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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)**

**Financial advisers to the Company**



**THE PROPOSED SPIN-OFF AND SEPARATE LISTING OF  
EXPRESSWAY ASSETS ON THE SHENZHEN STOCK EXCHANGE —  
APPLICATION FOR THE PROPOSED LISTING**

The Board is pleased to announce that on 14 October 2021, CAMC and CITIC submitted the application materials on the registration and listing of CAMC-Yuexiu Expressway Close-end Infrastructure Securities Investment Fund to the CSRC and the Shenzhen Stock Exchange.

The Company has submitted the PN15 Application and a waiver application from strict compliance with paragraph 3(c) of PN15 regarding the minimum profit requirement of the Retained Group to the Hong Kong Stock Exchange, and the Hong Kong Stock Exchange granted such waiver and confirmed that the Company may proceed with the Proposed Spin-off. Further, the Company has also applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirement of Paragraph 3(f) of Practice Note 15 of the Listing Rules. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate in accordance with the requirements of the Listing Rules.

**Shareholders and potential investors should note that, the listing of the REIT is subject to, among other things, the review and/or approval of the CSRC and the Shenzhen Stock Exchange. Accordingly, shareholders of the Company and potential investors should be aware that there is no assurance that the public offering of the REIT will take place or as to when it may take place. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **THE PROPOSED SPIN-OFF**

Reference is made to the announcement of the Company dated 3 May 2020 in which the Company disclosed that it had carried out initial assessment on some of its toll road assets which generate stable income and reasonable level of profits for distribution in order to participate in the Pilot Programme.

The Board is pleased to announce that on 14 October 2021, CAMC and CITIC submitted the application materials on the registration and listing of CAMC-Yuexiu Expressway Close-end Infrastructure Securities Investment Fund to the CSRC and the Shenzhen Stock Exchange.

The underlying assets of the REIT is Wuhan - Xiaogan Expressway (漢孝高速公路) which is held by the Project Company. As at the date of this announcement, the Company indirectly held 100% of the equity interests of the Project Company. The Proposed Spin-off is proposed to be effected by the Company by way of disposing the Project Company, which holds the Project, to the REIT, and the Company will hold approximately 30% of the total number of Units in issue at the time of the Proposed Listing. As it is expected that the Proposed Spin-off will result in a reduction of the Company's interest in the Project Company from 100% to approximately 30%, the Proposed Spin-off, if materialised, may constitute a deemed disposal and a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

The Proposed Spin-off is conditional upon, among other things, the approval by the CSRC and the Shenzhen Stock Exchange of the Proposed Listing. The Company has submitted the PN15 Application to the Hong Kong Stock Exchange, and the Hong Kong Stock Exchange confirmed that the Company may proceed with the Proposed Spin-off.

The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate in accordance with the requirements of the Listing Rules.

The Retained Group did not meet the minimum profit requirement under Rule 8.05(1) of the Listing Rules for the year ended 31 December 2020. The Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with paragraph 3(c) of PN15 regarding the minimum profit requirement of the Retained Group on the grounds that the Company's financial results for 2020 were impacted by a significant market downturn caused by the COVID-19 pandemic, particularly within the expressway sector, and on the basis that the Retained Group had achieved sufficient profits in four of the last five financial years.

## WAIVER FROM STRICT COMPLIANCE WITH PARAGRAPH 3(f) OF PN15

Paragraph 3(f) of PN15 requires a listed company contemplating a spin-off to have due regard to the interests of its existing shareholders by providing them with an assured entitlement to shares in the spun-off entity, either by way of a distribution in specie of existing shares in the spun-off entity or by way of preferred application in any offering of existing or new shares in the spun-off entity.

As advised by the PRC Legal Counsel, according to relevant laws and regulations of the PRC, units of public funds listed on the Shenzhen Stock Exchange can be traded through a securities account or an off-exchange account which can only be opened by (i) PRC citizens; (ii) foreigners with PRC permanent resident status; (iii) general domestic institutional investors; (iv) residents of Hong Kong, Taiwan and Macao working and residing in the PRC; (v) other special institutions such as securities companies, fund management companies and their subsidiaries, insurance companies, trust companies, securities investment funds, social security funds, etc.; (vi) qualified foreign institutional investors approved by CSRC; and (vii) Renminbi qualified foreign institutional investors ((i) to (vii) are collectively referred to as “**Qualified Investors**”). As the Company is unable to ascertain the identities of the Shareholders (excluding 廣州越秀集團股份有限公司 (Guangzhou Yuexiu Holdings Limited)) whose shares in the Company were held by them through HKSCC Nominees Limited or further assess whether such Shareholders are Qualified Investors, accordingly, not all, if any, of the existing Shareholders will be qualified to hold the Units following the Proposed Listing, and thus compliance with paragraph 3(f) of PN15 in relation to the Proposed Listing will not be feasible.

Further, the PRC Legal Counsel also advised that, according to the requirements of relevant laws and regulations such as *the Securities Law of the PRC* (《中華人民共和國證券法》), Infrastructure REITs can only raise funds from investors (including by way of (among others) strategic placement, offline subscription and offering to general public investors etc.) after registration with the relevant securities regulatory and administration authority. The PRC Legal Counsel also advised that: (a) in respect of a strategic placement, although the Guidance provides that professional institutional investors can participate in strategic placement, the proportion for such strategic placement shall be reasonably determined by the manager of the Infrastructure REIT; and (b) in respect of an offline subscription, only offline investors who have provided valid quotations at the pricing enquiry stage can participate in such offline subscription, and the requirements in respect of such offline investors, conditions in respect of valid quotations, rules and method of allotment are determined by the manager and the financial adviser of the Infrastructure REIT in accordance with relevant laws and regulations. Therefore, pursuant to the existing PRC laws and regulations, it is impractical to preferentially allocate the Units to the Shareholders.

In addition, pursuant to relevant requirements of the Guidance, if the original owner of the infrastructure assets holds not less than 20% of the Infrastructure REIT units, it must hold 20% of the Infrastructure REIT units for at least 60 months from the listing date of the Infrastructure REIT, whilst any units held by such original owner in excess of 20% must be held for at least 36 months from the listing date of the Infrastructure REIT. As advised by the PRC Legal Counsel, since it is proposed that the Company (through its subsidiary) will hold more than 20% of the Units upon completion of the Proposed Listing, the Company (through its subsidiary) will be required to hold the Units for at least 36 months from the date of the Proposed Listing pursuant to the Guidance. Therefore, pursuant to the existing PRC laws and regulations, it is impractical to transfer or distribute the Units to the Shareholders.

After due and careful consideration of the Proposed Spin-off and having taken into account the advice from the PRC Legal Counsel on the legal impediments in fulfilling such requirement, the Board considers that it is not feasible for the Company to comply with paragraph 3(f) of PN15 in connection with the Proposed Spin-off. Accordingly, the Board has resolved not to provide assured entitlement to the Shareholders under the Proposed Listing due to the legal restriction in offering PRC listed units to foreign investors, including the proposed offering of the Units to the Shareholders, and consider that the Proposed Spin-off and the non-provision of the assured entitlement in relation to the Proposed Spin-off are fair and reasonable, and in the interest of the Company and its Shareholders as a whole. The Company has also applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirement of Paragraph 3(f) of Practice Note 15 of the Listing Rules.

**Shareholders of the Company and potential investors should note that the listing of the REIT is subject to, among other things, the review and/or approval of the CSRC and the Shenzhen Stock Exchange. Accordingly, Shareholders and potential investors should be aware that there is no assurance that the public offering of the REIT will take place or as to when it may take place. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors of the Company
“CAMC”	China Asset Management Co., Ltd* (華夏基金管理 有限公司)

“CITIC”	CITIC Securities Co., Ltd* (中信証券股份有限公司)
“Company”	Yuexiu Transport Infrastructure Limited, an exempted company incorporated in Bermuda, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“CSRC”	the China Securities Regulatory Commission
“Director”	a director of the Company
“Group”	the Company and its subsidiaries
“Guidance”	the Guidance on Publicly Raised Infrastructure Securities Investment Fund (Pilot Version)* (《公開募集基礎設施證券投資基金指引(試行)》) promulgated by the CSRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Infrastructure REITs”	publicly offered infrastructure assets securities investment fund
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NDRC”	the National Development and Reform Commission
“Pilot Programme”	the pilot programme for Infrastructure REITs initiated by the CSRC and the NDRC
“PN15”	Practice Note 15 of the Listing Rules
“PN15 Application”	the application of the Company in respect of the Proposed Spin-off pursuant to PN15
“PRC”	the People’s Republic of China
“PRC Legal Counsel”	Zhong Lun Law Firm, the PRC legal counsel of the Company
“Project”	the Wuhan-Hanxiao Expressway
“Project Company”	the company that holds the Project, which is a wholly-owned subsidiary of the Company as at the date of this announcement

“Proposed Spin-off”	the spin-off and separate listing of the Project
“Proposed Listing”	the proposed listing of the Units on the Shenzhen Stock Exchange
“Public Fund”	the public fund within the structure of the REIT
“Qualified Investors”	has the meaning ascribed to it under the section headed “WAIVER FROM STRICT COMPLIANCE WITH PARAGRAPH 3(f) OF PN15” in this announcement
“REIT”	the Infrastructure REIT to be established under the Pilot Programme
“Retained Group”	the Group excluding the Project
“Shareholders”	shareholders of the Company
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Units”	the units of the Public Fund
“%”	per cent

\* *For identification purpose only*

By Order of the Board  
**Yuexiu Transport Infrastructure Limited**  
**Yu Tat Fung**  
*Company Secretary*

Hong Kong, 14 October 2021

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

*Executive Directors* : *LI Feng (Chairman), HE Baiqing, CHEN Jing and CAI Minghua*

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