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越秀交通基建有限公司

Yuexiu Transport Infrastructure Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 01052)

2014 INTERIM RESULTS ANNOUNCEMENT

The directors of Yuexiu Transport Infrastructure Limited (“Company”) are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, “Group”) for the six months ended 30 June 2014 as follows:

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2014

		(Unaudited)	
		Six months ended	
		30 June	
	<i>Note</i>	2014	2013
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	4	877,495	824,815
Cost of services	5	(287,690)	(267,473)
Construction income under service concession upgrade services		2,371	34,470
Construction cost under service concession upgrade services		(2,371)	(34,470)
Other income, gains and losses - net	6	8,951	12,915
General and administrative expenses	5	<u>(105,234)</u>	<u>(101,515)</u>
Operating profit		493,522	468,742
Finance income	7	17,672	50,738
Finance costs	7	(160,770)	(176,746)
Share of result of a joint venture		9,031	5,904
Share of results of associates		<u>127,163</u>	<u>114,095</u>

		(Unaudited)	
		Six months ended	
		30 June	
	<i>Note</i>	2014	2013
		<i>RMB'000</i>	<i>RMB'000</i>
Profit before income tax		486,618	462,733
Income tax expense	8	<u>(108,090)</u>	<u>(130,204)</u>
Profit for the period		<u>378,528</u>	<u>332,529</u>
Profit attributable to:			
Shareholders of the Company		290,519	255,369
Non-controlling interests		<u>88,009</u>	<u>77,160</u>
		<u>378,528</u>	<u>332,529</u>
Earnings per share for profit attributable to shareholders of the Company		RMB per share	RMB per share
Basic and diluted	9	<u>0.1736</u>	<u>0.1526</u>
		RMB'000	RMB'000
Interim dividend	10	<u>146,151</u>	<u>133,086</u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

	(Unaudited)	
	Six months ended	
	30 June	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the period	378,528	332,529
Other comprehensive income		
<i>Item that will be reclassified to profit or loss</i>		
Currency translation differences	<u>222</u>	<u>467</u>
Total comprehensive income for the period	<u>378,750</u>	<u>332,996</u>
Total comprehensive income attributable to:		
Shareholders of the Company	290,741	255,836
Non-controlling interests	<u>88,009</u>	<u>77,160</u>
	<u>378,750</u>	<u>332,996</u>

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2014**

		(Unaudited)	(Audited)
		As at	As at
	<i>Note</i>	30 June 2014	31 December 2013
		<i>RMB'000</i>	<i>RMB'000</i>
ASSETS			
Non-current assets			
Intangible operating rights		13,143,869	13,314,416
Goodwill		368,806	368,806
Property, plant and equipment		655,486	648,148
Investment properties		16,514	16,354
Investment in a joint venture		354,980	345,949
Investments in associates		1,538,240	1,567,139
Available-for-sale financial assets		812	812
Other non-current receivables	11	<u>121,980</u>	<u>127,508</u>
Total non-current assets		<u><u>16,200,687</u></u>	<u><u>16,389,132</u></u>
Current assets			
Trade receivables	12	70,586	32,210
Other receivables, deposits and prepayments	12	200,374	177,950
Short term bank deposits		27,000	22,000
Cash and cash equivalents		<u>1,135,891</u>	<u>1,604,676</u>
Total current assets		<u><u>1,433,851</u></u>	<u><u>1,836,836</u></u>
Total assets		<u><u>17,634,538</u></u>	<u><u>18,225,968</u></u>
EQUITY			
Equity attributable to the shareholders of the Company			
Share capital		147,322	147,322
Reserves		<u>8,207,720</u>	<u>8,128,445</u>
		8,355,042	8,275,767
Non-controlling interests		<u>1,924,575</u>	<u>2,002,559</u>
Total equity		<u><u>10,279,617</u></u>	<u><u>10,278,326</u></u>

	<i>Note</i>	(Unaudited) As at 30 June 2014 <i>RMB'000</i>	(Audited) As at 31 December 2013 <i>RMB'000</i>
LIABILITIES			
Non-current liabilities			
Borrowings		4,835,487	5,096,381
Deferred income tax liabilities		<u>1,527,338</u>	<u>1,524,700</u>
Total non-current liabilities		<u>6,362,825</u>	<u>6,621,081</u>
Current liabilities			
Borrowings due within one year		549,707	705,504
Amounts due to non-controlling interests of subsidiaries		115,219	148,461
Amounts due to holding companies		227	225
Amount due to a joint venture		42,000	42,000
Trade and other payables and accrued charges	13	247,347	348,939
Current income tax liabilities		<u>37,596</u>	<u>81,432</u>
Total current liabilities		<u>992,096</u>	<u>1,326,561</u>
Total liabilities		<u>7,354,921</u>	<u>7,947,642</u>
Total equity and liabilities		<u>17,634,538</u>	<u>18,225,968</u>
Net current assets		<u>441,755</u>	<u>510,275</u>
Total assets less current liabilities		<u>16,642,442</u>	<u>16,899,407</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2014 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

2. Accounting policies

The accounting policies applied are consistent with those of the Group’s annual financial statements for the year ended 31 December 2013.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new standards and amendments relevant to its operations are mandatory for adoption for the financial year beginning 1 January 2014 for the Group.

HKAS 32 (amendment)	Offsetting Financial Assets and Liabilities
HKAS 36 (amendment)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (amendment)	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC)-Int 21	Levies
HKFRS 10, 12 and HKAS 27 (amendment)	Consolidation for Investment Entities

The adoption of these new standards and amendments to existing standards does not have significant impact on the Group’s condensed consolidated interim financial information.

The following new standards, amendments and improvements to existing standards relevant to its operations have been issued but are not effective for the financial year beginning 1 January 2014 and have not been early adopted:

		Effective for accounting periods beginning on or after
HKASs and HKFRSs	Annual improvements 2010 - 2012 Cycle	1 July 2014
HKASs and HKFRSs	Annual improvements 2011 - 2013 Cycle	1 July 2014
HKAS 16 and HKAS 38 (amendment)	Methods of depreciation and amortisation	1 January 2016
HKAS 19 (amendment)	Defined Benefit Plans - Employee Contributions	1 July 2014
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 11 (amendment)	Accounting for acquisitions of interests in joint operation	1 January 2016
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2017

Management is in the process of making an assessment of the impact of the standards and amendments to standards and is not yet in a position to state whether they would have a significant impact on the Group's results of operations and financial position.

3. Significant accounting estimates and assumptions

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2013.

4. Revenue and segment information

The Group is principally engaged in the operation and management of toll highways, bridges and port in the PRC.

The chief operating decision-maker has been identified as the Board of Directors. The Board of Directors reviews the Group's internal reporting in order to assess performance of the Group's main reporting segment - Toll highways and bridges projects in the PRC. The Board of Directors assesses the performance of this main reporting segment based on measurement of profit after income tax for the period. Other operations mainly comprise port operation, investment and others. There have been no sales carried out between segments. None of these operations constitutes a separate segment.

Business segment	Toll roads operations <i>RMB'000</i>	Port and all other segments <i>RMB'000</i>	Total <i>RMB'000</i>
Six months ended 30 June 2014			
Revenue (from external customers)	877,495	—	877,495
Amortisation of intangible operating rights	<u>(172,918)</u>	<u>—</u>	<u>(172,918)</u>
Operating profit/(loss)	494,300	(778)	493,522
Finance income	17,672	—	17,672
Finance costs	(160,770)	—	(160,770)
Share of result of a joint venture	9,031	—	9,031
Share of results of associates	<u>127,163</u>	<u>—</u>	<u>127,163</u>
Profit/(loss) before income tax	487,396	(778)	486,618
Income tax expense	<u>(108,090)</u>	<u>—</u>	<u>(108,090)</u>
Profit/(loss) for the period	<u>379,306</u>	<u>(778)</u>	<u>378,528</u>
Six months ended 30 June 2013			
Revenue (from external customers)	824,815	—	824,815
Amortisation of intangible operating rights	<u>(151,449)</u>	<u>—</u>	<u>(151,449)</u>
Operating profit	468,728	14	468,742
Finance income	50,738	—	50,738
Finance costs	(176,746)	—	(176,746)
Share of result of a joint venture	5,904	—	5,904
Share of results of associates	<u>114,095</u>	<u>—</u>	<u>114,095</u>
Profit before income tax	462,719	14	462,733
Income tax expense	<u>(130,204)</u>	<u>—</u>	<u>(130,204)</u>
Profit for the period	<u>332,515</u>	<u>14</u>	<u>332,529</u>

Assets and liabilities	Toll roads operations <i>RMB'000</i>	Port and all other segments <i>RMB'000</i>	Total <i>RMB'000</i>
As at 30 June 2014			
Total segment assets	17,034,110	600,428	17,634,538
Total segment assets include:			
Investment in a joint venture	354,980	—	354,980
Investments in associates	1,538,240	—	1,538,240
Total segment liabilities	(6,919,513)	(435,408)	(7,354,921)
Total segment liabilities include:			
Amount due to a joint venture	<u>(42,000)</u>	<u>—</u>	<u>(42,000)</u>
As at 31 December 2013			
Total segment assets	17,644,834	581,134	18,225,968
Total segment assets include:			
Investment in a joint venture	345,949	—	345,949
Investments in associates	1,567,139	—	1,567,139
Total segment liabilities	(7,532,087)	(415,555)	(7,947,642)
Total segment liabilities include:			
Amount due to a joint venture	<u>(42,000)</u>	<u>—</u>	<u>(42,000)</u>

The Group's businesses are primarily domiciled in the PRC. All revenues of the Group from external customers are generated in the PRC. Besides, most of the assets of the Group are located in the PRC. Thus no geographic information is presented.

There are no differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

5. Expenses by nature

Expenses included in cost of services and general and administrative expenses are analysed as follows:

	Six months ended 30 June	
	2014 RMB'000	2013 RMB'000
Business tax	29,966	28,206
Amortisation of intangible operating rights	172,918	151,449
Depreciation of property, plant and equipment	10,065	9,642
Toll highways and bridges maintenance expenses	12,026	19,735
Toll highways and bridges operating expenses	23,791	21,785
Staff costs (including Directors' emoluments)		
- Wages and salaries	84,569	74,951
- Pension costs (defined contribution plan)	7,196	7,308
- Social security costs	6,941	6,402
- Staff welfare	17,677	17,218
Auditor's remuneration	<u>1,210</u>	<u>1,100</u>

6. Other income, gains and losses — net

	Six months ended 30 June	
	2014 RMB'000	2013 RMB'000
Exchange (loss)/gain - net	(8,390)	3,037
Loss on disposal of property, plant and equipment	(55)	(122)
Advertising income	1,076	1,134
Compensation for expressways and bridges damages	4,887	1,196
Handling income from toll fee collection	6,269	3,565
Management service income	2,617	1,140
Rental income	1,118	931
Others	<u>1,429</u>	<u>2,034</u>
	<u>8,951</u>	<u>12,915</u>

7. Finance income / costs

	Six months ended	
	30 June	
	2014	2013
	RMB'000	RMB'000
Bank interest income	13,709	8,017
Interest income on other non-current receivables	3,963	4,155
Interest income on compensation receivable	—	18,126
Exchange gain of bank borrowings	—	20,440
Finance income	<u>17,672</u>	<u>50,738</u>

	Six months ended	
	30 June	
	2014	2013
	RMB'000	RMB'000
Interest expenses:		
- Bank borrowings	(151,345)	(182,123)
- Bank facility fees	(2,980)	(3,000)
- Loans from non-controlling interests of certain subsidiaries	(519)	(377)
- Other loans	(464)	(556)
Exchange loss of bank borrowings	<u>(16,637)</u>	<u>—</u>
	(171,945)	(186,056)
Less: amount capitalised in construction in progress	<u>11,175</u>	<u>9,310</u>
Finance costs	<u>(160,770)</u>	<u>(176,746)</u>

8. Income tax expenses

- (a) No provision for Hong Kong profits tax has been made in the condensed consolidated interim financial information as the Group had no income assessable to Hong Kong profits tax during the period (30 June 2013: Nil).
- (b) During the six months ended 30 June 2014, PRC enterprises income tax was provided on the profits of the Group's subsidiaries, associates and a joint venture in the PRC in accordance with the Corporate Income Tax Law of China.

The applicable principal income tax rate for the six months ended 30 June 2014 is 25% (30 June 2013: 25%).

In addition, dividend distribution out of profit of foreign-invested enterprises earned after 1 January 2008 is subject to withholding income tax at a tax rate of 5% or 10%. During the period, withholding income tax was provided for undistributed profits of the Group's subsidiaries and associates in the PRC at a rate of 5% or 10% (30 June 2013: 5% or 10%).

- (c) The amount of income tax charged to the interim condensed consolidated income statement represents:

	Six months ended 30 June	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax		
PRC enterprise income tax	105,452	94,428
Deferred income tax	<u>2,638</u>	<u>35,776</u>
	<u>108,090</u>	<u>130,204</u>

9. Earnings per share for profit attributable to shareholders of the Company

Basic and diluted earnings per share are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2014	2013
Profit attributable to shareholders of the Company (RMB'000)	<u>290,519</u>	<u>255,369</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,673,162</u>	<u>1,673,162</u>
Basic and diluted earnings per share (RMB)	<u>0.1736</u>	<u>0.1526</u>

The diluted earnings per share for the six months ended 30 June 2014 equals to the basic earnings per share as there are no potential dilutive ordinary shares in issue during the period.

10. Interim dividend

	Six months ended 30 June	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Interim, proposed, of HK\$0.11 equivalent to approximately RMB0.09 (2013: HK\$0.10 equivalent to approximately RMB0.08) per share	<u>146,151</u>	<u>133,086</u>

The interim dividend was proposed after the balance sheet date and has not been recognised as a liability at the balance sheet date.

11. Other non-current receivables

Non-current receivable represents the non-current portion of the present value of consideration receivable, discounted at the rate of 5.32% in relation to the disposal of the Group's toll operating rights of Xiang Jiang Bridge II completed in 2009.

As at 30 June 2014, the total remaining balance of the consideration receivable was RMB140,300,000 (31 December 2013: RMB143,100,000) which will be settled by 16 half yearly installments until the end of its concession period, i.e. 30 November 2021. Approximately RMB122,000,000 (31 December 2013: RMB127,500,000) will be received after 30 June 2015 (31 December 2014) according to the repayment schedule.

12. Trade and other receivables, deposits and prepayments

Trade receivables are mainly toll revenue collected by other parties on behalf of the Group. The ageing of the balance is within 30 days (31 December 2013: 30 days).

The Group's revenue is generally settled in cash and it usually does not maintain any account balances owing. Accordingly, the Group does not have any specified credit period for its customers.

13. Trade and other payables and accrued charges

	As at	
	30 June 2014	31 December 2013
	RMB'000	RMB'000
Trade payables	78,831	98,471
Other payables and accrued charges	<u>168,516</u>	<u>250,468</u>
	<u>247,347</u>	<u>348,939</u>
The ageing analysis of trade payables is as follows:		
0 - 30 days	10,209	20,606
31 - 90 days	16,521	14,453
Over 90 days	<u>52,101</u>	<u>63,412</u>
	<u>78,831</u>	<u>98,471</u>

14. Event occurring after the balance sheet date

On 10 July 2014, the Group completed the acquisition of the remaining 10% of equity interest in Hubei Han-Xiao Highway Construction and Operations Company Limited (“Han-Xiao Company”) for the consideration of RMB88 million. Han-Xiao Company becomes an indirect wholly-owned subsidiary of the Company.

This is regarded as a step acquisition and is accounted for as an equity transaction under HKFRS 3 - Business Combinations. The difference between the fair value of consideration paid for the acquisition and the related carrying value of non-controlling interest acquired at the acquisition date will be charged to the transaction with non-controlling interests reserve in the equity.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM RESULTS AND DIVIDEND

For the period ended 30 June 2014 (the ‘Reporting Period’), the Group managed to achieve a steady growth in its overall result although specific projects suffered from diversion impacts. During the Reporting Period, the toll revenue of the Group was RMB877.5 million, representing a year on year growth of 6.4%. Profit attributable to shareholders was RMB290.5 million, representing a year on year growth of 13.8%

The Board resolved to declare an interim dividend for 2014 of HK\$0.11 per share, which is equivalent to approximately RMB0.087350 per share (interim period of 2013: HK\$0.10 per share, which is equivalent to approximately RMB0.079542 per share), representing an interim dividend payout ratio of 50.3% approximately.

BUSINESS REVIEW

Summary Information of Operating Toll Roads and Bridges

	Toll Mileage	Width (Lanes)	Toll Station(s)	Road Type	Attributable Interests (%)	Remaining Operating Term (years)
Subsidiaries						
GNSR Expressway	42.5	6	5 ⁽¹⁾	Expressway	60.00	18
Xian Expressway	20.1	4	3	Expressway	100.00	2
Cangyu Expressway	23.3	4	1	Expressway	100.00	16
Jinbao Expressway	23.9	4	3	Expressway	60.00 ⁽²⁾	16
Han-Xiao Expressway	38.5	4	2	Expressway	90.00 ⁽³⁾	22
Changzhu Expressway	46.5	4	5	Expressway	90.00	26
Weixu Expressway	64.3	4	2	Expressway	100.00	21
Associates and Joint Venture						
GWSR Expressway	42.1	6	4 ⁽¹⁾	Expressway	35.00	16
Humen Bridge	15.8	6	4	Suspension Bridge	27.78 ⁽⁴⁾	15
Northern Ring Road	22.0	6	8 ⁽¹⁾	Expressway	24.30	9
Shantou Bay Bridge	6.5	6	3 ⁽¹⁾	Suspension Bridge	30.00	14
Qinglian Expressway	215.2	4	16 ⁽¹⁾	Expressway	23.63	20

- (1) Since the implementation of the unified tolling system in Guangdong Province since 29th June 2014, toll stations of main lane and code stations of various Guangdong projects invested and operated by the Group were removed as required.
- (2) The Group holds 60% interests; profit sharing ratio: 90% up to 2012, 40% from 2013 to 2015, and 60% from 2016 onwards.
- (3) The Group exercised the call option to acquire the remaining 10% equity interests of the PRC company which owned Han-Xiao Expressway on 16 June 2014, and completed the equity transfer on 10 July 2014. As such, the equity interests attributable to Han-Xiao Expressway remained 90% as of the balance sheet date.
- (4) The profit sharing ratio was 18.446% from 2010 onwards.

**Toll Summary of Toll Roads and Bridges
For the six months ended 30 June 2014**

	Average daily toll traffic volume		Average daily toll revenue	
	1H 2014 (Vehicle/ day)	Change (%)	1H 2014 (RMB/ day)	Change (%)
Subsidiaries				
GNSR Expressway	141,177	14.8%	2,176,889	11.3%
Xian Expressway	51,747	7.5%	668,876	3.9%
Cangyu Expressway	7,542	-37.7%	180,473	-36.1%
Jinbao Expressway	24,622	-2.1%	259,436	-8.9%
Han-Xiao Expressway	18,144	27.0%	380,021	14.0%
Changzhu Expressway	15,011	20.5%	430,838	18.0%
Weixu Expressway	15,574	23.6%	751,509	8.6%
Associates and Joint Venture				
GWSR Expressway	44,436	14.0%	846,758	10.7%
Humen Bridge	88,248	9.8%	3,470,650	10.0%
Northern Ring Road	245,731	9.0%	1,795,946	8.9%
Shantou Bay Bridge	19,097	11.4%	665,914	5.8%
Qinglian Expressway	33,018	20.9%	2,243,400	18.5%

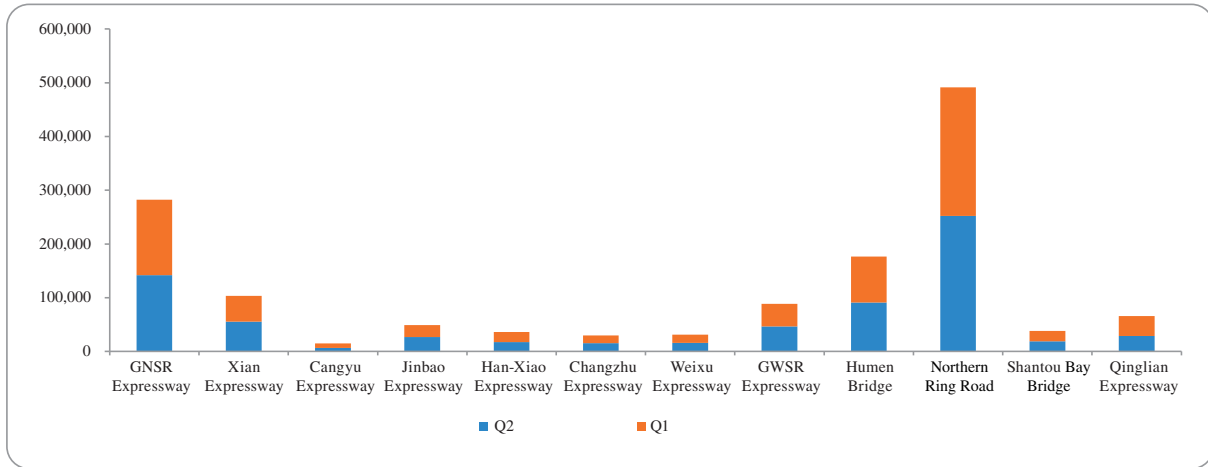
Toll Roads and Bridges

Quarterly analysis of average daily toll traffic volume for 1H 2014

	Average daily toll traffic volume for Q1 (Vehicle/day)	Average daily toll traffic volume for Q2 (Vehicle/day)
Subsidiaries		
GNSR Expressway	140,520	141,828
Xian Expressway	48,122	55,332
Cangyu Expressway ⁽¹⁾	8,705	6,392
Jinbao Expressway	22,162	27,056
Han-Xiao Expressway	19,019	17,278
Changzhu Expressway	14,412	15,604
Weixu Expressway	15,166	15,979
Associates and Joint Venture		
GWSR Expressway	42,300	46,548
Humen Bridge	85,575	90,892
Northern Ring Road	238,960	252,427
Shantou Bay Bridge	19,438	18,759
Qinglian Expressway ⁽¹⁾	37,088	28,992

- (1) During the Spring Festival, the traffic volume of Cangyu Expressway (being an important road connecting Guangdong Province and Guangxi Province) and Qinglian Expressway (being an important road connecting Guangdong Province and Hunan Province) grew significantly, resulting in a much higher average daily toll traffic volume in the first quarter than that in the second quarter.

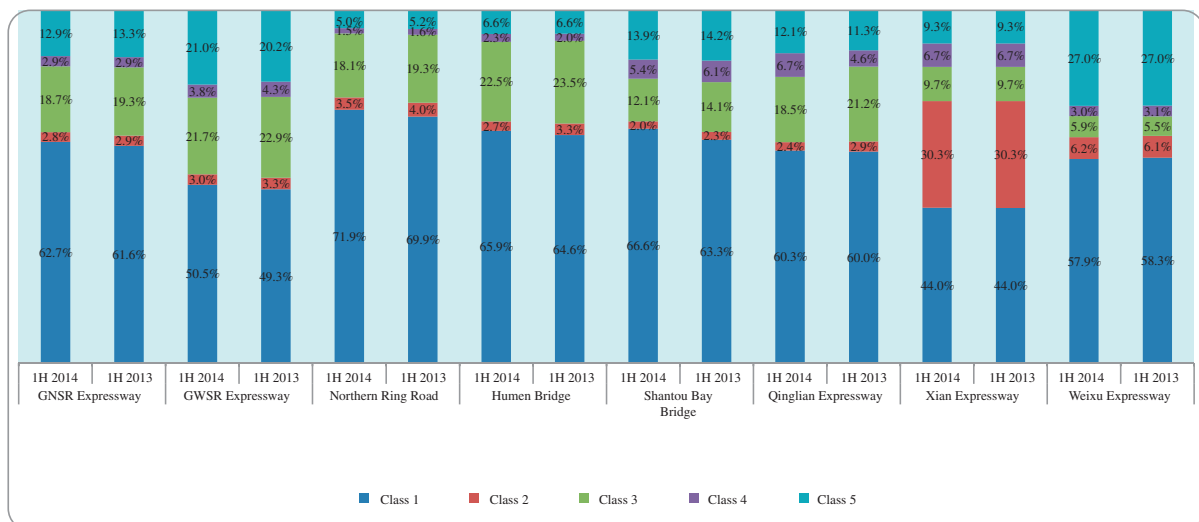
Analysis of average daily toll traffic volume for Q1 and Q2 of 2014



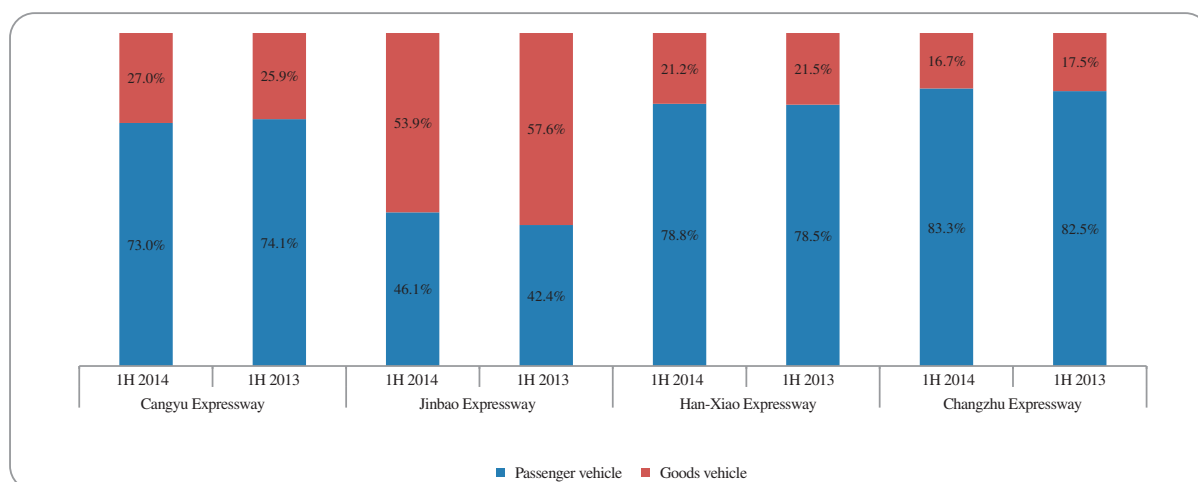
Vehicle type analysis (by traffic volume)

During the Reporting Period, the Group's operating projects are distributed in seven provinces/municipal including Guangdong, Guangxi, Hunan, Hubei, Shaanxi, Henan and Tianjin. According to the vehicle type classification, which was based on the location where the Group invested and operated its projects, the vehicle types of projects operated in the provinces of Guangdong, Shaanxi and Henan were classified as Class 1 to Class 5, for projects operated in other areas, the vehicle types were classified into passenger (vehicle) and goods (vehicle).

Vehicle type analysis on projects operated in the provinces of Guangdong, Shaanxi and Henan for 1H 2014 (based on statistics of traffic volume)



Vehicle type analysis on projects operated in other regions for 1H 2014 (based on statistics of traffic volume)



Due to a series of vehicle traffic restriction polices carried out in Tianjin since 1 March 2014, both the amount and proportion of goods vehicle volumes declined year on year for Jinbao Expressway.

Summary of operating performance

Macroeconomic environment

During the Reporting Period, the Chinese government, confronting the internal and external complexities, upheld the tone of ‘tending to be slow and steady’ and ‘making progress while ensuring stability’ as the framework of policy-making to scientifically coordinate a series of action to ensure growth, promote reforms, rebalance structure, and improve household living standards. With continuous reforms and innovation, economic rebalancing, measures that allow the market to play a bigger role, and more emphasis of targeted macro-control policies, Chinese economy in overall has maintained its stable pattern along with steadily improving economic rebalancing. According to the preliminary estimation, the GDP for the first half of 2014 amounted to RMB 26.9044 trillion, representing a year on year growth of 7.4%.

For the first half of the year, the investment of fixed transport assets remained significant, of which the investment in highway construction increased by 10.9%. The aggregate national traffic demand remained stable as highways’ passenger and freight volumes grew by 1.5% and 9.2% respectively year-on-year. The growth of freight volumes was much higher than that of passenger volumes.

During the Reporting Period, the economy of Guangdong Province remained stable with continuous improvement in economic rebalancing and further advancement in the quality and efficiency of economic growth. The overall economy developed steadily with a positive momentum for improvement in quality. The GDP during the period amounted to RMB3.0879 trillion, representing a year on year growth of 7.5%. The economic growth in regions where the Group had controlling interests in projects (including Shaanxi, Tianjin, Guangxi, Hunan, Hubei and Henan) remained relatively fast; their GDPs in the first half grew by 9.7%, 10.3%, 8.5%, 9.3%, 9.5% and 8.8% respectively, all of which were higher than the national level for the same period.

(Unit: RMB100 million)

	Guangxi							
	National	Guangdong Province	Shaanxi Province	Tianjin City	Guangxi Autonomous Region	Hunan Province	Hubei Province	Henan Province
GDP in 1H 2014	269,044	30,879	7,423	7,185	6,328	11,975	12,062	15,779
Growth rate in 1H 2014	7.4%	7.5%	9.7%	10.3%	8.5%	9.3%	9.5%	8.8%
Growth rate in 1H 2013	7.6%	8.5%	11.0%	12.5%	10.2%	10.0%	9.7%	8.4%

Source: National and Provincial Bureaux of Statistics, Ministry of Transport

Policy Environment of the Sector

During the Reporting Period, the policy environment of toll road sector remains steady and positive. The Fo Kai Expressway's Xiebian-Sanbao section has been approved to extend its concession period by 9 years due to its expansion work by Guangdong Provincial government. A series of concession period extension were approved and reinforced in 15 expressways by Provincial Government in Shandong, of which the longest extension was 5 years. On 16 May 2014, the public hearing of expressway toll rates in Guangxi Autonomous Region approved the proposal of rate adjustments for expressways commenced operation since 2008 (toll rate of Class 1 vehicle increased to RMB0.5/km from RMB0.4/km).

During the Reporting Period, the unified tolling system and toll by weight policy were carried out as planned in Guangdong Province. Therefore, the operational performance of the Group's projects in Pearl River Delta Region is expected to be positively catalyzed.

During the Reporting period, the "Green Passage Toll Free Policy" was enforced on the expressways and bridges of the Group in compliance with the relevant national requirements, resulting in a decrease of approximately RMB53.47 million in the Group's toll revenue (a decrease of RMB60.44 million was recorded in the first half of 2013).

During the Reporting Period, in compliance with the national regulations, the toll-free policy for passenger cars with seven seats or less during major holidays were implemented at all of the Group's expressways and bridges. There were a total of 13 days toll free in the first half of 2014. During these toll free holidays, the twelve expressways and bridges operated by the Group's subsidiaries, associates and joint venture recorded actual toll revenue of approximately RMB61.64 million, representing an increase of 5.9% approximately year-on-year (RMB58.19 million was recorded approximately for the first half of 2013).

Business Improvements and Innovations

During the Reporting Period, the Group managed to boost operational performance of its projects through its reinforced efforts in road marketing such as optimization of signals and signs, propaganda by broadcast and radio and distribution of driving guidance and deepening the linkage mechanism of "road administration, traffic police and rescue" to ensure smooth traffic. Meanwhile, the Group strengthened its core operational capabilities through further enhancing the standardized management in maintenance, road administration, electromechanic and so on. Additionally, the Group, by actively promoting the informationization of administrative system, professional manager mechanism, comprehensive risk management system managed to further enhance the internal managerial efficiency.

Progress of Investment

After several acquisitions in recent years, the Group has achieved rapid growth in its scale of assets. During the Reporting Period, the emphasis of the Group was shifted to the continuous improvement of the operational management and profitability of its existing projects. In the long run, the Group will timely acquire projects with high growth potential, particularly for projects in central region or Guangdong Province.

Performance of Expressways and Bridges

Subsidiaries

GNSR Expressway

During the Reporting Period, the average daily toll traffic volume was 141,177 vehicles and the average daily toll revenue was RMB2,177,000, representing an increase of 14.8% and 11.3%, respectively, when compared with the first half of 2013.

Benefiting from the stabilization and recovery of regional economy, growth of passenger vehicle ownership and the escalating traffic restriction regarding certain types of goods vehicles during specific hours enforced on the First Ring Road of Guangzhou since 25 February 2014, the average daily toll traffic volume and average daily toll revenue maintained rapid growth year-on-year.

Xian Expressway

During the Reporting Period, the average daily toll traffic volume was 51,747 vehicles and the average daily revenue was RMB669,000, representing an increase of 7.5% and 3.9%, respectively, when compared with the first half of 2013.

In accordance with the expressway development planning of Shaanxi Province, a reconstruction and expansion project will be implemented to change the existing four lanes to eight lanes for Xian Expressway. Pursuant to the agreement with the parties involved in the renovation and expansion project, toll revenue for the remaining operation term since January 2014 will be calculated based on the actual revenue for 2013 and increase progressively by an annual average of 3.5%. (Toll revenue increased by more than 3.5% year on year during the Reporting Period was due to the recognition of pre-distributed revenue amounted to RMB490,000 in December 2013)

Cangyu Expressway

During the Reporting Period, the average daily toll traffic volume was 7,542 vehicles and the average daily toll revenue was RMB180,000, representing a decrease of 37.7% and 36.1%, respectively, when compared with the first half of 2013.

Due to the diversion impact from the full commencement of Yunluo Expressway and Guanghe Expressway since 28 December 2013, the average daily toll traffic volume and average daily toll revenue both significantly declined year-on-year.

Jinbao Expressway

During the Reporting Period, the average daily toll traffic volume was 24,622 vehicles and the average daily toll revenue was RMB259,000, representing a decrease of 2.1% and 8.9%, respectively, when compared with the first half of 2013.

Due to the impact of traffic restriction regarding vehicles began from 1 March 2014 in Tianjin (including measures to ban non-local vehicles and goods vehicles in different hours, regional restriction policy according to the last digit of license during working days), decline of goods vehicle volumes was recorded which resulted in the year on year decrease of average daily toll traffic volume and average daily toll revenue.

Han-Xiao Expressway

During the Reporting Period, the average daily toll traffic volume was 18,144 vehicles and the average daily toll revenue was RMB380,000, representing an increase of 27.0% and 14.0%, respectively, when compared with the first half of 2013.

Due to the regional rapid economic growth and rising vehicle ownership, the average daily toll traffic volume and the average daily toll revenue both increased rapidly year-on-year.

Changzhu Expressway

During the Reporting Period, the average daily toll traffic volume was 15,011 vehicles and the average daily toll revenue was RMB431,000, representing an increase of 20.5% and 18.0%, respectively, when compared with the first half of 2013.

As a result of commencement of Northeast Line and Southeast Line of Changsha City Ring Expressway and economic growth in surrounding area, double-digit growth was maintained for the average daily toll traffic volume and the average daily toll revenue year-on-year, respectively.

Weixu Expressway

During the Reporting Period, the average daily toll traffic volume was 15,574 vehicles and the average daily toll revenue was RMB752,000, representing an increase of 23.6% and 8.6%, respectively, when compared with the first half of 2013.

Benefiting from the rapid regional economic growth and the reconstruction and expansion of the Hebei section of the G4 National Expressway since May 2013, both the average daily toll traffic volume and the average daily toll revenue recorded continuous growth year on year. So far, traffic volume diverted to the Weixu Expressway has basically become stable.

Associates and Joint Venture

GWSR Expressway

During the Reporting Period, the average daily toll traffic volume was 44,436 vehicles and the average daily toll revenue was RMB847,000, representing an increase of 14.0% and 10.7%, respectively, when compared with first half of 2013.

Benefiting from the regional economic stability, continuous growing ownership of passenger vehicle and the escalating traffic restriction of goods vehicles on the First Ring Road of Guangzhou since 25 February 2014, the average daily toll traffic volume and the average daily toll revenue kept increasing year-on-year.

Humen Bridge

During the Reporting Period, the average daily toll traffic volume was 88,248 vehicles and the average daily toll revenue was RMB3,471,000, representing an increase of 9.8% and 10.0%, respectively, when compared with the first half of 2013.

Benefiting from the regional economic stability and the continuous growing ownership of passenger vehicle, the average daily toll traffic volume and the average daily toll revenue kept increasing year-on-year.

Northern Ring Road

During the Reporting Period, the average daily toll traffic volume was 245,731 vehicles and the average daily toll revenue was RMB1,796,000, representing an increase of 9.0% and 8.9%, respectively, when compared with the first half of 2013.

Benefiting from the regional economic stability, the continuous growing ownership of passenger vehicle, and the enhanced traffic efficiency due to the escalating traffic restriction of goods vehicles on the First Ring Road of Guangzhou since 25 February 2014, the average daily toll traffic volume and the average daily toll revenue kept increasing year-on-year.

Shantou Bay Bridge

During the Reporting Period, the average daily toll traffic volume was 19,097 vehicles and the average daily toll revenue was RMB666,000, representing an increase of 11.4% and 5.8%, respectively, when compared with the first half of 2013.

Benefiting from the relocation of industries in surrounding areas and the continuous growth of car ownership, the average daily toll traffic volume and the average daily toll revenue maintained steady growth year-on-year.

Qinglian Expressway

During the Reporting Period, the average daily toll traffic volume was 33,018 vehicles and the average daily toll revenue was RMB2,243,000, representing an increase of 20.9% and 18.5%, respectively, when compared with the first half of 2013.

Benefiting from the completion of surrounding road networks, the average daily toll traffic volume and the average daily toll revenue maintained rapid growth year-on-year.

FINANCIAL REVIEW

Key operating results figures	Six months ended		
	30 June		
	2014	2013	Change
	RMB'000	RMB'000	%
Toll Revenue	877,495	824,815	6.4
Gross profit of toll collection	589,805	557,342	5.8
Operating profit	493,522	468,742	5.3
Earnings before interests, tax, depreciation and amortization (“EBITDA”) ¹	834,853	778,436	7.2
Finance costs (exclude exchange differences)	(144,133)	(176,746)	-18.5
Share of results of associates	127,163	114,095	11.5
Share of result of a joint venture	9,031	5,904	53.0
Profit attributable to shareholders of the Company	290,519	255,369	13.8
Basic and diluted earnings per share	RMB0.1736	RMB0.1526	13.8
Dividends	146,151	133,086	

¹ EBITDA includes profit from associates and joint venture and excludes non-cash gains and losses.

I. OVERVIEW OF OPERATING RESULTS

The first half of 2014 (“Reporting Period”) showed continuing growth in the operating performance of the Group. Toll revenue increased by 6.4 percent to RMB877.5 million and profit attributable to the shareholders of the Company increased by 13.8 percent to RMB290.5 million. The Directors resolved to declare an interim dividend for 2014 of HK\$0.11 which is equivalent to approximately RMB0.087350 (2013: HK\$0.10 which was equivalent to approximately RMB0.079542) per share, represented an interim dividend payout ratio of 50.3 percent (2013: 52.1 percent).

Toll revenue of GNSR Expressway, Changzhu Expressway and Han-Xiao Expressway had recorded double digits growth of 11.3 percent, 18.0 percent and 14.0 percent respectively in the Reporting Period. Toll revenue of Weixu Expressway increased 8.6 percent in the Reporting Period. Toll revenue of Cangyu Expressway dropped 36.1 percent in the Reporting Period due to traffic diversion from two vicinity roads which have commenced full operation on 28 December 2013. Toll revenue of Jinbao Expressway dropped 8.9 percent in the Reporting Period mainly due to traffic restrictions on heavy motor vehicles at nearby toll roads since 1 March 2014. Toll revenue of non-controlled toll projects in aggregate have grown by 11.5 percent in the Reporting Period, with Humen Bridge growing 10.0 percent; Northern Ring Road growing 8.9 percent; Qinglian Expressway growing 18.5 percent; Shantou Bay Bridge growing 5.8 percent and GWSR Expressway growing 10.7 percent.

In the profit attributable to shareholders of the Company, controlled toll projects contributed RMB276.8 million in the Reporting Period with a 39.1 percent increase, of which Changzhu Expressway (commenced toll operation only in August 2010) which was still in its incubation period, has further narrowed its net loss down by 75.3 percent to RMB7.2 million in the Reporting Period. GNSR Expressway with its strong toll revenue growth which led to its net profit increased by 18.6 percent to RMB124.4 million. Xian Expressway has taken advantage of the Great Western Expansion Campaign Tax Relief Policy and successfully applied for a preferential tax rate of 15.0 percent. Its 2013 profit tax refund of RMB15.9 million was recorded leading to its overall net profit increased by 47.8 percent to RMB80.9 million in the Reporting Period. Weixu Expressway has contributed net profit of RMB43.3 million in the Reporting Period represented a 36.1 percent increase. Han-Xiao Expressway continued to grow significantly with its net profit increased by 171.7 percent in the Reporting Period to RMB20.9 million due to the rapid economic development in the region. Due to drop in toll revenue from traffic diversion impact, Cangyu Expressway has recorded net profit decrease of 56.8 percent to RMB8.9 million. Jinbao Expressway recorded net profit drop of 34.1 percent to RMB5.6 million. The non-controlled toll projects in aggregate contributed RMB136.2 million of net profit to the Group with 13.5 percent increase. Except for Shantou Bay Bridge which net profit attributable to the Group was similar to the level of first half of 2013, other non-controlled toll projects' net profit contributions have shown continued growth. Humen Bridge grew 11.1 percent to RMB71.0 million. Northern Ring Road contributed RMB33.8 million net profit which represented 5.9 percent increase. Share of net profit of Qinglian Expressway amounted to RMB6.4 million in the Reporting Period represented 186.3 percent increase. GWSR Expressway has recorded 53.0 percent increase in net profit attributable to the Group of RMB9.0 million in the Reporting Period.

There were no material corporate level transactions which have significant impacts to the overall profit attributable to the shareholders of the Company during the Reporting Period except for the devaluation of RMB against HKD and USD, resulting in an aggregate of RMB16.6 million exchange loss in respect of the translation of HK\$1.25 billion and US\$77.8 million (equivalent to aggregate RMB1.47 billion) offshore loans.

II. ANALYSIS OF OPERATING RESULTS

Toll Revenue

The Group recorded toll revenue of RMB877.5 million in the Reporting Period, represented a 6.4 percent growth over first half of 2013.

Analysis of toll revenue by each controlled toll project					
Controlled Toll Projects	Reporting Period RMB'000	Percentage of total %	First half of 2013 RMB'000	Percentage of total %	Change %
GNSR Expressway	394,017	44.9	354,078	42.9	11.3
Weixu Expressway	136,023	15.5	125,196	15.2	8.6
Xian Expressway	121,067	13.8	116,499	14.1	3.9
Changzhu Expressway	77,981	8.9	66,070	8.0	18.0
Han-Xiao Expressway	68,784	7.8	60,341	7.3	14.0
Jinbao Expressway	46,958	5.4	51,533	6.3	-8.9
Cangyu Expressway	32,665	3.7	51,098	6.2	-36.1
Total	<u>877,495</u>	<u>100.0</u>	<u>824,815</u>	<u>100.0</u>	6.4

GNSR Expressway accounted for 44.9 percent (same period in 2013: 42.9 percent) of the total toll revenue of the Group's controlled toll projects in the Reporting Period. With increase in car ownership volume and stricter restrictions on trucks on the Guangzhou First Ring Road since 25 February 2014, toll revenue of GNSR Expressway in the Reporting Period increased by 11.3 percent to RMB394.0 million.

Weixu Expressway, ranked second in terms of toll revenue contribution accounted for approximately 15.5 percent (same period in 2013: 15.2 percent) of the total revenue from controlled toll projects. Toll revenue of Weixu Expressway grew 8.6 percent to RMB136.0 million in the Reporting Period.

Xian Expressway, ranked third in terms of toll revenue contribution accounted for approximately 13.8 percent (same period in 2013: 14.1 percent) of the total revenue from controlled toll projects. Toll revenue of Xian Expressway grew 3.9 percent to RMB121.1 million in the Reporting Period.

Changzhu Expressway, ranked fourth in terms of toll revenue contribution accounted for approximately 8.9 percent (same period in 2013: 8.0 percent) of the total toll revenue from controlled toll projects. Toll revenue in the Reporting Period amounted to RMB78.0 million being 18.0 percent higher than first half of 2013.

With the rapid economic development in the region, Han-Xiao Expressway continued to record strong toll revenue amounted to RMB68.8 million, a growth of 14.0 percent in the Reporting Period. Han-Xiao Expressway ranked fifth in toll revenue contribution accounted for approximately 7.8 percent (same period in 2013: 7.3 percent) of the total toll revenue from controlled toll projects.

Jinbao Expressway, ranked sixth in terms of toll revenue contribution accounted for approximately 5.4 percent (same period in 2013: 6.3 percent) of the total toll revenue from controlled toll projects. Due to traffic restrictions on heavy motor vehicles since 1 March 2014, Jinbao Expressway's toll revenue declined 8.9 percent in the Reporting Period to RMB 47.0 million.

Cangyu Expressway, accounted for 3.7 percent (same period in 2013: 6.2 percent) of the total toll revenue from controlled toll projects. Being affected by traffic diversion, Cangyu Expressway recorded a decrease in toll revenue of 36.1 percent to RMB32.7 million in the Reporting Period.

Cost of services

In the Reporting Period, cost of services of the Group's toll highways amounted to RMB287.7 million (same period in 2013: RMB267.5 million), representing an increase of RMB20.2 million or 7.6 percent over first half of 2013. Cost ratio was 32.8 percent in the Reporting Period which was 0.4 percentage point higher than first half of 2013. An analysis of cost of services showed that the increase was mainly due to increase in amortization of intangible operating rights and other direct costs related to the increase in toll traffic.

Analysis of cost of services by each controlled toll project

Controlled Toll Projects	Reporting Period RMB'000	Percentage of total %	First half of 2013 RMB'000	Percentage of total %	Change %
GNSR Expressway	106,711	37.1	108,004	40.4	-1.2
Weixu Expressway	39,614	13.8	35,398	13.2	11.9
Xian Expressway	37,408	13.0	32,965	12.3	13.5
Changzhu Expressway	31,882	11.1	24,917	9.3	28.0
Han-Xiao Expressway	24,852	8.6	22,823	8.5	8.9
Jinbao Expressway	33,345	11.6	29,357	11.0	13.6
Cangyu Expressway	<u>13,878</u>	<u>4.8</u>	<u>14,009</u>	<u>5.3</u>	-0.9
Total	<u>287,690</u>	<u>100.0</u>	<u>267,473</u>	<u>100.0</u>	7.6

Analysis of cost of services by nature

	Reporting Period RMB'000	Percentage of total %	First half of 2013 RMB'000	Percentage of total %	Change %
Amortization of intangible operating rights	172,918	60.1	151,449	56.6	14.2
Toll highways and bridges maintenance expenses	12,026	4.2	19,735	7.4	-39.1
Staff costs	42,712	14.8	40,233	15.0	6.2
Business tax	29,966	10.4	28,206	10.5	6.2
Toll highways and bridges operating expenses	23,791	8.3	21,785	8.2	9.2
Depreciation of other fixed assets	<u>6,277</u>	<u>2.2</u>	<u>6,065</u>	<u>2.3</u>	3.5
Total	<u>287,690</u>	<u>100.0</u>	<u>267,473</u>	<u>100.0</u>	7.6

Gross profit

Gross profit of toll collection in the Reporting Period has increased by 5.8 percent to RMB589.8 million. Gross profit margin in the Reporting Period was 67.2 percent being 0.4 percentage point lower than that first half of 2013.

Analysis of gross profit of toll collection by each controlled toll project				
Controlled Toll Projects	Reporting Period		First half of 2013	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin
	RMB'000		RMB'000	
GNSR Expressway	287,306	72.9%	246,074	69.5%
Weixu Expressway	96,409	70.9%	89,798	71.7%
Xian Expressway	83,659	69.1%	83,534	71.7%
Changzhu Expressway	46,099	59.1%	41,153	62.3%
Han-Xiao Expressway	43,932	63.9%	37,518	62.2%
Jinbao Expressway	13,613	29.0%	22,176	43.0%
Cangyu Expressway	<u>18,787</u>	57.5%	<u>37,089</u>	72.6%
Total	<u>589,805</u>	67.2%	<u>557,342</u>	67.6%

General and administrative expenses

The Group's general and administrative expenses in the Reporting Period amounted to RMB105.2 million (same period in 2013: RMB101.5 million), representing an increase of RMB3.7 million or 3.7 percent over first half of 2013. Such increase was mainly attributed to the increase in staff costs.

Other income, gains and losses — net

With the depreciation of RMB against HKD and USD, the exchange difference arose from the translation of the Group's monetary assets and liabilities (other than the offshore loans) was at a loss of RMB8.4 million as compared to the exchange gain of RMB3.0 million in the first half of 2013. Apart from the aforementioned, there were no material other income, gains and losses - net in the Reporting Period.

Finance income / Finance costs

The Group's finance income in the Reporting Period amounted to RMB17.7 million which was 65.2 percent lower than first half of 2013 mainly due to the depreciation of RMB against HKD and USD in the Reporting Period as compared to the appreciation position in the first half of 2013. An aggregate of RMB20.4 million exchange gain in respect of the translation of HK dollar and US dollar denominated offshore loans was recorded in the first half of 2013 while a net exchange loss was

recorded during the Reporting Period and classified under finance costs (refer to subsequent paragraph). Moreover, in the first half of 2013, there was interest income in respect of compensation receivable of RMB18.1 million while no such income was recorded in the Reporting Period.

The Group's finance costs in the Reporting Period amounted to RMB160.8 million (net of amount capitalized in construction in progress of RMB11.2 million) as compared to first half of 2013 of RMB176.7 million (net of amount capitalized in construction in progress of RMB9.3 million), representing a decrease of approximately 9.0 percent or RMB15.9 million. As stated in the aforementioned paragraph, a net exchange loss was included in the finance costs in the Reporting Period amounted to RMB16.6 million. If the exchange loss is excluded for comparison purpose, finance costs in the Reporting Period was RMB144.1 million, a decrease of RMB32.6 million or 18.5 percent. There was a net decrease of RMB416.7 million in the total borrowings as at 30 June 2014 of which repayments amounted to RMB464.9 million. The Group's overall weighted average interest rate in the Reporting Period was 5.65 percent as compared to 5.85 percent in the first half of 2013 which has reflected the benefits from loan restructuring carried out in 2013.

Share of results of associates and a joint venture

The Group's share of results of associates has increased by 11.5 percent in the Reporting Period to RMB127.2 million and share of result of a joint venture increased by 53.0 percent to RMB9.0 million in the Reporting Period.

Share of post-tax profit of Humen Bridge in the Reporting Period amounted to RMB71.0 million, representing 11.1 percent increase over first half of 2013. Having benefited from continued growth in car ownership, toll revenue at the project company level increased by 10.0 percent to RMB628.2 million in the Reporting Period.

Share of post-tax profit of Northern Ring Road in the Reporting Period increased by 5.9 percent to RMB33.8 million. Toll revenue at the project company level grew 8.9 percent to RMB325.1 million with the implementation of stricter restriction on trucks in Guangzhou First Ring Road on 25 February 2014 which has further improved its traffic conditions.

Share of post-tax profit of Shantou Bay Bridge in the Reporting Period of RMB15.9 million was 0.5 percent lower than the first half of 2013 while being benefited from the industries moving towards surrounding areas, Shantou Bay Bridge's toll revenue at project company level grew 5.8 percent to RMB120.5 million in the Reporting Period. The cost of services and administrative expenses of Shantou Bay Bridge has increased mainly due to increase in toll highways and bridges maintenance expenses; additional amortization in respect of service concession upgrade services capitalized in the Reporting Period and increase of staff costs respectively.

In the Reporting Period, Qinglian Expressway's operating performance continued to improve with the Group's share of profit being RMB6.4 million as compared to the first half of 2013 of RMB2.2 million. Having benefited from the enhancement of road network in the surrounding region, toll revenue of Qinglian Expressway at the company level grew 18.5 percent to RMB406.1 million.

Share of post-tax profit of GWSR Expressway in the Reporting Period increased by 53.0 percent to RMB9.0 million. Toll revenue at the project company level grew 10.7 percent to RMB153.3 million with the implementation of stricter restriction on trucks in Guangzhou First Ring Road on 25 February 2014 which has further improved its traffic conditions.

Analysis of share of results of associates and a joint venture and respective revenue					
		Revenue⁽¹⁾		Share of results	
	Profit Sharing ratio %	Reporting Period RMB'000	YoY change %	Reporting Period RMB'000	YoY change %
Associates					
Humen Bridge	18.446	628,188	10.0	70,996	11.1
Northern Ring Road	24.3	325,066	8.9	33,842	5.9
Shantou Bay Bridge	30.0	120,530	5.8	15,898	-0.5
Qinglian Expressway	23.63	<u>406,055</u>	18.5	<u>6,427</u>	186.3
Sub-total		1,479,839	11.6	127,163	11.5
Joint venture					
GWSR Expressway	35.0	<u>153,263</u>	10.7	<u>9,031</u>	53.0
Total		<u>1,633,102</u>	11.5	<u>136,194</u>	13.5
(1) Represented figures at the respective project companies' level					

Income tax expense

Total income tax expense of the Group in the Reporting Period amounted to RMB108.1 million, representing a decrease of RMB22.1 million or 17.0 percent in the Reporting Period mainly due to (1) a 2013 profit tax refund of Xian Expressway amounted to RMB15.9 million recognized in the Reporting Period; and (2) a Group restructuring transaction effected in the second half of 2013 leading to saving for PRC dividend withholding tax of approximately RMB4.7 million in the Reporting Period.

Profit attributable to shareholders of the Company

The Company reported profit attributable to its shareholders of RMB290.5 million in the Reporting Period, representing an increase of 13.8 percent over first half of 2013.

Analysis of the profit attributable to shareholders of the Company					
	Reporting Period	Percentage of total	First half of 2013	Percentage of total	Change
	RMB'000	%	RMB'000	%	%
Net profit from controlled toll projects	276,812	67.0	199,062	62.4	39.1
Net profit from non-controlled toll projects ⁽¹⁾	<u>136,194</u>	<u>33.0</u>	<u>119,999</u>	<u>37.6</u>	13.5
Net profit from toll projects	413,006	<u>100.0</u>	319,061	<u>100.0</u>	29.4
Withholding tax on PRC dividends/income	(15,471)		(20,918)		-26.0
Corporate expenses	(77,779)		(61,718)		26.0
Corporate income/gains	7,597		10,169		-25.3
Corporate finance income	10,081		23,823		-57.7
Corporate finance costs	(46,915)		(25,331)		85.2
Net impact of interest income on compensation receivable	<u>—</u>		<u>10,283</u>		N/A
Profit attributable to shareholders of the Company	<u>290,519</u>		<u>255,369</u>		13.8

(1) Representing share of results of associates and a joint venture.

An analysis of the profit attributable to shareholders of the Company showed net profit derived from toll projects amounted to RMB413.0 million in the Reporting Period which represented a 29.4 percent growth or RMB93.9 million higher than first half of 2013. Of which, net profit from controlled toll projects accounted for 67.0 percent (same period in 2013: 62.4 percent) while net profit from non-controlled toll projects accounted for 33.0 percent (same period in 2013: 37.6 percent) in the Reporting Period.

Net profit from controlled toll projects amounted to RMB276.8 million in the Reporting Period representing an increase of 39.1 percent growth over first half of 2013. With toll revenue's continued growth momentum, net profit of GNSR Expressway grew 18.6 percent to RMB124.4 million. Xian Expressway recorded an increase of 47.8 percent in its net profit to RMB80.9 million. Xian Expressway has taken advantage of the Great Western Expansion Campaign Tax Relief Policy and successfully applied for a preferential income tax rate of 15.0 percent and the 2013 profit tax refund of RMB15.9 million was recorded in the Reporting Period. Weixu Expressway recorded a 36.1 percent increase in net profit to RMB43.3 million. Han-Xiao Expressway recorded net profit of RMB20.9 million, representing an increase of 171.7 percent over the first half of 2013 due to the rapid economic development in the region. Due to the traffic diversion impact, net profit of Cangyu Expressway decreased by 56.8 percent to RMB8.9 million. Being affected by the implementation of traffic restrictions on heavy motor vehicles since 1 March 2014, Jinbao Expressway's net profit amounted to RMB5.6 million, a drop of RMB2.9 million. Changzhu Expressway (commenced toll operation only in August 2010) being still in its incubation period, its net loss further narrowed down by 75.3 percent to RMB7.2 million in the Reporting Period.

Analysis of net profit by each controlled toll project⁽¹⁾

Controlled Toll Projects	Reporting Period RMB'000	Percentage of total net profit from toll projects %	First half of 2013 RMB'000	Percentage of total net profit from toll projects %	Change %
GNSR Expressway	124,410	30.1	104,880	32.9	18.6
Xian Expressway	80,943	19.6	54,752	17.2	47.8
Weixu Expressway	43,275	10.4	31,793	9.9	36.1
Han-Xiao Expressway	20,880	5.1	7,684	2.4	171.7
Cangyu Expressway	8,927	2.2	20,647	6.5	-56.8
Jinbao Expressway	5,558	1.3	8,428	2.6	-34.1
					loss
Changzhu Expressway	<u>(7,181)</u>	<u>-1.7</u>	<u>(29,122)</u>	<u>-9.1</u>	75.3
Total	<u>276,812</u>	<u>67.0</u>	<u>199,062</u>	<u>62.4</u>	39.1

(1) The analysis was after elimination of inter-company transactions between the controlled toll project companies and the holding company of the Group.

Net profit from non-controlled toll projects (an analysis was shown in the table “analysis of share of results of associates and a joint venture and respective revenue”) amounted to RMB136.2 million which was 13.5 percent higher than the first half of 2013. Among the non-controlled toll projects, profits attributable to the shareholders of the Company from Humen Bridge, Northern Ring Road, Shantou Bay Bridge, Qinglian Expressway and GWSR Expressway accounted for 17.2 percent (same period in 2013: 20.0 percent), 8.2 percent (same period in 2013: 10.0 percent), 3.8 percent (same period in 2013: 5.0 percent), 1.6 percent (same period in 2013: 0.7 percent), and 2.2 percent (same period in 2013: 1.9 percent) respectively.

There were no material corporate level transactions which have significant impacts to the overall profit attributable to the shareholders of the Company in the Reporting Period except the devaluation of RMB against HKD and USD, resulting in an aggregate of RMB16.6 million exchange loss in respect of the translation of HK\$1.25 billion and US\$77.8 million (equivalent to aggregate RMB1.47 billion) offshore loans was recorded. In the first half of 2013, there was an exchange gain of RMB20.4 million recorded in respect of the appreciation of RMB against HKD and USD.

Interim dividend

The Directors resolved to declare an interim dividend for 2014 of HK\$0.11 which is equivalent to approximately RMB0.087350 (2013: HK\$0.10 which was equivalent to approximately RMB0.079542) per share payable on or about 6 November 2014 to shareholders whose names appear on the register of members of the Company on 10 October 2014. Interim dividend payout ratio was 50.3 percent (2013: 52.1 percent).

Dividend payable to shareholders will be paid in Hong Kong dollars (“HK\$”). The exchange rate adopted by the Company for its dividend payable is the average middle rate of HK\$ to RMB, as announced by the People’s Bank of China, for the five business days preceding the date of declaration of dividends.

III. ANALYSIS OF FINANCIAL POSITION

Key financial position figures	(Unaudited)		
	30 June 2014 RMB’000	31 December 2013 RMB’000	Change %
Total assets	17,634,538	18,225,968	-3.2
Total liabilities	7,354,921	7,947,642	-7.5
Cash and cash equivalents	1,135,891	1,604,676	-29.2
Total borrowings	5,385,194	5,801,885	-7.2
Bank borrowings	5,244,185	5,660,479	-7.4
Current ratio	1.4 times	1.4 times	
Interest coverage	5.5 times	4.5 times	
Equity attributable to the shareholders of the Company	8,355,042	8,275,767	1.0

Assets, Liabilities and Equity

As at 30 June 2014, the Group’s total assets amounted to RMB17.6 billion which was 3.2 percent lower than the balance as at 31 December 2013. The Group’s total assets comprised mainly of intangible operating rights of RMB13.1 billion (31 December 2013: RMB13.3 billion); investments in a joint venture and associates of RMB1.89 billion (31 December 2013: RMB1.91 billion); and cash and cash equivalents of RMB1.14 billion (31 December 2013: RMB1.6 billion).

As at 30 June 2014, the Group’s total liabilities amounted to RMB7.35 billion which was 7.5 percent lower than the balance as at 31 December 2013. The Group’s total liabilities comprised mainly of bank borrowings of RMB5.24 billion (31 December

2013: RMB5.66 billion); loans from non-controlling interests of RMB124.1 million (31 December 2013: RMB124.5 million); other loan of RMB16.9 million (31 December 2013: RMB16.9 million) being short-term borrowing from an external party; deferred income tax liabilities of RMB1.53 billion (31 December 2013: RMB1.52 billion). Movement in deferred income tax liabilities during the Reporting Period included payments made in respect of PRC distributable dividend tax of RMB19.3 million.

As at 30 June 2014, the Group's total equity amounted to RMB10.3 billion (31 December 2013: RMB10.3 billion), of which amount attributable to the shareholders of the Company amounted to RMB8.4 billion, an increase of RMB79.3 million over the balance as at 31 December 2013.

Analysis of major assets, liabilities and equity items			
Items	(Unaudited)		Change %
	30 June 2014 RMB'000	31 December 2013 RMB'000	
Total assets	17,634,538	18,225,968	-3.2
Approximately 90.0% of which:			
Intangible operating rights	13,143,869	13,314,416	-1.3
Investments in joint venture and associates	1,893,220	1,913,088	-1.0
Cash and cash equivalents	1,135,891	1,604,676	-29.2
Total liabilities	7,354,921	7,947,642	-7.5
Approximately 90.0% of which:			
Bank borrowings — current portion	528,064	674,472	-21.7
— long term portion	4,716,121	4,986,007	-5.4
Other loans	16,880	16,880	0.0
Loans from non-controlling interests	124,129	124,526	-0.3
Deferred income tax liabilities	1,527,338	1,524,700	0.2
Total equity	10,279,617	10,278,326	0.01
Of which: Attributable to the shareholders of the Company	8,355,042	8,275,767	1.0

Cash flows

It has been the primary objective of the Group to minimize risk and manage liquidity. The Group has maintained an appropriate level of cash on hand so as to prevent liquidity risk. As at the end of the Reporting Period, the Group's cash and cash equivalents amounted to approximately RMB1.14 billion which was 29.2 percent

lower than the level at 31 December 2013. The Group's cash was deposited in commercial banks with no deposit in non-bank institutions. As at 30 June 2014 there were short term bank deposits in aggregate of RMB 27.0 million with original maturity over 3 months placed in PRC banks.

	(Unaudited)	
	Six months ended	
	30 June	
	2014	2013
	RMB'000	RMB'000
Net cash generated from operating activities	497,584	555,172
Net cash (used in)/generated from investing activities	(69,405)	36,491
Net cash used in financing activities	<u>(898,262)</u>	<u>(524,021)</u>
(Decrease)/increase in cash and cash equivalents	(470,083)	67,642
Cash and cash equivalents at 1 January	1,604,676	1,057,124
Effect of foreign exchange rate changes	<u>1,298</u>	<u>1,162</u>
Cash and cash equivalents at 30 June	<u>1,135,891</u>	<u>1,125,928</u>

Net cash generated from operating activities during the Reporting Period amounted to RMB497.6 million (30 June 2013: RMB555.2 million) which was arrived from cash generated from operations of RMB646.9 million (30 June 2013: RMB629.8 million) less China enterprise income tax and withholding tax paid of RMB149.3 million (30 June 2013: RMB74.6 million).

Net cash used in investing activities during the Reporting Period amounted to RMB69.4 million (30 June 2013: net cash generated of RMB36.5 million). The outflow were mainly capital expenditures amounted to approximately RMB280.6 million (30 June 2013: RMB43.1 million); and an aggregate of RMB27.0 million placed to bank fixed deposits with original maturity over 3 months. The inflow mainly consisted of dividend distributions from associates of RMB194.4 million (30 June 2013: RMB48.5 million); proceeds from compensation arrangement of RMB8.1 million; proceeds upon maturity in aggregate of RMB22.0 million from bank fixed deposits with original maturity over 3 months; and interest received in aggregate of approximately RMB13.7 million (30 June 2013: RMB31.1 million).

Net cash used in financing activities during the Reporting Period amounted to RMB898.3 million (30 June 2013: RMB524.0 million). The outflow mainly included repayment of bank borrowings amounted to RMB464.9 million (30 June 2013: RMB570.8 million); payment of bank borrowings interest and charges of RMB142.9 million (30 June 2013: RMB188.4 million); no repayments of loans from non-controlling interest of subsidiaries in the Reporting Period (30 June 2013: RMB23.1 million); dividends paid to non-controlling interests of RMB108.0 million (30 June 2013: RMB94.9 million); and dividends paid to the shareholders of the Company of RMB211.5 million (30 June 2013: RMB148.9 million). The inflow mainly included new bank borrowings amounted to approximately RMB29.0 million (30 June 2013: RMB497.6 million); no capital injection from non-controlling interest in the Reporting Period (30 June 2013: RMB4.5 million).

Current ratio

The current ratio (current assets over current liabilities) as at 30 June 2014 was 1.4 times (31 December 2013: 1.4 times). The current assets balance as at 30 June 2014 was RMB1.4 billion (31 December 2013: RMB1.8 billion) and current liabilities balance was RMB992.1 million (31 December 2013: RMB1.3 billion). Cash and cash equivalents were the major components of the Group's current assets with balance as at 30 June 2014 of RMB1.14 billion (31 December 2013: RMB1.60 billion). As at 30 June 2014 there were short term bank deposits in aggregate of RMB27.0 million with original maturity over 3 months placed in PRC banks. Included in the Group's current liabilities as at 30 June 2014 were short term borrowings (i.e. maturities within one year) of approximately RMB549.7 million (31 December 2013: RMB705.5 million), of which bank borrowings amounted to RMB528.1 million (31 December 2013: RMB674.5 million). In view of the various capital expenditures committed and investments acquired since the second half of 2010 which had utilized a significant portion of the Group's cash and cash equivalents in the past three years and increased the Group's bank borrowings level, management will take a prudent approach to effectively match the existing cash and cash equivalents and future operating cash flow and cash return from investments with capital and debt commitments to minimize liquidity risk.

Interest coverage

The interest coverage is measured as the ratio of earnings before interests, tax, depreciation and amortisation (“EBITDA”) to interest expenses (with cash flow effect). Interest coverage for the year ended 30 June 2014 was 5.5 times (31 December 2013: 4.5 times).

Capital expenditures and investments

During the Reporting Period, total capital expenditures amounted to RMB280.6 million. Capital expenditures related to investment in subsidiaries and associate included payments of remaining considerations to acquisition of subsidiaries of approximately RMB114.9 million and additional capital injection to an associate of RMB60.3 million. Capital expenditures related to intangible operating rights and fixed assets included payments of construction costs of toll highways and bridges upgrade services of RMB88.1 million and purchase of property, plant and equipment of RMB17.4 million. Apart from the aforementioned, no material capital expenditures were incurred during the Reporting Period. Going forward, management believes that the Group’s steady operating cash flow and appropriate financing arrangements can satisfy its future capital expenditures and investments needs.

Capital structures

It is also one of the Group’s financial policies to maintain a rational capital structure which aims to enhance profitability on one hand while ensuring financial leverage ratios to remain at safe levels on the other hand.

Analysis of capital structures

	(Unaudited)	
	30 June	31 December
	2014	2013
	RMB'000	RMB'000
Bank borrowings	5,244,185	5,660,479
Other loan	16,880	16,880
Loans from non-controlling interests	124,129	124,526
Amounts due to non-controlling interests of subsidiaries	45,319	42,254
Amount due to a joint venture	42,000	42,000
Total debts	5,472,513	5,886,139
Less: cash and cash equivalents	(1,135,891)	(1,604,676)
Net debts	4,336,622	4,281,463
Total Equity	10,279,617	10,278,326
Of which: Equity attributable to the shareholders of the Company	8,355,042	8,275,767
Total capitalization (Net debts + Total equity)	14,616,239	14,559,789
Financial ratios		
Gearing ratio (net debts/total capitalization)	29.7%	29.4%
Debt to Equity ratio (net debts/total equity)	42.2%	41.7%
Total liabilities / Total assets ratio	41.7%	43.6%

Financing structures

In a way to ensure the Group is carrying out its financing activities at a safe leverage level, the Company is keeping a close watch on the Group's overall borrowing structure from time to time, so as to optimize its debt portfolio further. In order to effectively manage the finance costs, the Group will continue to maintain close banking relationship with financial institutions both in Hong Kong and China to tap into different levels of liquidity offered by and to take advantage of the cost differentials of these two markets. As at the end of the Reporting Period, the Group's borrowings comprised of bank borrowings, other loans and loans from non-controlling interests.

Bank borrowings of the Group as at 30 June 2014 amounted to approximately RMB5.24 billion (31 December 2013: RMB5.66 billion). The Group has carried out its debt optimization plan since 2013 which resulted in onshore bank loans' ratio falling to 71.9 percent from 81.0 percent at the beginning of 2013 (31 December 2013: 68.8 percent). Secured bank loans' ratio fell to 65.0 percent from 70.9 percent at the beginning of 2013(31 December 2013: 57.3 percent). All the bank borrowings are at floating rates. The effective interest rate of these bank borrowings as at 30 June 2014 was 5.55 percent (31 December 2013: 5.43 percent).

Analysis of bank borrowings	(Unaudited)	
	30 June 2014	31 December 2013
	Percentage of total	Percentage of total
Source		
Onshore	71.9%	68.8%
Offshore	<u>28.1%</u>	<u>31.2%</u>
	<u>100.0%</u>	<u>100.0%</u>
Repayment term		
Within 1 year	10.1%	11.9%
1 to 2 year	19.6%	12.9%
More than 2 years and up to 5 years	35.5%	41.4%
More than 5 years	<u>34.8%</u>	<u>33.8%</u>
	<u>100.0%</u>	<u>100.0%</u>
Currency		
RMB	71.9%	68.8%
HKD	19.0%	22.2%
USD	<u>9.1%</u>	<u>9.0%</u>
	<u>100.0%</u>	<u>100.0%</u>
Terms of credit		
Secured	65.0%	57.3%
Unsecured	<u>35.0%</u>	<u>42.7%</u>
	<u>100.0%</u>	<u>100.0%</u>

Other loan of RMB16.9 million was short term borrowing from an external party. This is unsecured and interest bearing at an annual rate of 3.0 percent as at 30 June 2014 (at 31 December 2013: 6.55 percent)

Loans from non-controlling interests are unsecured and denominated in RMB, of which RMB4.8 million and RMB9.5 million were interest bearing at 6.6 percent per annum and 7.04 percent per annum respectively. Both were repayable within one year and the rests were long term, interest free and with carrying amounts stated at fair values.

Amounts due to non-controlling interests of subsidiaries/holding companies and joint venture are unsecured, interest free, repayable on demand and are mainly denominated in RMB.

Foreign-currency denominated assets and liabilities

The Group's businesses are principally conducted in the PRC. Except that certain fund-raising exercises were conducted in Hong Kong, all of its revenue, operating payments, expenses and capital expenditures are denominated in RMB. As at the end of the Reporting Period, the Group has cash and cash equivalent of approximately RMB50.5 million and RMB0.025 million denominated in HK\$ and US\$ respectively, equivalent to HK\$63.6 million and US\$0.004 million respectively; and approximately RMB995.6 million and RMB479.0 million offshore bank borrowings denominated in HK\$ and US\$ respectively, equivalent to HK\$1,254.0 million and US\$77.8 million respectively. The Group will closely review and assess its currency risk and will adopt appropriate currency hedge measures when appropriate. Meanwhile, the Group has taken advantage of the current relaxed measures in the RMB business in Hong Kong with dividends from PRC joint venture can now be remitted to Hong Kong either in Hong Kong dollar or directly in Renminbi.

IV. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2014, the Group had capital commitments related to intangible operating rights, property, plant and equipment and acquisition of remaining equity interest in a non-wholly owned subsidiary of approximately RMB128.7 million being contracted but not provided for, and approximately RMB111.6 million being authorized but not contracted for.

Except for the aforementioned, the Group had no material capital commitments as at 30 June 2014. There were no significant contingent liabilities as at 30 June 2014.

V. EMPLOYEES

As at 30 June 2014, the Group had approximately 1,716 employees of whom about 1,428 were directly engaged in the daily operation, management and supervision of toll projects. The Group remunerates its employees largely based on industry practice, including contributory provident funds and other staff benefits.

FUTURE PROSPECTS

- **Macro-economy outlook**

Currently global economy remains a slow recovery due to its fragile foundation. Monetary policy begins to be tightening among advanced economies such as U.S.A and U.K while it is further easing in Euro Zone and Japan, adding more complexity and uncertainty to the global economic backdrop.

The economic data of 2014 Q2 released by Chinese Bureau of Statistics showed an overall consistent pattern of stability amid Chinese economy. As it is the crucial time for economic rebalancing and further spreading of reforms, it is expected that the Chinese economy will maintain steady growth in the future while the pattern will gradually shift from double-digit to high single digit.

- **Sector regulatory outlook**

The regulatory outlook of toll road sector in the future will be consistently positive, with rather low possibility of continuous negative measures from government. The huge underlying needs of toll road network construction to support the future national economic growth were illustrated by the latest published layout of toll road construction. To ease the losses or heavy pressure in repayment of loans suffered by specific existing toll roads due to the rising costs, provinces of Jiangxi, Guangdong, Jiangsu and Shandong have either adjusted toll rates or extended concession periods. At this stage, how to protect the legal rights and interests and ensure reasonable returns of social capital which is to be attracted to support toll roads construction will be the government's main consideration. In fact, the consideration has been indicated by the revised consultation draft of 'Regulation for Administration of Toll Roads' (《收費公路管理條例(修正案徵求意見稿)》) published by the National Ministry of Transport on 8 May 2013. Currently the draft is still undergoing discussion, the Group will pay close attention to its up-to-date progress.

- **Operational Outlook**

The relatively matured projects of the Group including GNSR Expressway, Xian Expressway, Northern Ring Road, Humen Bridge and Shantou Bay Bridge will still be the main source of stable profit. While projects acquired in recent years such as Han-Xiao Expressway, Changzhu Expressway, and Weixu Expressway will, with their enhancing maturity and catalysts from industrial migration booming the local economy, become the new drivers of profit growth for the Group.

On the other hand, the Cangyu Expressway, although suffering from the diversion impact of Cen Luo Expressway during the Reporting Period resulting in a significant decline of revenue, will be stabilized and anticipated a growth position when the Gui Wu Expressway commences its operation in 2015. Moreover, the unified tolling system and the toll by weight policy have been already rolled out in Guangdong Province since 29 June 2014, the operational performance of projects including GNSR Expressway and GWSR expressway will be further boosted as anticipated.

- **Investment and business expansion**

According to the ‘National Highway Network Plan (2013-2030)’, it is anticipated the total length of national expressway network will reach 118,000 km in 2030. Provincial Governments also have published their future layout of expressway construction. Specifically, 25 expressways will commence operation in 2015 in Guangdong Province, helping its total length of commenced expressways to reach 8,140 km in 2017. Thus, various opportunities of investment will be rising in the sector.

Within such a business backdrop of the sector, the Group, by persisting its current regional strategies (mainly focusing on Pearl River Delta Region with relatively higher economic maturity, and central and western provinces with greater economic growth potential), will seize the rising opportunities in the sector through acquiring large scale and quality toll roads that could further enhance the Group’s total assets and scales of revenue and profit. On the other hand, disposal of assets with continuous underperformance will be considered by the Group as a way of optimizing its asset portfolios and improving its return on equity to generate reasonable return for shareholders.

CORPORATE GOVERNANCE

Throughout the six months ended 30 June 2014, the Company has complied with the code provisions as set out in the Corporate Governance Code, with the exception of code provision A.4.1.

Code Provision A.4.1

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. None of the non-executive directors of the Company is appointed for a specific term. However, all the non-executive directors of the Company are subject to retirement by rotation at the annual general meeting of the Company in accordance with the Company’s Bye-laws. All the non-executive directors of the Company had retired by rotation and have been re-elected during the past three years.

REVIEW OF INTERIM RESULTS

The results of the Group for the six months ended 30 June 2014 have been reviewed by the Audit Committee and by the Company's auditor in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its shares during the six months ended 30 June 2014. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 8 October 2014 to Friday, 10 October 2014, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong Branch Share Registrar, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Tuesday, 7 October 2014.

By Order of the Board
Yuexiu Transport Infrastructure Limited
ZHU Chunxiu
Chairman

Hong Kong, 21 August 2014

As at the date of this announcement, the Board comprises:

Executive Directors: ZHU Chunxiu (Chairman), LIANG Youpan, HE Baiqing and QIAN Shangning

Independent Non-executive Directors: FUNG Ka Pun, LAU Hon Chuen Ambrose and CHEUNG Doi Shu