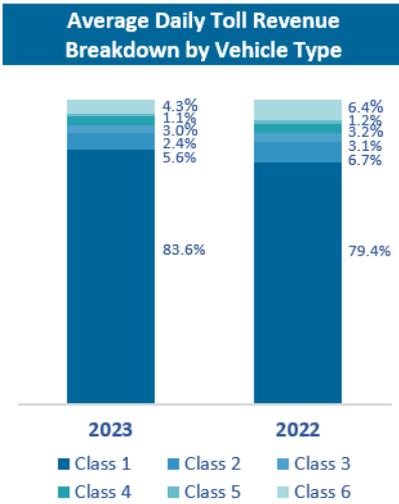
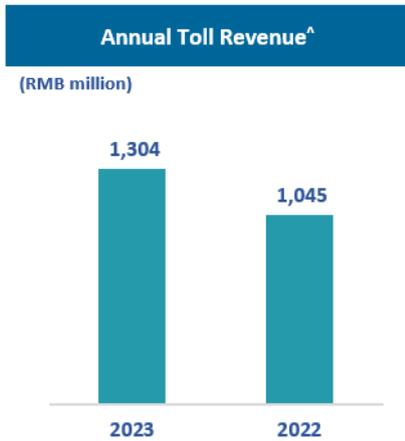
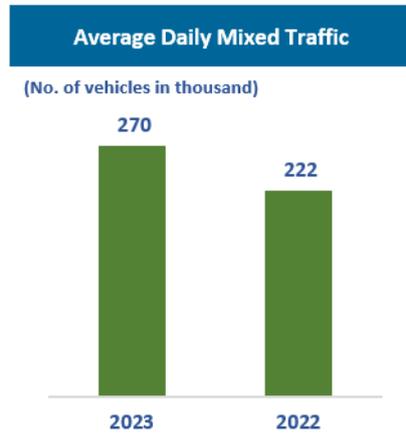
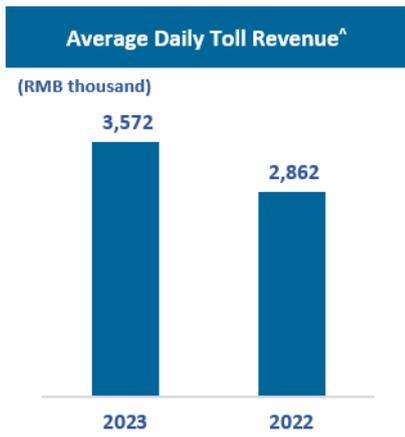
[^] Excluding tax

GZ West Superhighway

The GZ West Superhighway is the expressway artery between the city centres of Guangzhou and Zhuhai, and offers access to the HZM Bridge. The GDP of Guangzhou, Foshan, Zhongshan and Zhuhai, the cities along the expressway, rose 4.6%, 5.0%, 5.6% and 3.8% YoY respectively in 2023, and the economy maintained steady growth. The operational performance of the GZ West Superhighway has also improved in line with the economic performance. In 2023, the total toll revenue of the GZ West Superhighway was approximately RMB1,304 million. The average daily toll revenue and average daily mixed traffic increased by 25% and 22% YoY to approximately RMB3.57 million and 270,000 vehicles respectively. Toll revenue and mixed traffic volume contributed by Class 1 vehicles accounts for 83.6% and 93.0% of the toll revenue and mixed traffic volume of the GZ West Superhighway respectively. The amount of tolls collected and traffic volume of vehicles using ETC payment cards accounted for approximately 66% and 67% of the toll revenue and traffic volume of the GZ West Superhighway respectively.

The Zhongshan West Ring Expressway was opened to traffic in January 2023. It is located on the west side of the GZ West Superhighway, with a north-south direction and parallel to the section of Dongfu interchange to Yuehuan interchange of the GZ West Superhighway. Its southern end connects the Xianghai Bridge in Zhuhai, which was opened to traffic in November 2022, and provides an alternative route for vehicles travelling between the western part of Zhongshan and the urban area of Zhuhai, which has caused diversion impact to the GZ West Superhighway. In addition, due to the full closure of a local bridge in Foshan for renovation, coupled with the implementation of traffic control measures prohibiting trucks on certain sections of Bigui Road located near the GZ West Superhighway, some vehicles that originally used local roads have switched to the GZ West Superhighway. This has had a positive impact on the operational performance of the GZ West Superhighway. However, the combination of positive and negative factors has resulted in a slight negative impact on the toll revenue and traffic volume of the GZ West Superhighway.

The Zhongshan section of the Zhongshan-Kaiping Expressway is expected to open to traffic in June 2024, connecting the Shenzhen-Zhongshan Channel (scheduled to open to traffic in June 2024) in the east and the Jiangmen section of the Zhongshan-Kaiping Expressway in the west, and connects to the GZ West Superhighway at Kangle interchange. Subsequent to the opening of the Zhongshan section of the Zhongshan-Kaiping Expressway and the Shenzhen-Zhongshan Channel, it is expected to have a slight diversion impact on vehicles that originally passing the Nansha Bridge or Humen Bridge via the GZ West Superhighway through the Shunde East interchange, and travelling to and from western Guangdong and eastern Guangdong. The Company will closely monitor the impact of the opening of Zhongshan section of the Zhongshan-Kaiping Expressway on the GZ West Superhighway.

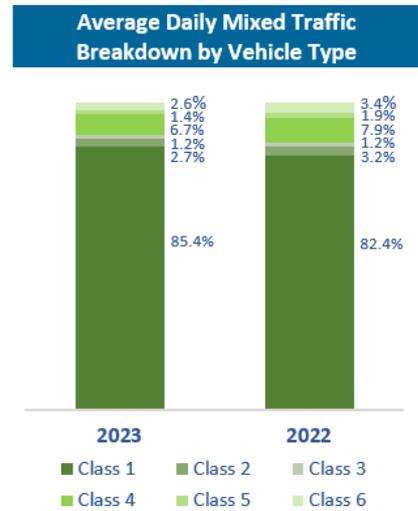
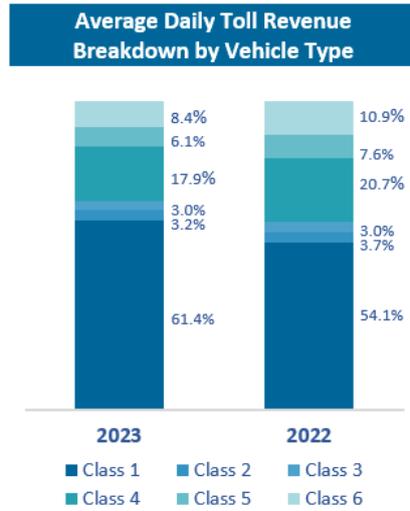
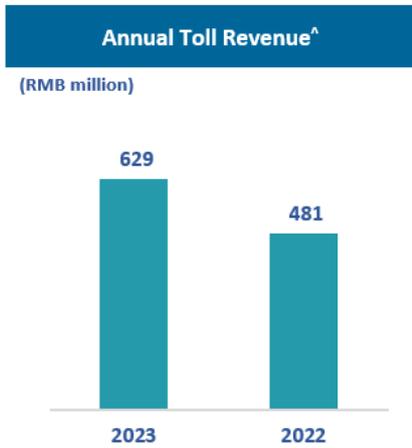
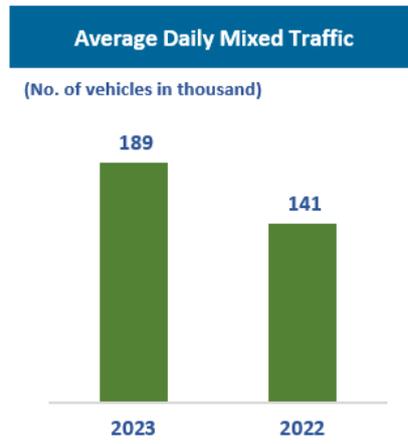
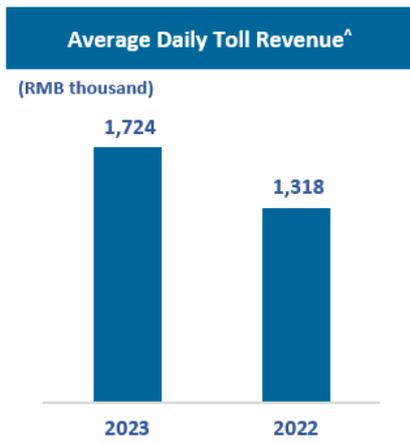


[^] Excluding tax

Coastal Expressway (Shenzhen Section)

Coastal Expressway (Shenzhen Section) is the Shenzhen section of Guangshen Coastal Expressway, extending from Dongbao River, the boundary between Dongguan and Shenzhen, to Nanshan District, Shenzhen and connecting with Hong Kong-Shenzhen Western Corridor in the south. It is the main passageway for the three port areas of Shekou, Chiwan and Dachan Bay in the west of Shenzhen. In 2023, the total toll revenue of the Coastal Expressway (Shenzhen Section) was approximately RMB629 million. The average daily toll revenue and average daily mixed traffic increased by 31% and 34% YoY to approximately RMB1.72 million and 189,000 vehicles respectively. Toll revenue and mixed traffic volume contributed by Class 1 vehicles accounts for 61.4% and 85.4% of the toll revenue and mixed traffic volume of the Coastal Expressway (Shenzhen Section) respectively.

The connecting lane on the Shenzhen side of Shenzhen-Zhongshan Channel of the Phase II of Coastal Expressway (Shenzhen Section) connects the Jihe Expressway in the east and the Shenzhen-Zhongshan Channel in the west. It is currently under construction and is scheduled to be completed and open to traffic in June 2024 to align with the opening to traffic of Shenzhen-Zhongshan Channel. It is expected that there will be a positive promotional effect to the operational performance of the Coastal Expressway (Shenzhen Section) when it opens to traffic.



[^] Excluding tax

Grand Park City

The Grand Park City Project consists of three phases. All 7 blocks of the first phase and 1 block of the second phase have been launched for pre-sale. During the year under review, contracted sales amounted to approximately RMB970 million, representing the average sales price of RMB23,000 per square metre. Since the beginning of pre-sale, the accumulated contracted sales amounted to approximately RMB3,247 million, representing the average sales price of RMB25,000 per square meter.

The construction of residential units has been smoothly proceeded as scheduled. All 7 blocks of the first phase started to deliver to buyers in the third quarter of 2023 as scheduled. The second phase consists of 12 blocks and the construction had commenced by phase in the second quarter of 2022, of which 3 blocks had topped out by the end of 2023 as scheduled and are planned to be delivered to buyers in 2024.

Location of Grand Park City



Beijing-Hong Kong-Macao Expressway (Guangzhou to Shenzhen Section) Reconstruction and Expansion Project

The Beijing-Hong Kong-Macao Expressway (Guangzhou to Shenzhen Section) Reconstruction and Expansion Project is divided into two phases, namely, the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway and the reconstruction and expansion project of the Dongguan Chang'an to Shenzhen Huanggang section of the Beijing-Hong Kong-Macao Expressway. Among which, the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang'an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway was approved by the Guangdong Provincial Development and Reform Commission on 22 August 2023 and shall mainly adopt the integral section method expansion in dual directions to a total of 10 lanes, and has commenced construction gradually by the end of 2023.

The project will be invested and constructed by the GSZ Company and its total investment amount is currently estimated to be approximately RMB29.40 billion, of which approximately 25% is planned to be funded by the GSZ Company by way of capital contributions. The Group intends to undertake for not more than 50% of such capital contribution (expected to be not more than RMB3.70 billion). The Group will negotiate the capital contribution matters with Guangdong Highway Construction in due course. In the event the capital contribution matters are materialised, further approval procedures will be conducted and disclosures will be made as and when appropriate in compliance with the relevant requirements of the Listing Rules.

Besides, the revision of the feasibility report of the reconstruction and expansion project of the Dongguan Chang'an to Shenzhen Huanggang section of the Beijing-Hong Kong-Macao Expressway is completed and pending to the approval by relevant departments, specific investment terms have yet to be finalised.

Potential Land Development and Utilisation of GS Superhighway

On 30 September 2022, GS JV entered into the Compensation Agreement with Land Reserve Centre and the Representatives in relations to land resumption along Luogang interchange, pursuant to which GS JV agreed to surrender land use rights of the Resumed Land together with the Attached Buildings to Land Reserve Centre in consideration of approximately RMB317.0 million. Thereafter, the Huangpu District of Guangzhou Municipal Planning and Natural Resources Bureau issued a notice on 20 October 2022, that the detailed planning modification of the land parcels along Luogang interchange has been approved and the Luogang interchange will be transformed to vacate land for residential development (inclusive of commercial use). Currently, the Company maintains active communications with Guangdong Highway Construction, aiming to seize opportunities and release the value of land along the GS Superhighway to achieve substantial investment returns.

Meanwhile, the Company and Guangdong Highway Construction are promoting the studies on the planning that integrates the expansion with land development of Dongguan section and Shenzhen section. In particular, Daojiao interchange, Chang'an interchange, Tongle interchange and Xinqiao interchange will be the key projects for study on feasibility in the next stage, and will further communicate with relevant government authorities proactively.

FINANCIAL REVIEW

The Group's results for the year ended 31 December 2023 were as follows:

RMB million	Year ended 31 December									
	2023					2022				
	Revenue	EBITDA	Depreciation and amortisation	Interest and tax	Results	Revenue	EBITDA	Depreciation and amortisation	Interest and tax	Results
Group's share project contributions:										
Toll expressway projects										
- Coastal Expressway (Shenzhen Section) (100% shared)	629	530	(227)	(98)	205	481	388	(181)	(118)	89
- GS Superhighway ^{Note 1} (45% shared)	1,301	1,339	(536)	(308)	495	1,016	941	(426)	(197)	318
- GZ West Superhighway (50% shared)	652	525	(269)	(126)	130	522	412	(201)	(117)	94
Sub-total	2,582	2,394	(1,032)	(532)	830	2,019	1,741	(808)	(432)	501
Land development and utilisation project										
- Xintang Interchange (15% shared)	369	61	(0)	(19)	42	31	7	(0)	(13)	(6)
Total	2,951	2,455	(1,032)	(551)	872	2,050	1,748	(808)	(445)	495
YoY change	44%	40%	28%	24%	76%					
Corporate:										
Interest income from bank deposits					10					34
Investment income from structured deposits					7					9
Interest income from loans made by the Group to a joint venture					4					16
Other income and other gain					15					7
Administrative expenses and depreciation					(79)					(78)
Finance costs					(168)					(59)
Income tax					(1)					(8)
Net exchange loss (net of related income tax)					(22)					(89)
Profit for the year					638					327
Profit for the year attributable to non-controlling interests ^{Note 2}					(110)					(48)
Profit for the year attributable to equity shareholders of the Company					528					279
YoY change					89%					

Note 1: Excluding exchange differences on US Dollar and HK Dollar loans, and related income tax.

Note 2: It mainly comprised 49% of the results of the Coastal Expressway (Shenzhen Section).

Toll Expressway Projects

The Group's share of net toll revenue of the expressway projects namely Coastal Expressway (Shenzhen Section) operated by a non-wholly owned subsidiary and the GS Superhighway and the GZ West Superhighway operated by two joint ventures increased by 28% to approximately RMB2,582 million from approximately RMB2,019 million in 2022, of which the net toll revenue of the Coastal Expressway (Shenzhen Section) increased by 31% to approximately RMB629 million from approximately RMB481 million in 2022; the net toll revenue of the GS Superhighway increased by 28% to approximately RMB1,301 million from approximately RMB1,016 million in 2022; the net toll revenue of the GZ West Superhighway increased by 25% to approximately RMB652 million from approximately RMB522 million in 2022. The increase in toll revenue was mainly due to the social transportation volume in Chinese Mainland experienced restorative growth, the economy of the cities along the expressways, such as Shenzhen, Dongguan, Guangzhou, Zhongshan and Zhuhai maintained stable growth, the operation performance of the toll roads grew at the same pace with economic growth, as well as a low comparison of toll revenue last year.

As a result of the increase in toll revenue of the Coastal Expressway (Shenzhen Section), the GS Superhighway and the GZ West Superhighway for the year and considering the ongoing reconstruction and expansion of the GS Superhighway, and the conclusion about the GS Superhighway's pavement from independent professional toll road experts, the Group has reversed the resurfacing obligations of the GS JV for the year. The Group's share of aggregate EBITDA of its three toll expressways (excluding net exchange differences on the GS JV's US Dollar and HK Dollar denominated loans) increased by 38% to approximately RMB2,394 million from approximately RMB1,741 million in 2022. The Group's EBITDA of the Coastal Expressway (Shenzhen Section) increased by 37% to approximately RMB530 million from approximately RMB388 million; the Group's share of EBITDA of the GS Superhighway increased by 42% to approximately RMB1,339 million from approximately RMB941 million in 2022; the Group's share of EBITDA of the GZ West Superhighway increased by 27% to approximately RMB525 million from approximately RMB412 million in 2022.

As benefited from the economic growth of cities along the expressways, the actual full-length equivalent traffic of the Coastal Expressway (Shenzhen Section), the GS Superhighway and the GZ West Superhighway during the year increased as compared to last year. The Group's depreciation and amortisation charges of the Coastal Expressway (Shenzhen Section) amounted to approximately RMB227 million, representing an increase of 25% from approximately RMB181 million in 2022. The Group's share of depreciation and amortisation charges of the GS Superhighway amounted to approximately RMB536 million, representing an increase of 26% from approximately RMB426 million in 2022. The Group's share of depreciation and amortisation charges of the GZ West Superhighway amounted to approximately RMB269 million, representing an increase of 34% from approximately RMB201 million in 2022. Overall, the Group's share of aggregate depreciation and amortisation charges of the three toll expressways amounted to approximately RMB1,032 million, representing an increase of 28% from approximately RMB808 million in 2022.

During the year, the bank loans of the GS JV was mainly denominated in HK Dollar, as affected by the increase in the interest rate of Hong Kong Dollar loans, the Group's share of interest expenses of the GS JV increased by 74% to approximately RMB66 million from approximately RMB38 million last year. The GZ West JV successfully reached an agreement with the banks to reduce the interest rate of some loans and benefited from the decline in the RMB denominated loan prime rate, leading to a reduction of interest expenses of the GZ West JV. The Group's share of interest expenses of the GZ West JV decreased by 8% to approximately RMB72 million from approximately RMB78 million last year. The applicable PRC EIT rate for the Coastal Company, the GS JV and the GZ West JV is 25%. With the combined effect brought by the increase in toll revenue and the reversal of deferred tax assets of the Coastal Company last year, the tax expenses of the Coastal Company increased by 2% to approximately RMB94 million from approximately RMB92 million last year. With the increase in toll revenue and the reverse of resurfacing obligations of the GS JV, the Group's share of tax expenses of the GS JV increased by 52% to approximately RMB242 million from approximately RMB159 million last year, while the Group's share of tax expenses of the GZ West JV increased by 38% to approximately RMB54 million from approximately RMB39 million last year. Overall, the Group's share of interest and tax expenses of the Coastal Company and the two joint ventures in aggregate increased by 23% to approximately RMB532 million from approximately RMB432 million last year.

During the year, the Group's net profit of the Coastal Expressway (Shenzhen Section) was approximately RMB205 million, representing an increase of 130% as compared to a net profit of approximately RMB89 million last year; the Group's share of net profit of the GS JV was approximately RMB495 million, representing an increase of 56% as compared to a net profit of approximately RMB318 million last year; the Group's share of net profit of the GZ West JV was approximately RMB130 million, representing an increase of 38% as compared to a net profit of approximately RMB94 million last year. The Group's share of aggregate net profit of the three expressway projects (excluding net exchange differences on the GS JV's US Dollar and HK Dollar denominated loans) was approximately RMB830 million, representing an increase of 66% as compared to a net profit of approximately RMB501 million last year.

Land Development and Utilisation Project

The Group (through Shenwan Infrastructure), GPCG (through Lealu Investment and Leaxin Investment) and Shenzhen Run Investment holds 15%, 25% (in aggregate) and 60% of equity interest in the Xintang JV respectively.

In order to meet the relevant bank financing requirements in Chinese Mainland, on 30 June 2021, the Xintang JV increased its registered capital from RMB10 million to RMB3.04 billion through a debt-for-equity swap on the existing shareholder's loans, and the shareholder's loans contributed by the Parties accordingly decreased from approximately RMB4,983 million to approximately RMB1,953 million; the registered capital contributed by the Group (through Shenwan Infrastructure) increased from RMB1.50 million to approximately RMB456 million based on its shareholding percentage, and the shareholder's loans decreased from approximately RMB747 million to approximately RMB293 million. As Xintang JV further repaid shareholders' loans to the Parties based on its shareholding percentage, the Group's shareholders' loans to Xintang JV all have been fully recovered this year. Residential units of the first phase of Grand Park City has started to deliver to buyers in the third quarter of 2023 as scheduled, contributed profit for the year of approximately RMB42 million to the Group.

Corporate

The aggregate amount of the corporate's interest income from bank deposits and investment income from structured deposits decreased to approximately RMB17 million from approximately RMB43 million last year, which was mainly due to decreases in the balances of bank deposits and the structured deposits, and the decreases of deposit rate of Chinese Mainland. As set out in the paragraph under the "Land Development and Utilisation Project", Xintang JV further repaid shareholder's loans to the Parties based on its shareholding percentage, and the Group's shareholder's loans to Xintang JV have been fully repaid during the year. Besides, the annual interest rate of shareholders' loans was reduced from 8% to 6% from September 2022. As a result, the interest income of loans to a JV decreased from approximately RMB16 million last year to approximately RMB4 million.

The interest expense of bank loans during the year increased by 185% to approximately RMB168 million from approximately RMB59 million last year, which was mainly due to the increase in the interest rate of Hong Kong Dollar loans in rate hike cycle during the year and the increase in the average bank loan balances.

Affected by the depreciation of RMB during the year, the net exchange loss (including the Group's share of exchange loss on the US Dollar and HK Dollar denominated loans of the GS JV) amounted to approximately RMB22 million was recorded, as compared to the net exchange loss of RMB89 million recorded last year.

Overall, the profit for the year attributable to equity shareholders of the Company amounted to approximately RMB528 million, representing an increase of 89% from approximately RMB279 million as compared to last year.

Outlook

Although the global economic prospect remains uncertain, the macro environment in Chinese Mainland is expected to be generally positive. With restorative growth of social transportation volume in Chinese Mainland, the economic growth of the cities along the expressways will have a positive impact on the subsidiaries and joint ventures, and the Group believes that the stable core business of the Coastal Expressway (Shenzhen Section), the GS Superhighway and the GZ West Superhighway will continue to support the Group's future performance enhancement. Overall, the Group remains cautiously optimistic about its future performance.

As the economic growth of Chinese Mainland tends to be stable, the financial situation of the Group remains robust. The Board believes that the Group's full-year regular dividend payout ratio target of 100% on recurring income will be maintained.

Financing of the Group

The Group (through Shenwan Infrastructure), GPCG (through Lealu Investment and Leaxin Investment) and Shenzhen Run Investment owns 15%, 25% (in aggregate) and 60% of equity interests in the Xintang JV respectively pursuant to the JV agreement and JV articles of the Xintang JV entered into on 10 September 2020. The maximum total amount to be contributed (whether by way of registered capital, shareholders' loans, shareholders' guarantee and any amount of other nature) by the Parties for the investment in the project (through the Xintang JV) is RMB6,800 million ("Total Upper Limit"), among which, each of Shenwan Infrastructure, Lealu Investment, Leaxin Investment and Shenzhen Run Investment, will contribute the respective amounts of up to RMB1,020 million, RMB1,360 million, RMB340 million and RMB4,080 million, representing 15%, 20%, 5% and 60% of the maximum total amount of contribution of the Parties, and accordingly, the registered capital of the Xintang JV owned by the Parties in the same proportion.

The Total Upper Limit was arrived with reference to the estimated cost of acquisition of the land use rights of the Project Land, the estimated costs of the ancillary works and other estimated costs and expenses in relation to the operation of the Xintang JV. The respective Party's limit was determined based on their respective percentage of equity interest in the Xintang JV. It is intended that Shenwan Infrastructure's commitment of up to its respective Party's limit will be satisfied by way of external financing and internal resources of the Group. The total investment amount of the Xintang JV is not bound by the Total Upper Limit. Xintang JV may arrange financing from banks or other third parties for the cost of development of the Project Land with the use of its own credit and assets.

The Group has duly made arrangement to meet the capital need of the Xintang JV. During the year, Xintang JV further repaid shareholder's loans to the Parties based on their respective shareholdings, and paid off the bank financing which was guaranteed by the Group based on its shareholding. As of 31 December 2023, the Group contributed approximately RMB456 million to the registered capital of Xintang JV.

Financial position

The financial position of the Group comprises assets and liabilities at the corporate level and the Coastal Company and the Group's share of assets and liabilities of the GS JV, the GZ West JV and the Xintang JV.

Corporate

	31 December 2023	31 December 2022		31 December 2023	31 December 2022
	RMB million	RMB million		RMB million	RMB million
Cash and cash equivalents	382	317	Bank loans	4,002	3,927
Structured deposits	320	451	Tax liabilities	66	134
Time deposit	204	-	Other liabilities	50	52
Shareholder's loan to a JV	-	210			
Dividend receivable	-	181			
Other assets	44	53			
	950	1,212		4,118	4,113
			Net liabilities of corporate	(3,168)	(2,901)

Coastal Company

	31 December 2023	31 December 2022		31 December 2023	31 December 2022
	RMB million	RMB million		RMB million	RMB million
Cash and cash equivalents	102	157	Bank loans	30	30
Restricted bank deposits	3	15	Other liabilities	470	691
Concession intangible assets	5,795	5,677			
Other assets	572	639			
	6,472	6,488		500	721
			Net assets of the Coastal Company	5,972	5,767

The Group's share of JVs

GS JV (The Group's shared portion: 45%)

	31 December 2023	31 December 2022		31 December 2023	31 December 2022
	RMB million	RMB million		RMB million	RMB million
Cash and cash equivalents	349	369	Bank loans		
Concession intangible assets	2,682	2,728	- HKD	911	1055
Other assets	400	410	- RMB	276	281
			Other loan	12	12
			Other liabilities	685	854
	3,431	3,507		1,884	2,202
			Net assets of GS JV	1,547	1,305

GZ West JV (The Group's shared portion: 50%)

	31 December 2023	31 December 2022		31 December 2023	31 December 2022
	RMB million	RMB million		RMB million	RMB million
Cash and cash equivalents	229	158	Bank loans	1,956	2,056
Concession intangible assets	4,911	5,119	Other liabilities	434	555
Other assets	169	171			
	5,309	5,448		2,390	2,611
			Net assets of GZ West JV	2,919	2,837

Xintang JV (The Group's shared portion: 15%)

	31 December 2023	31 December 2022		31 December 2023	31 December 2022
	RMB million	RMB million		RMB million	RMB million
Cash and cash equivalents	30	37	Shareholder's loan	-	210
Inventories	775	957	Bank loan	296	93
Other assets	69	13	Other liabilities	145	326
	874	1,007		441	629
			Net assets of Xintang JV	433	378

	31 December 2023	31 December 2022		31 December 2023	31 December 2022
	RMB million	RMB million		RMB million	RMB million
			Total liabilities	9,333	10,276
			Equity attributable to equity shareholders of the Company	4,751	4,536
			Non-controlling interests	2,952	2,850
Total Assets	17,036	17,662	Total Shareholder's Equity and Liabilities	17,036	17,662
			Total net assets	7,703	7,386

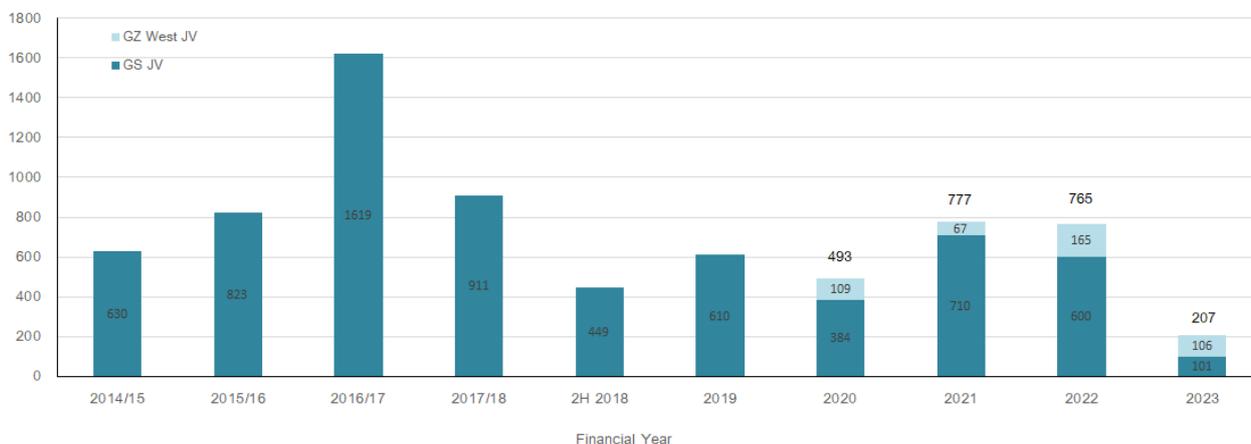
	31 December 2023	31 December 2022
	RMB million	RMB million
Total liabilities	4,710	4,834
Net debt ^{Note}	3,021	3,016
Total assets	12,413	12,220
Equity attributable to equity shareholders of the Company	4,751	4,536
Debt to asset ratio (Total liabilities / Total assets)	38%	40%
Gearing ratio (Net debt / Equity attributable to equity shareholders of the Company)	64%	66%

Note: Net debt is defined as total bank loans less total cash and cash equivalents, restricted bank deposits, structured deposits and time deposit.

Liquidity and Financial Resources

Cash Dividends (Net of Tax) from JVs to the Group

RMB million



Bank and Other Borrowings

On 31 December 2023, the Group (including the Coastal Company) had HK Dollar bank loan of equivalent to approximately RMB2,101 million and RMB bank loan of equivalent to approximately RMB1,931 million, together with the bank and other borrowings of the JVs shared by the Group amounted to approximately RMB3,452 million (including HK Dollar bank loan of equivalent to approximately RMB911 million, RMB bank loans of approximately RMB2,529 million and other loans of approximately RMB12 million), totalling approximately RMB7,484 million (31 December 2022: approximately RMB7,454 million) with the following profile:

- (a) 99.8% (31 December 2022: 99.8%) consisted of bank loans and 0.2% (31 December 2022: 0.2%) of other loan; and
- (b) 59.7% (31 December 2022: 57%) was denominated in RMB and 40.3% (31 December 2022: 43%) was denominated in HK Dollar.

Debt Maturity Profile

As at 31 December 2023, the maturity profile of the bank and other borrowings (excluding shareholder's loans) of the Group (including the corporate and the Coastal Company) and the Group's share of JVs were shown below, together with the corresponding comparatives as at 31 December 2022:

Corporate

	31 December 2023		31 December 2022	
	RMB million	%	RMB million	%
Repayable within 1 year	1,818	45%	1,146	29%
Repayable between 1 and 5 years	1,684	42%	1,781	45%
Repayable beyond 5 years	500	13%	1,000	26%
	4,002	100%	3,927	100%

Coastal Company

	31 December 2023		31 December 2022	
	RMB million	%	RMB million	%
Repayable within 1 year	-	-	-	-
Repayable between 1 and 5 years	8	28%	5	17%
Repayable beyond 5 years	22	72%	25	83%
	30	100%	30	100%

The Group's share of JVs

	31 December 2023		31 December 2022	
	RMB million	%	RMB million	%
Repayable within 1 year	598	17%	558	16%
Repayable between 1 and 5 years	2,122	62%	2,510	72%
Repayable beyond 5 years	732	21%	429	12%
	3,452	100%	3,497	100%

Interest Rate and Exchange Rate Exposure

The Group closely monitors its exposure to interest rates and foreign currency exchange rates. At present, the Group and JVs has not employed any financial derivative instruments to hedge their exposure to interest rates or foreign currency exchange rates.

Treasury Policies

The Group continues to adopt proactive but prudent treasury policies in its financial and funding management and closely monitors its liquidity, financial resources, interest rate and exchange rate movements, with a view to minimising its funding costs and enhancing return on its financial assets. The reasonable and efficient use of temporary idle funds will enhance the overall capital gain of the Group, which is consistent with the core objectives of the Group to ensure capital safety and liquidity, for example, the impact of risk factors on the expected rate of return of structured deposits with guaranteed principal is low, but the Group could get a higher return as compared with fixed term deposits in commercial banks in the PRC. As at 31 December 2023, 99% of the Group's bank balances and cash (including structured deposits) were denominated in RMB and the remaining 1% were denominated in HK Dollar. The overall treasury yield on bank deposits (including structured deposits) of the Group was 2.20% during the year whereas 2.90% during 2022.

Guarantee

As at 31 December 2023, the available banking facilities of the Group amounting to approximately RMB7,232 million (31 December 2022: approximately RMB5,344 million), in which the available banking facilities of the Company's subsidiaries amounting to approximately RMB4,832 million, were guaranteed by the Company. The Company is able to control the utilisation of the facilities.

Contingent Liability

The Group had no material contingent liability as at 31 December 2023.

Material Acquisition or Disposal

The Company's subsidiaries and joint ventures did not make any material acquisitions or disposals during the year ended 31 December 2023.

Events After The Reporting Period

Save as the announcement of the Company dated 25 January 2024 in relation to the continuing connected transaction in respect of the 2024 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement, there were no other significant events after the end of the reporting period and up to the approval date of this announcement.

OTHER INFORMATION

Review of Annual Results

The Audit Committee had reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed the financial reporting matters, including the Group's annual results for the year ended 31 December 2023.

Scope of Work of the Company's auditor in respect of the Preliminary Announcement

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Company's auditor, Messrs. KPMG, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by KPMG on the preliminary announcement.

Employees and Remuneration Policies

As at 31 December 2023, the Group (excluding JV companies) had 499 employees (including 434 employees from the Coastal Company). The Group provides competitive remuneration for its employees with reference to the prevailing market remuneration level and the performance of the employees. Discretionary bonuses will be granted to employees based on their individual performance and the Group's business performance. In addition, the Group also provides employees with staff benefits such as retirement contribution scheme, medical insurance, provident fund contributions and labour union benefits.

Besides offering competitive remuneration packages, the Group is committed to promoting family-friendly employment policies and practises. The Group also invests in human resources development. During the year, the Group formulated the "1234 Planned Action for Youth Employee Career Development System Optimisation (青年員工職業發展體系優化 1234 計劃行動)" and implemented the "Orientation Course Plan (引路人授課計劃)". Through the provision of relevant mechanism and system construction and internal and external training to enhance the productivity of employees and to fill the skill gap shown in their performance appraisal, employees are helped for career development and are provided with preparation for future positions, thereby promoting the successful development of the Group's business. Besides formal training programmes, the Group also provides comprehensive and relevant opportunities of training and further study to employees such as on-the-job training and the educational subsidies.

Purchase, Sale or Redemption of Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023.

Corporate Governance Practices

The Company is committed to the principles of corporate governance and corporate responsibility consistent with prudent management. It is the belief of the Board that such commitment will in the long term serve to enhance Shareholders' value. The Board has set up procedures on corporate governance that comply with the requirements of the CG Code.

During the year under review, the Company complied with all the code provisions as set out in the CG Code.

Model Code for Securities Transactions

The Company has adopted the Model Code as its model code for securities transactions by the Directors' and employees' share dealing rules (the "Share Dealing Rules") on terms no less exacting than those set out in the Model Code for the relevant employees who are or may be in possession of inside information. Having made specific enquiry with Directors and the relevant employees, all of them have confirmed that they have fully complied with the Model Code and the Share Dealing Rules respectively throughout 2023.

On behalf of the Board

Xiangwen LIAO*

Chairman

Hong Kong, 19 March 2024

**For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in RMB)

	<i>Notes</i>	2023 RMB'000	2022 RMB'000
Revenue	5	944,777	789,701
Cost of sales		<u>(643,957)</u>	<u>(599,808)</u>
Gross profit		<u>300,820</u>	<u>189,893</u>
Other income	6	37,825	83,682
Other net loss		(15,260)	(14,888)
Administrative expenses		(72,487)	(77,915)
Finance costs	7(b)	(171,923)	(85,106)
Share of results of joint ventures	12	<u>691,297</u>	<u>353,561</u>
Profit before tax		<u>770,272</u>	<u>449,227</u>
Income tax	8	<u>(132,043)</u>	<u>(122,486)</u>
Profit for the year	7	<u>638,229</u>	<u>326,741</u>
Attributable to:			
Equity shareholders of the Company		528,483	278,572
Non-controlling interests		<u>109,746</u>	<u>48,169</u>
Profit for the year		<u>638,229</u>	<u>326,741</u>
Earnings per share	9		
Basic		<u>RMB17.15cents</u>	<u>RMB9.04 cents</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in RMB)

	<i>Notes</i>	2023 RMB'000	2022 RMB'000
Profit for the year		638,229	326,741
Other comprehensive income for the year (after tax):			
Item that will not be reclassified to profit or loss:			
Fair value loss on investment in equity instrument at fair value through other comprehensive income("FVOCI"), net of tax		(1,371)	(90)
Item that may be reclassified subsequently to profit or loss:			
Exchange loss arising on translation of foreign operations		(40,771)	(187,084)
Other comprehensive income for the year		(42,142)	(187,174)
Total comprehensive income for the year		596,087	139,567
Attributable to:			
Equity shareholders of the Company		486,341	91,398
Non-controlling interests		109,746	48,169
Total comprehensive income for the year		596,087	139,567

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2023

(Expressed in RMB)

	<i>Notes</i>	2023 RMB'000	2022 RMB'000
Non-current assets			
Property, plant and equipment		271,599	289,976
Right-of-use assets		12,984	21,872
Construction in progress		23,987	6,956
Concession intangible assets	11	5,795,148	5,675,057
Other intangible assets		2,545	1,777
Interests in joint ventures	12	4,990,898	4,519,423
Equity instrument at FVOCI		18,477	20,000
Deposit paid for acquisition of property, plant and equipment		-	578
Deferred tax assets		116,979	210,959
		<u>11,232,617</u>	<u>10,746,598</u>
Current assets			
Inventories		212	427
Trade and other receivables	13	168,538	322,134
Amount due from a joint venture		-	210,385
Structured deposits		320,372	451,440
Time deposit		204,393	-
Restricted bank deposits		3,434	15,048
Cash and cash equivalents		483,617	474,015
		<u>1,180,566</u>	<u>1,473,449</u>
Total assets		<u><u>12,413,183</u></u>	<u><u>12,220,047</u></u>
Non-current liabilities			
Lease liabilities		4,682	13,885
Bank loans		2,214,075	2,811,290
Deferred tax liabilities		158,537	133,408
		<u>2,377,294</u>	<u>2,958,583</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2023 (CONTINUED)

(Expressed in RMB)

	<i>Notes</i>	2023 RMB'000	2022 RMB'000
Current liabilities			
Trade and other payables	14	505,933	715,907
Lease liabilities		9,081	8,872
Bank loans		1,817,816	1,145,512
Tax payables		-	5,386
		<u>2,332,830</u>	<u>1,875,677</u>
Total liabilities		<u>4,710,124</u>	<u>4,834,260</u>
Capital and reserves			
Share capital		270,603	270,603
Reserves		4,480,611	4,265,459
Total equity attributable to equity shareholders of the Company		<u>4,751,214</u>	<u>4,536,062</u>
Non-controlling interests		<u>2,951,845</u>	<u>2,849,725</u>
Total equity		<u>7,703,059</u>	<u>7,385,787</u>
Total equity and liabilities		<u>12,413,183</u>	<u>12,220,047</u>

Notes

(Expressed in RMB unless otherwise indicated)

1 General information

Shenzhen Investment Holdings Bay Area Development Company Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). As at 31 December 2023, the Company’s immediate holding company and ultimate holding company are Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd. (深圳投控國際資本控股基建有限公司) (“SIICHIC”), a company incorporated in the British Virgin Islands with limited liability, and Shenzhen Investment Holdings Co., Ltd (深圳市投資控股有限公司) (“SIHC”), a company established in the People’s Republic of China (“PRC”) with limited liability, respectively.

2 Basis of preparation of the consolidated financial statements

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations (hereinafter collectively referred to as the “IFRS Accounting Standards”) issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Company’s functional currency and presentation currency are Renminbi (“RMB”).

3 Application of the new and amended IFRS Accounting Standards

New and amended IFRS Accounting Standards adopted during the year

The Group has applied the following new and amended IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting period:

- IFRS 17, *Insurance contracts*
- Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to IAS 1, *Presentation of financial statements* and IFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*
- Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to IAS 12, *Income taxes: International tax reform – Pillar Two model rules*

The new and amended IFRS Accounting Standards applied for the year has had no material impact on the Group’s consolidated financial statements for the current and prior periods.

3 Application of the new and amended IFRS Accounting Standards (continued)

Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2023

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2023 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	<i>Effective for accounting periods beginning on or after</i>
Amendments to IAS 1, <i>Presentation of financial statements: Classification of liabilities as current or non-current</i> (“2020 amendments”)	1 January 2024
Amendments to IAS 1, <i>Presentation of financial statements: Non-current liabilities with covenants</i> (“2022 amendments”)	1 January 2024
Amendments to IAS 16, <i>Leases: Lease liability in a sale and leaseback</i>	1 January 2024
Amendments to IAS 7, <i>Statement of cash flows and IFRS 7, Financial Instruments: Disclosures: Supplier finance arrangements</i>	1 January 2024
Amendments to IAS 21, <i>The effects of changes in foreign exchange rates: Lack of exchangeability</i>	1 January 2025

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far, the Group has concluded that the adoption of them will have no significant impact on these consolidated financial statements.

4 Segment information

The Group’s reportable and operating segments are determined based on information reported to the chief operating decision maker (“CODM”) for the purpose of resource allocation and performance assessment.

Information reported to the CODM, including segment revenue, the Group’s share of joint ventures’ earnings before interest, tax, depreciation and amortisation and net exchange gain/loss (“EBITDA”), the Group’s share of joint ventures’ depreciation and amortisation including amortisation of additional cost of investments in joint ventures (“depreciation and amortisation”), the Group’s share of joint ventures’ interest and tax excluding tax on exchange gain/loss and including withholding tax on earnings distributed by joint ventures (“interest and tax”), and segment results. The CODM is more specifically focused on individual toll expressway projects and land development and utilisation project jointly operated and managed by the Group and the relevant joint venture partners. After the acquisition of the Coastal Company in 2022, the Group also operates and manages the toll expressway project individually. Accordingly, the Group’s reporting and operating segments under IFRS 8 “Operating Segments” are therefore as follows:

- Coastal Expressway (Shenzhen Section) (“Coastal Expressway”)
- Guangzhou - Shenzhen Superhighway (“GS Superhighway”)
- Guangzhou - Zhuhai West Superhighway (“GZ West Superhighway”)
- Xintang interchange

4 Segment information (continued)

Information regarding the above segments is reported below.

Segment revenue and results

	2023					2022				
	Segment revenue RMB'000	EBITDA RMB'000	Depreciation and amortisation RMB'000	Interest and tax RMB'000	Segment results RMB'000	Segment revenue RMB'000	EBITDA RMB'000	Depreciation and amortisation RMB'000	Interest and tax RMB'000	Segment results RMB'000
Toll expressway project										
Subsidiary										
Coastal Expressway	629,309	530,310	(227,200)	(97,897)	205,213	481,038	387,942	(180,737)	(118,392)	88,813
Joint ventures										
- GS Superhighway	1,301,491	1,338,774	(536,077)	(307,447)	495,250	1,016,109	940,532	(426,114)	(196,748)	317,670
- GZ West Superhighway	651,934	524,868	(268,854)	(126,060)	129,954	522,389	412,197	(200,994)	(117,324)	93,879
	2,582,734	2,393,952	(1,032,131)	(531,404)	830,417	2,019,536	1,740,671	(807,845)	(432,464)	500,362
Joint venture										
- Land development and utilisation project										
Xintang Interchange	369,096	61,022	(143)	(18,960)	41,919	30,521	7,214	(160)	(12,603)	(5,549)
Total	2,951,830	2,454,974	(1,032,274)	(550,364)	872,336	2,050,057	1,747,885	(808,005)	(445,067)	494,813
Corporate interest income from bank deposits					10,092					33,802
Corporate investment income from structured deposits					6,864					9,385
Corporate interest income from loans made by the Group to a joint venture					3,818					16,105
Other income and other gain					14,984					6,802
Corporate administrative expenses and depreciation					(78,820)					(77,895)
Corporate finance costs					(168,067)					(58,507)
Corporate income tax					(846)					(8,284)
Net exchange loss (net of related income tax) (note)					(22,132)					(89,480)
Profit for the year					638,229					326,741
Profit for the year attributable to non-controlling interests					(109,746)					(48,169)
Profit for the year attributable to equity shareholders of the Company					528,483					278,572

Note: Net exchange loss (net of related income tax) is composed of the Group's share of exchange loss (net of related income tax) of a joint venture of RMB12,981,000 (2022: RMB74,849,000) and the net exchange loss of the Group of RMB9,151,000 (2022: RMB14,631,000).

4 Segment information (continued)

Segment revenue and results (continued)

The segment revenue includes the Group's toll revenue from the operation of Coastal Expressway and the Group's share of joint ventures' toll revenue from the operations of toll expressways in the PRC and revenue from sales of properties from land development and utilisation project in the PRC based on the profit-sharing ratios specified in the relevant joint venture agreements but excludes the Group's construction revenue. All of the segment revenue reported above is earned from external customers.

The reconciliation between the total revenue of reportable segment and the revenue of the Group is as follows:

	2023 RMB'000	2022 RMB'000
Total reportable segment revenue	2,951,830	2,050,057
Exclusion of joint ventures' revenue	(2,322,521)	(1,569,019)
Construction revenue	<u>315,468</u>	<u>308,663</u>
The Group's revenue	<u><u>944,777</u></u>	<u><u>789,701</u></u>

The segment results represent (i) the Group's results from the operation of Coastal Expressway; (ii) the Group's share of joint ventures' results from the operations of toll expressways and land development and utilisation project in the PRC before net exchange gain/loss (net of related income tax) respectively based on the profit-sharing ratios or shareholding percentage specified in the relevant joint venture agreements; (iii) net of the withholding tax attributed to the dividend received from the joint ventures and deferred tax expenses recognised in respect of the undistributed earnings of the joint ventures; and (iv) amortisation of additional cost of investments in joint ventures. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Geographical information

The main operations of the Group and its joint ventures are located in Chinese Mainland. All of the Group and its joint ventures' revenue from external customers was generated from the services provided in Chinese Mainland. The non-current assets exclude other receivables and deferred tax assets amounting to RMB8,680,000 (2022: RMB12,738,000) are located in Hong Kong and the remaining balances are located in Chinese Mainland.

Segment assets and liabilities

Segment assets and liabilities are not disclosed as they are not regularly provided to the CODM for the purpose of resource allocation and performance assessment.

Information about major customers

No individual customer of the Group had contributed sales of over 10% of the total revenue of the Group for both years.

5 Revenue

	2023 RMB'000	2022 RMB'000
Toll revenue	629,309	481,038
Construction revenue	<u>315,468</u>	<u>308,663</u>
	<u>944,777</u>	<u>789,701</u>

6 Other income

	2023 RMB'000	2022 RMB'000
Interest income on:		
- Bank deposits	11,330	35,322
- Amount due from a joint venture	3,818	16,105
- Loan to a related party	-	13,425
Investment income from structured deposits	6,864	9,385
Government grants	200	596
Dividend income from equity instrument at FVOCI	920	500
Other services income	13,848	3,197
Others	<u>845</u>	<u>5,152</u>
	<u>37,825</u>	<u>83,682</u>

7 Profit before taxation

Profit before taxation is arrived at after charging:

	2023 RMB'000	2022 RMB'000
(a) Staff costs		
Staff costs(including directors' emoluments and other staff costs)	<u>88,552</u>	<u>87,568</u>
(b) Finance costs		
Interest on bank loans	167,289	58,166
Interest arising from capital reduction to Shenzhen Expressway	3,856	26,421
Interest on lease liabilities	<u>778</u>	<u>519</u>
	<u>171,923</u>	<u>85,106</u>
(c) Other items		
Auditor's remuneration	1,330	2,207
Depreciation of right-of-use-assets	8,636	5,170
Depreciation of property, plant and equipment	22,479	21,428
Amortisation of concession intangible assets and other intangible assets	206,533	157,831
Loss on disposal of property, plant and equipment	-	469
Short-term lease expense	956	1,556
Net exchange loss	9,151	14,631

8 Income tax

Taxation in the consolidated statement of profit or loss represents:

	2023 RMB'000	2022 RMB'000
Current tax		
- Corporate income tax	1,701	7,225
- Withholding tax	11,081	20,797
Deferred tax	<u>119,261</u>	<u>94,464</u>
	<u>132,043</u>	<u>122,486</u>

No provision for Hong Kong Profits Tax has been made as there was no assessable profit derived from or arising in Hong Kong for both years.

The provision for income tax in the current year's taxes of the Group is RMB11,081,000 (2022: RMB20,797,000), mainly representing the 5% withholding tax imposed on dividends declared during the year by joint ventures of the Group of which the corresponding amount had already been recognised as deferred tax liabilities in prior years in respect of undistributed earnings of a joint venture.

The reconciliation between income tax expense for the year and profit before tax in consolidated statement of profit or loss is set out below:

	2023 RMB'000	2022 RMB'000
Profit before taxation	<u>770,272</u>	<u>449,227</u>
Tax calculated at PRC statutory income tax rate of 25% (2022:25%)	192,568	112,306
Effect of different tax rates on income tax expense	(20,740)	(7,188)
Tax effect of income not taxable for tax purposes	(268)	(1,614)
Tax effect of non-deductible expenses	18,178	37,326
Tax effect of share of results of joint ventures	(172,824)	(88,390)
Tax effect of tax losses	78,767	46,577
Withholding tax	<u>36,362</u>	<u>23,469</u>
Income tax expense	<u>132,043</u>	<u>122,486</u>

9 Earnings per share

The calculation of basic earnings per share attributable to ordinary shareholders of the Company is based on the following data:

	2023 RMB'000	2022 RMB'000
Earnings for the purposes of basic earnings per share	<u>528,483</u>	<u>278,572</u>
	2023	2022
Number of ordinary shares for the purpose of basic earnings per share	<u>3,081,690,283</u>	<u>3,081,690,283</u>

There was no potential dilutive ordinary shares in issue during both years and therefore no diluted earnings per share were presented.

10 Dividends

(i) Dividends recognised as a distribution during the year:

	2023 RMB'000	2022 RMB'000
Final dividend for the year ended 31 December 2022 paid of RMB3.25 cents (equivalent to HK3.688685 cents) (2022: for the year ended 31 December 2021 paid of RMB10.45 cents (equivalent to HK12.880879 cents)) per share	100,155	332,495
Interim dividend for the year ended 31 December 2023 paid of RMB5.55 cents (equivalent to HK6.043062 cents) (2022: for the year ended 31 December 2022 paid of RMB5.75 cents per share, equivalent to HK6.67299 cents))per share	<u>171,034</u>	<u>177,147</u>
	<u>271,189</u>	<u>509,642</u>

(ii) Proposed dividends:

	2023 RMB'000	2022 RMB'000
Final dividend for the year ended 31 December 2023 proposed of RMB11.55 cents (equivalent to HK12.724173 cents) (2022: for the year ended 31 December 2022 proposed of RMB3.25 cents (equivalent to HK3.688685 cents)) per share	<u>355,935</u>	<u>100,155</u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

11 Concession intangible assets

RMB'000

Cost

As at 1 January 2022	9,312,151
Additions	<u>305,310</u>
As at 31 December 2022	<u>9,617,461</u>
As at 1 January 2023	9,617,461
Additions	<u>325,615</u>
As at 31 December 2023	<u>9,943,076</u>

Accumulated amortisation and impairment losses

As at 1 January 2022	3,785,185
Charge for the year	<u>157,219</u>
As at 31 December 2022	<u>3,942,404</u>
As at 1 January 2023	3,942,404
Charge for the year	<u>205,524</u>
As at 31 December 2023	<u>4,147,928</u>

Carrying amounts

As at 31 December 2023	<u><u>5,795,148</u></u>
As at 31 December 2022	<u><u>5,675,057</u></u>

As at 31 December 2023 and 2022, the concession intangible assets of Coastal Expressway are pledged to a bank to secure the bank facilities granted to Coastal Expressway.

Concession intangible assets represent the rights to operate Coastal Expressway granted by the relevant local government authorities in the PRC to the Coastal Company.

The period of rights to operate the toll is up to year 2038. In accordance with the relevant governments' approval documents and the relevant regulations, the Coastal Company is responsible for the construction of the toll roads and the acquisition of the related facilities and equipments. The Coastal Company is also responsible for the operations and management, maintenance and overhaul of the toll roads during the operation period. The toll fees collected and collectible during the operation period are attributable to the Coastal Company. The relevant toll roads assets are required to be returned to the local government authorities when the operation period expires without any consideration payable to the Coastal Company. The operating right is generally not renewable and the Coastal Company does not have any termination options.

11 Concession intangible assets (continued)

The Coastal Company has set policies to execute internal review on the total projected traffic volume during the operation period of the concessions annually. The Coastal Company also appoints an independent professional traffic consultant to perform independent professional traffic studies every 3 to 5 years, or when material differences between actual traffic volume and projected traffic volume exist and then adjust the amortisation based on unit usage according to the revised total projected traffic volume, to ensure that the respective concession intangible assets would be fully amortised in the operation period.

Carrying amounts of concession intangible assets as at 31 December 2023 and 2022 are net of impairment loss of RMB2,638,235,000 recognised in 2017.

12 Interests in joint ventures

	2023 RMB'000	2022 RMB'000
At 1 January	4,519,423	4,971,183
Share of result of joint ventures	691,297	353,561
Dividend received from joint ventures	<u>(219,822)</u>	<u>(805,321)</u>
At 31 December	<u>4,990,898</u>	<u>4,519,423</u>

13 Trade and other receivables

The following is the ageing analysis of trade receivables presented based on the revenue recognition date:

	2023 RMB'000	2022 RMB'000
0 - 60 days	31,808	28,425
61 - 90 days	11,195	9,291
91 - 180 days	34,693	34,056
181 - 365 days	<u>64,237</u>	<u>61,748</u>
	<u>141,933</u>	<u>133,520</u>

14 Trade and other payables

The following is the ageing analysis of trade payables presented based on the recognition dates:

	2023 RMB'000	2022 RMB'000
Within 1 year	46,344	153,547
Over 1 year	<u>153,330</u>	<u>665</u>
	<u>199,674</u>	<u>154,212</u>

GLOSSARY

“2014/15”	the year ended 30 June 2015
“2015/16”	the year ended 30 June 2016
“2016/17”	the year ended 30 June 2017
“2017/18”	the year ended 30 June 2018
“2H 2018”	the six months ended 31 December 2018
“2019”	the year ended 31 December 2019
“2020”	the year ended 31 December 2020
“2021”	the year ended 31 December 2021
“2022”	the year ended 31 December 2022
“2023”	the year ended 31 December 2023
“2024 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement”	the agreement dated 25 January 2024 entered into between the Coastal Company and Shenzhen Expressway Engineering Development Limited* (深圳高速工程發展有限公司) in relation to the provision of daily maintenance, electrical maintenance and towing services for the Coastal Expressway (Shenzhen Section) in 2024, as disclosed in the Company’s announcement dated 25 January 2024
“Audit Committee”	the audit committee of the Company
“Attached Buildings”	buildings constructed on the Resumed Land with an aggregated gross floor area of 13,785.70 square metres, as disclosed in the Company’s announcement dated 30 September 2022
“Beijing-Hong Kong-Macao Expressway (Guangzhou to Shenzhen Section) Reconstruction and Expansion Project”	the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang’an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway and the reconstruction and expansion project of the Dongguan Chang’an to Shenzhen Huanggang section of the Beijing-Hong Kong-Macao Expressway
“Board”	the board of Directors of the Company
“CG Code”	Corporate Governance Code contained in Appendix C1 to the Listing Rules
“Chinese Mainland”	the PRC, excluding Hong Kong and Macao
“Coastal Company”	Shenzhen Guangshen Coastal Expressway Investment Company Limited* (深圳市廣深沿江高速公路投資有限公司), a company incorporated in the PRC with limited liability, the equity interest of which is currently held as to 51% and 49% by the Company and Shenzhen Expressway respectively
“Coastal Expressway (Shenzhen Section)”	the Shenzhen section of Guangshen Coastal Expressway, which comprises of Coastal Phase I and Coastal Phase II
“Coastal Phase I”	Phase I of Coastal Expressway (Shenzhen Section), on the main line of Coastal Expressway (Shenzhen Section), the toll mileage is approximately 30.9 km and was opened to traffic on 28 December 2013

“Coastal Phase II”	Phase II of Coastal Expressway (Shenzhen Section) which includes two parts, being the construction of the interchange of the International Convention and Exhibition Center which was completed and opened to traffic in 2019 and the construction of the connection lane on the Shenzhen side of Shenzhen-Zhongshan Channel which has total length of approximately 5.7 km and is currently under construction
“Company”	Shenzhen Investment Holdings Bay Area Development Company Limited (formerly known as Hopewell Highway Infrastructure Limited), a company incorporated in the Cayman Islands with limited liability
“Compensation Agreement”	The Compensation Agreement for Resumption of State owned Land Use Rights* (收回國有土地使用權補償合同) entered into among Land Reserve Centre, GS JV and the Representatives on 30 September 2022 in relation to the Land Resumption, as disclosed in the Company’s announcement dated 30 September 2022
“Director(s)”	director(s) of the Company
“EBITDA”	earnings before interest, tax, depreciation and amortisation (before net exchange gain/loss)
“EIT”	enterprise income tax
“GDP”	gross domestic product
“GPCG”	Guangdong Provincial Communication Group Company Limited* (廣東省交通集團有限公司) and its subsidiaries collectively (including Guangdong Highway Construction, Lealu Investment and Leaxin Investment)
“Greater Bay Area”	Guangdong-Hong Kong-Macao Greater Bay Area, a national development strategy of the PRC
“Guangdong Highway Construction”	Guangdong Provincial Highway Construction Company Limited* (廣東省公路建設有限公司), the PRC joint venture partner of GS Superhighway JV and a company established in the PRC with limited liability and a non wholly-owned subsidiary of Guangdong Provincial Communication Group Company Limited* (廣東省交通集團有限公司), being a state-owned enterprise established in the PRC
“Group”	the Company and its subsidiaries
“GS JV” or “GSZ Company”	Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited, the joint venture established for the GS Superhighway
“GS Superhighway”	Guangzhou-Shenzhen Superhighway
“GZ West JV”	Guangdong Guangzhou-Zhuhai West Superhighway Company Limited, the joint venture company established for the GZ West Superhighway
“GZ West Superhighway”	Guangzhou-Zhuhai West Superhighway, also known as the Western Delta Route
“HK\$”, “HKD” or “HK Dollar(s)”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong” or “HKSAR”	the Hong Kong Special Administrative Region of the PRC
“HZM Bridge”	the Hong Kong-Zhuhai-Macao Bridge
“JV(s)”	joint venture(s)
“km”	kilometre(s)

“Land Reserve Centre”	Guangzhou Development District Land Development Reserve Exchange Centre* (廣州開發區土地開發儲備交易中心), a public institution in Guangzhou City, Guangdong Province, the PRC entrusted by Huangpu District Government to execute the Land Resumption, as disclosed in the Company’s announcement dated 30 September 2022
“Land Resumption”	the resumption of the land use rights of the Resumed Land and the Attached Buildings by Land Reserve Centre under the Compensation Agreement, as disclosed in the Company’s announcement dated 30 September 2022
“Lealu Investment”	Guangzhou Lealu Investment Company Limited* (廣州利路實業投資有限公司), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of GPCG
“Leaxin Investment”	Guangzhou Leaxin Investment Company Limited* (廣州利新實業投資有限公司), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of GPCG
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macao” or “Macao SAR”	the Macao Special Administrative Region of the PRC
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“net toll revenue”	toll revenue after related tax
“Parties”	collectively, Shenwan Infrastructure, Lealu Investment, Leaxin Investment and Shenzhen Run Investment, and each a “Party”
“PRC”	the People’s Republic of China
“PRD”	Pearl River Delta
“Project Land”	the land (plot number: 83101203A19206) located at the Xintang interchange on both sides of the GS Superhighway, as disclosed in the Company’s announcement dated 29 November 2019
“Representatives”	Guangzhou Huangpu District People’s Government Yunpu Street Office* (廣州市黃埔區人民政府雲埔街道辦事處) and Guangzhou Dongjin New District Development Co. Ltd.* (廣州東進新區開發有限公司), a limited company established in the PRC, as disclosed in the Company’s announcement dated 30 September 2022
“Resumed Land”	two land parcels located at the Luogang Interchange of Huangpu District of Guangzhou City, the PRC (i.e. in the Guangzhou section of the GS Superhighway) with an aggregated ascertained site area of 294,540.09 sq.m., as disclosed in the Company’s announcement dated 30 September 2022
“RMB”	Renminbi, the lawful currency of the PRC

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Shenwan Infrastructure”	Shenwan Bay Area Infrastructure (Shenzhen) Company Limited* (深灣基建(深圳)有限公司), a company established in the PRC with limited liability established by the Company for the purpose of investing into the Xintang JV
“Shenzhen Expressway”	Shenzhen Expressway Corporation Limited, a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00548) and the A shares of which are listed on the Shanghai Stock Exchange (Security Code: 600548)
“Shenzhen International”	Shenzhen International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00152)
“Shenzhen Run Investment”	Shenzhen Run Investment Consulting Co., Ltd.* (深圳市潤投諮詢有限公司), a company established in the PRC with limited liability
“SIHC”	Shenzhen Investment Holdings Co., Ltd* (深圳市投資控股有限公司), incorporated in the PRC with limited liability, the ultimate controlling shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Total Upper Limit”	The maximum total amount of contribution (whether by way of registered capital, shareholders’ loans, or in any other nature) by the Parties to Xintang JV shall not exceed RMB6.8 billion, as disclosed in the Company’s announcement dated 10 September 2020
“US”	the United States of America
“USD” or “US Dollar(s)”	United States Dollars, the lawful currency of the US
“Xintang JV”	Guangzhou Zhentong Development Company Limited* (廣州臻通實業發展有限公司), a joint venture established in the PRC for the development of the Project Land, the equity interest of which is currently held as to 15%, 20%, 5% and 60% by Shenwan Infrastructure, Lealu Investment, Leaxin Investment and Shenzhen Run Investment respectively
“YoY”	year-on-year

As at the date of this announcement, the Board comprises four Executive Directors namely, Mr. Xiangwen LIAO (Chairman), Mr. Jianming WU* (Executive General Manager), Mr. Cheng WU* (Deputy General Manager) and Mr. Ji LIU* (Deputy General Manager and secretary to the Board); two Non-executive Directors namely, Ms. Siyan CHEN* and Mr. Xuan WANG*; and three Independent Non-executive Directors namely, Mr. Yu Lung CHING, Mr. Tony Chung Nin KAN and Mr. Peng XUE**

** For identification purpose only*