

YUEXIU TRANSPORT INFRASTRUCTURE LIMITED

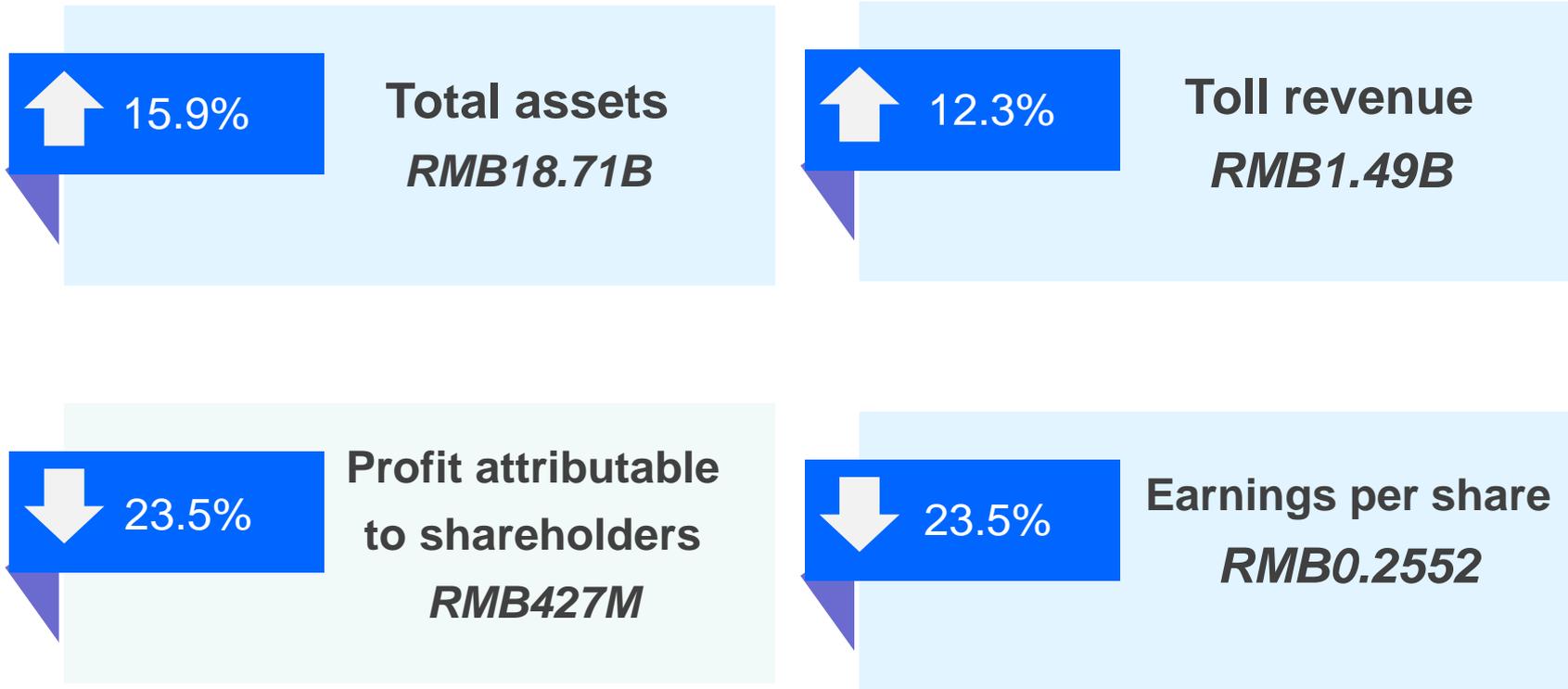


ANNUAL RESULTS 2012



- 1. RESULTS OVERVIEW**
- 2. REVIEW AND PROSPECTS**
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Results Highlights



Business Environment

- **Slowing Economy:** Resulted in changes of traffic mix for PRD projects
- **Toll Road Sector Policy:**
 - (1) Unified toll fee standards for expressways across Guangdong Province
 - (2) The implementation plan for exemption from toll charges by small passenger cars during major national holidays
- **Change in tax rates –Tax holiday ended**
 - (1) GNSR income tax rate raise up from 12% to 25%
 - (2) Remaining projects income tax rate raise up from 24% to 25%

Solutions

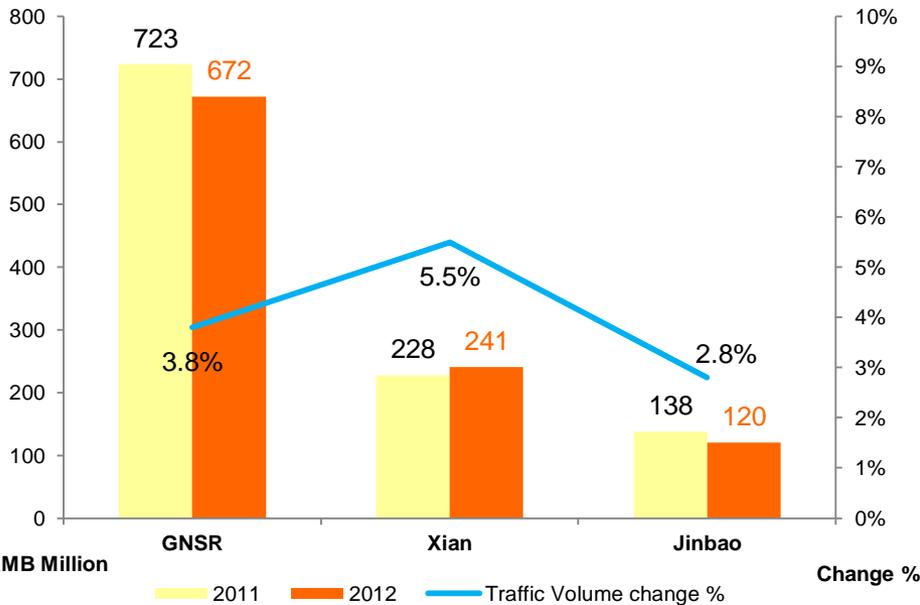
- **Regional strategy effectively hedge against external risks:**
 - Revenue from projects in central provinces recorded strong growth: (1) Han-xiao: up by 30.6% (2) Changzhu: up by 26.6%
 - Successfully taken over Weixu Expressway which become the new profit driver.
- **Pay close attentions to sector policies and maintain good communications with local government. Stay prudent during acquisition to avoid regulatory risks.**
- **Make efforts to obtain tax incentive through Expansions in Western China's policy.**
- **Optimized Company's debt structure through lower cost offshore loans (HKD 1.5B)**

Major Items of Consolidated Income Statement

RMB'000	2012 (Audited)	2011 (Audited)	Increase/decrease	% of change
Revenue	1,485,211	1,321,997	163,214	12.3%
Cost of services	(501,995)	(435,478)	66,517	15.3%
Gross profit	983,216	886,519	96,697	10.9%
Other income/gains - net	103,520	95,829	7,691	8.0%
General and administrative expenses	(195,292)	(160,071)	35,221	22.0%
Finance costs - net	(272,191)	(139,094)	133,097	95.7%
Share of result of associates/ jointly controlled entity	186,992	176,095	10,897	6.2%
Profit before tax	806,245	859,278	(53,033)	-6.2%
Income tax	(248,517)	(134,217)	114,300	85.2%
Profit after tax	557,728	725,061	(167,333)	-23.1%
Attributable to shareholders	426,915	558,212	(131,297)	-23.5%
Proposed Dividends per share	20 HK cents	24 HK cents		
Dividend payout ratio	63.7%	58.9%		

Operating Analysis in 2012 (Subsidiaries)

Toll revenue from Subsidiaries

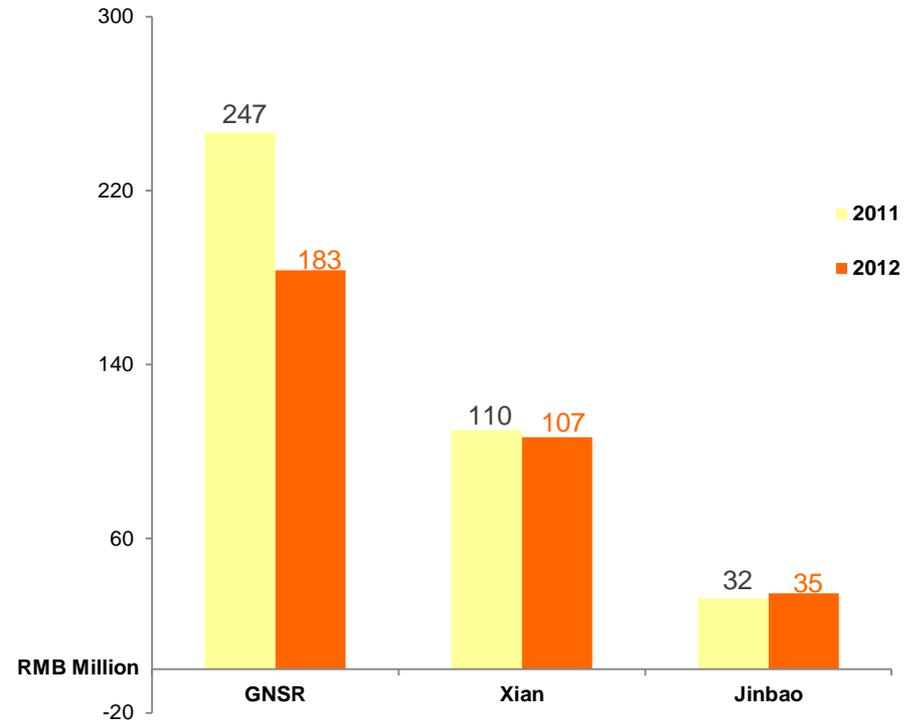


2012 VS 2011	2011	2012	Traffic Volume change %
↓ 7% (note 1)			
↑ 6%			
↓ 13%			

Average daily traffic volume

	GNSR	Xian	Jinbao
2012	109,229	49,186	24,927
2011	105,271	46,640	24,248

Attributable profit from Subsidiaries



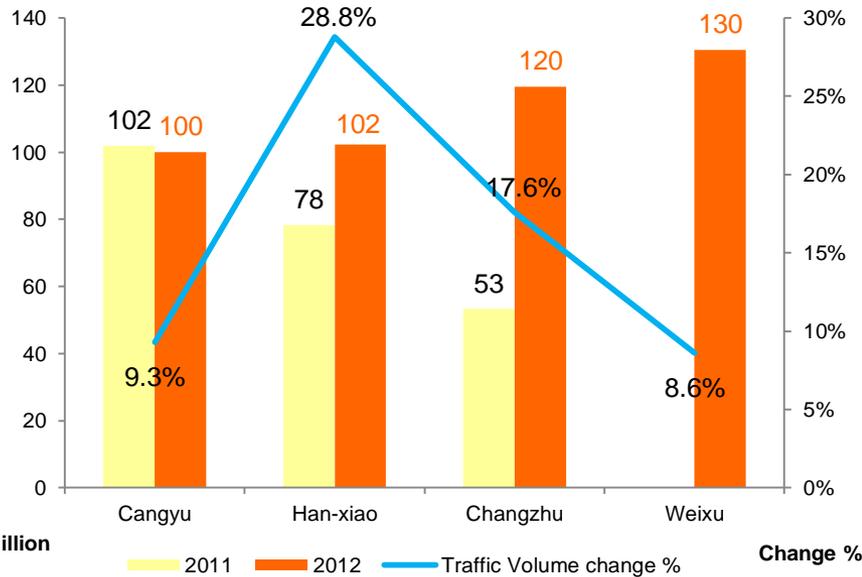
2012 VS 2011	2011	2012
↓ 26% (note 2)		
↓ 3%		
↑ 8%		

Note 1: Due to enforcement of unified toll rate in Guangdong province and truck restriction in GuangQing Expressway, GNSR's revenue showed decline.

Note 2: Profit declined due to tax holiday ended, income tax rate raise up from 12% to 25%, income tax up by RMB 47.49M, profit attributable to shareholder dropped.

Operating Analysis in 2012 (Subsidiaries)

Toll revenue from Subsidiaries

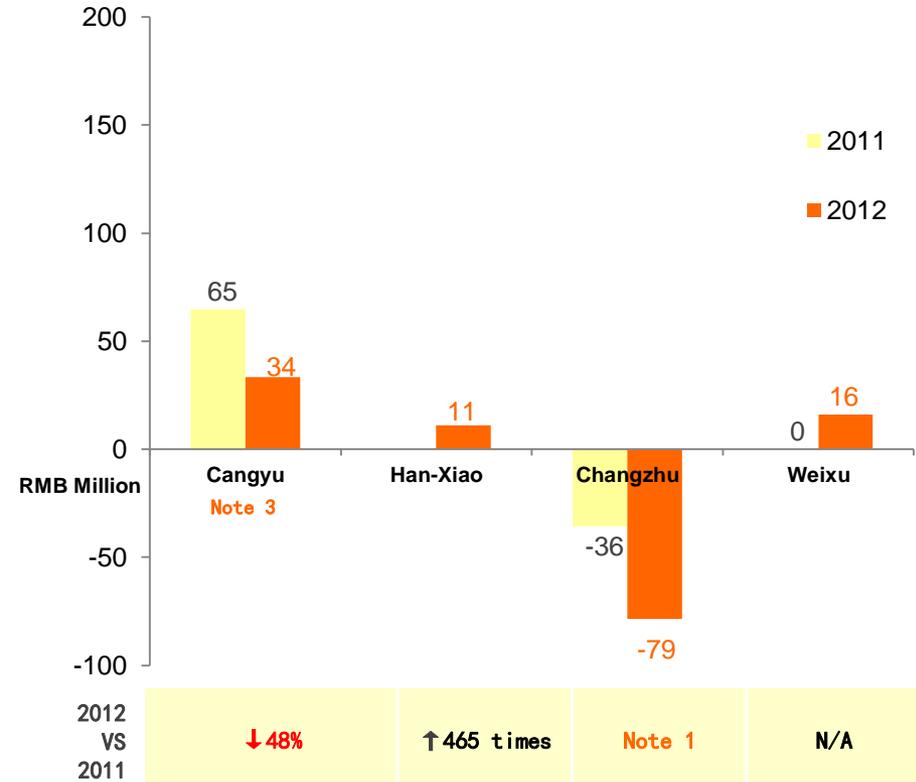


2012 VS 2011	Cangyu	Han-xiao	Changzhu	Weixu
	↓ 2%	↑ 31%	Note 1	Note 2

Average daily traffic volume

	2012	2011	2012	2011	2012	2011
Average daily traffic volume	10,989	10,053	11,978	9,298	11,112	9,452
					10,352 (Note 4)	9,528 (Note 4)

Attributable profit from Subsidiaries



2012 VS 2011	Cangyu	Han-Xiao	Changzhu	Weixu
	↓ 48%	↑ 465 times	Note 1	N/A

Note 1: The toll revenue from Changzhu Expressway was 94.4M for the period from January to December 2011. Annual revenue for 2012 increased by 26.6% as compared to that for 2011 which just consolidated operating data for six months.

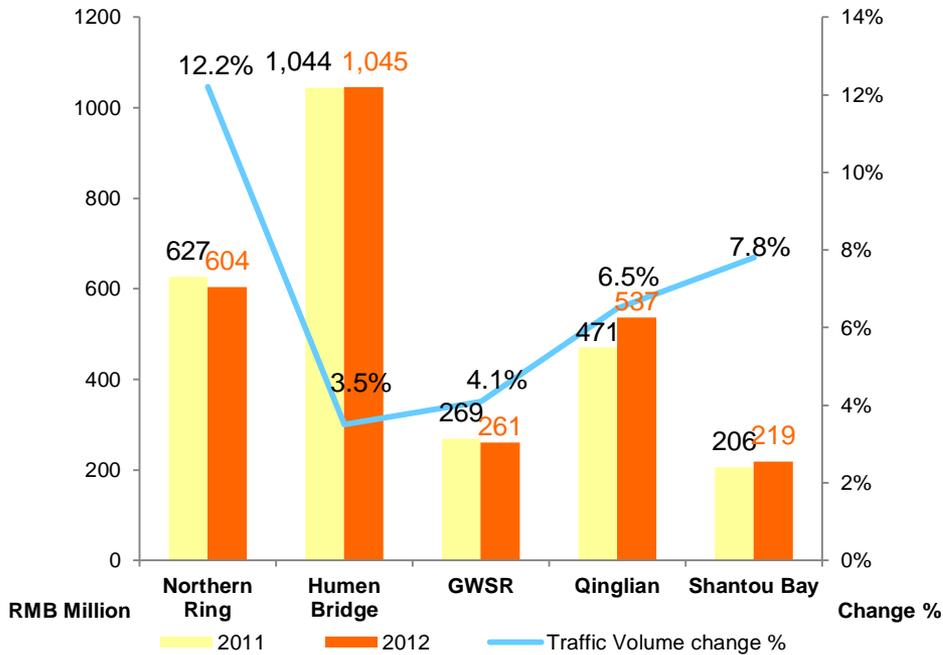
Note 2: Weixu Expressway has been consolidated on 28 May 2012, full year toll revenue of Weixu Expressway in 2012 and 2011 was RMB 215M and RMB 194M respectively, represented a 10.9% YOY growth.

Note 3: Profit of Cangyu Expressway declined due to reversal of a deferred tax asset causing income tax expense up by RMB 30.86M.

Note 4: Weixu Expressway's average daily traffic in 2011 and 2012 data are both from June to December.

Operating Analysis in 2012 (Associates & JCE)

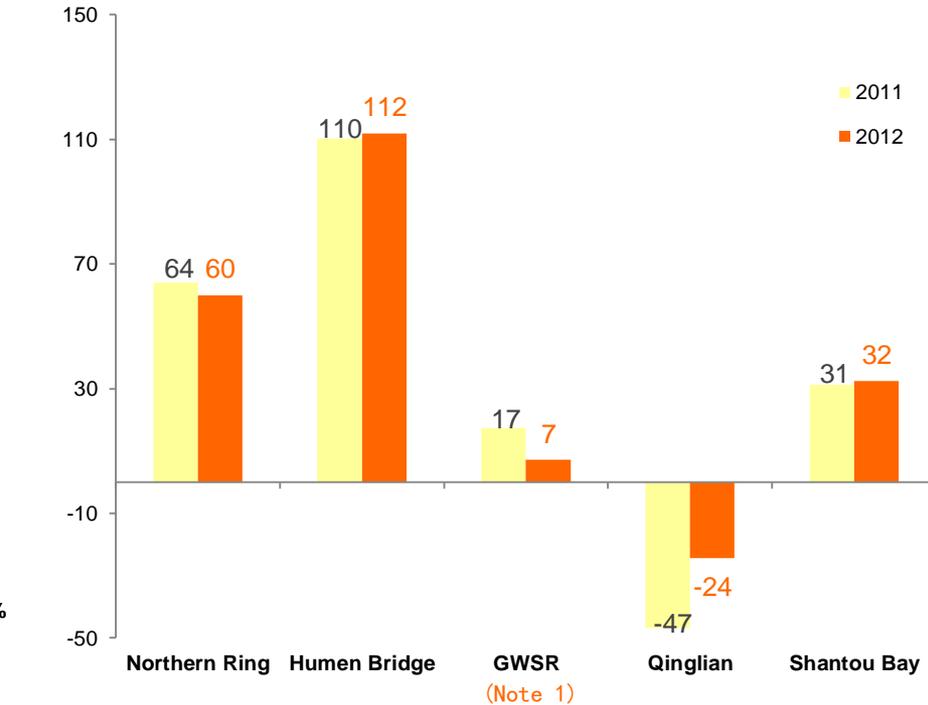
Toll revenue from Associates and JCE



2012 VS 2011	Northern Ring	Humen Bridge	GWSR	Qinglian	Shantou Bay
Average daily traffic volume	↓4%	0%	↓3%	↑14%	↑6%

	Northern Ring	Humen Bridge	GWSR	Qinglian	Shantou Bay
2012	202,808	75,081	34,796	22,827	15,797
2011	180,771	72,571	33,437	21,441	14,648

Attributable profit from Associates and JCE



2012 VS 2011	Northern Ring	Humen Bridge	GWSR	Qinglian	Shantou Bay
	↓6%	↑2%	↓59%	Loss reduced by 48%	↑4%

Note 1: Due to enforcement of unified toll rates in Guangdong Province, toll free policy imposed on small passenger vehicles on major holidays and the loan interest rate increase resulting a RMB 12M increase in interest expense, toll revenue and profit from GWSR decreased.

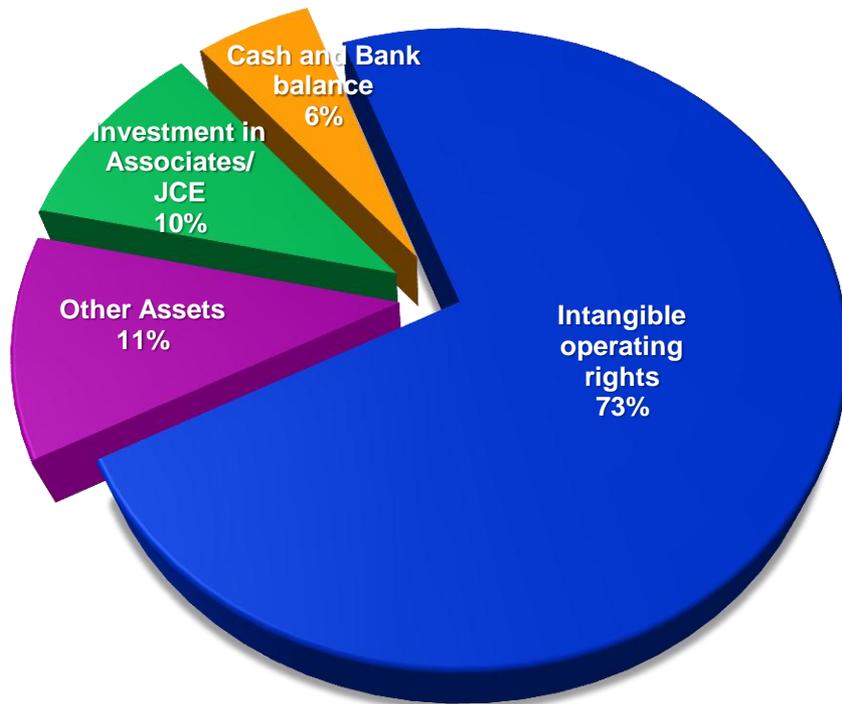
Major Balance Sheet Items

RMB'000	31 December 2012 (Audited)	31 December 2011 (Audited)	% of change
Total Assets	18,710,701	16,147,403	15.9%
Mainly including:			
Intangible operating rights	13,612,830	10,904,496	24.8%
Investment in associates and JCE	1,945,143	1,964,227	-1.0%
Cash and cash equivalents	1,057,124	1,298,476	-18.6%
Total liabilities	8,626,339	6,187,997	39.4%
Mainly including:			
Bank borrowings - due within 1 year	560,778	379,830	47.6%
- Long-term portion	5,691,636	3,648,288	56.0%
Other loans	16,880	42,680	-60.4%
Loans from minority shareholders	158,189	293,052	-46.0%
Deferred income tax	1,529,145	1,173,720	30.3%
Total equity	10,084,362	9,959,406	1.3%
Attributable to the shareholders of the Company	8,094,466	7,933,853	2.0%
Gearing ratio (= net debt/total capital)	40.2%	28.4%	
Debt ratio (= total debt/total assets)	46.1%	38.3%	

Total Assets

As at 31 Dec 2012, the Company had a total of 13 investments , including 12 expressways and bridges projects and 1 port project.

31 December 2012
 Total Assets: 18.7B ↑16%



73% Intangible Operating Rights

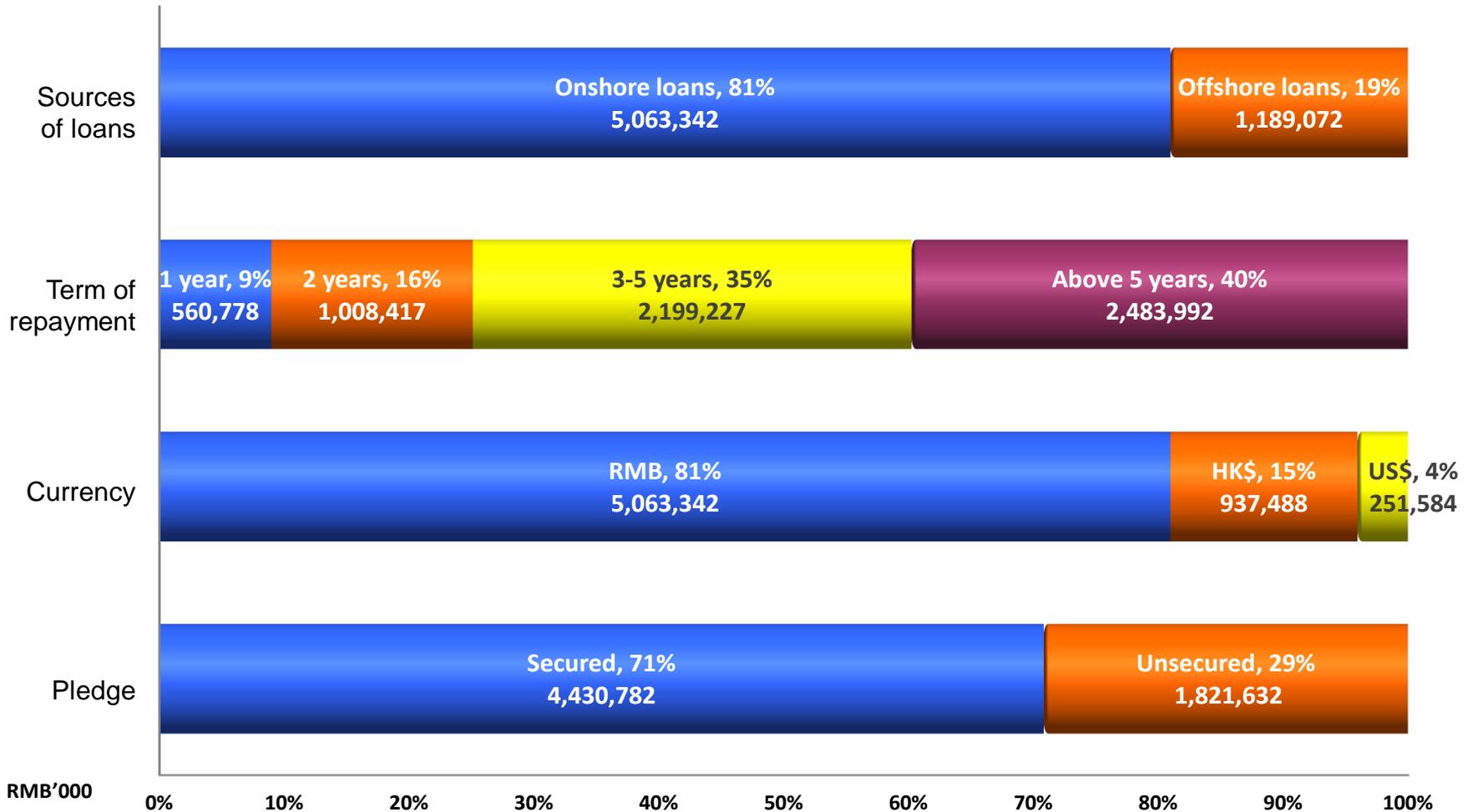
Net book value of intangible operating rights at the end of 2012 amounted to RMB 13.61B, up by 25% YOY or RMB 2.7B, mainly due to Weixu Expressway was consolidated since 28 May 2012



6% Cash and Bank balance

The closing balance of cash was RMB 1.057B on 31 Dec 2012, decreased by RMB 240M compared with opening balance.

Bank Borrowing Structure



Bank Borrowing by Projects

RMB'000	31 December 2012	Interest rate as at the end of the year ^(Note 1)	
		31 December 2012	31 December 2011
GNSR Expressway ^(Note 2)	365,000	6.00%	6.56%
Cangyu Expressway	309,910	6.33%	5.49%
Jinbao Expressway	75,000	6.35%	5.76%
Han-xiao Expressway	705,108	6.17%	6.18%
Changzhu Expressway	1,732,874	6.84%	6.78%
Wuzhou Port ^(Note 3)	271,450	6.80%	6.37%
Weixu Expressway	1,604,000	6.76%	N/A
Subtotal of onshore loans	5,063,342	6.62%^(Note 4)	6.48%
Offshore-Hong Kong	1,189,072	3.41%^(Note 4)	3.23%
Total	6,252,414	6.01%^(Note 4)	6.28%

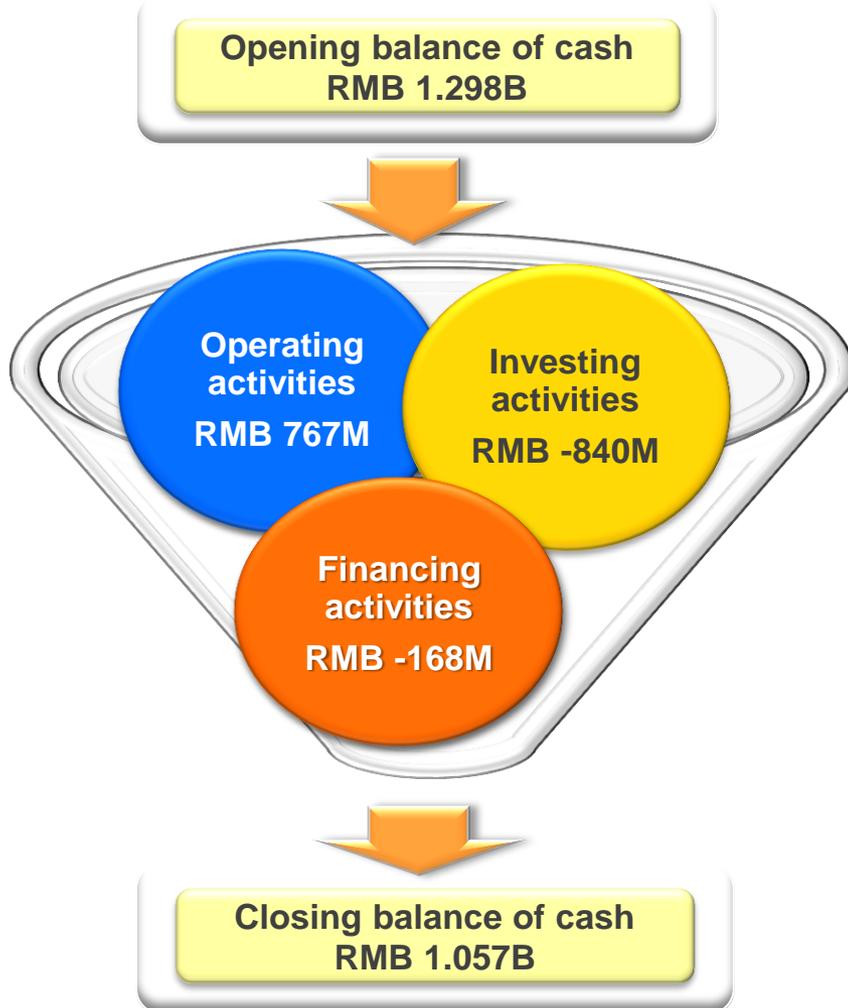
Note 1: Calculated based on the balance of loans and the interest rates applied by companies as at the end of the period.

Note 2: Loan of GNSR Expressway is revolving loan, in respect of which new loan contract shall be signed every year upon approval from banks.

Note 3: The interests expenses of Wuzhou Port have been capitalized.

Note 4: As the proportion of HK loans with lower interest rate raise from 6.3% in 2011 to 19% in 2012, the aggregate closing rate dropped.

Cash Flow



Operating activities

Toll revenue was 1.49B. Net cash inflow 767M (net of operating cost, expenses and tax)

Investing activities

Including the dividends received from associates of RMB 259M, payment for acquiring Weixu Express of RMB 946M, capital injection RMB 53M. Net cash outflow was RMB 840M.

Financing activities

Including new bank loans of RMB 988M, repayment of bank loans of RMB 411M, payment of dividends of RMB 314M, payment of interests of RMB 340M. Net cash outflow was RMB 168M.



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Based in Guangdong Expanded into Central and Western Regions



Future Prospects

– Analysis Of External Environment

Macro-Economy Environment

- Under such complicated global economic conditions, the focus of Central Government would be to maintain growth steadily when considering new measures. Thus the national economy is expected to maintain steady growth.
- Volumes of passenger and freight transportation via expressways would maintain steady growth. Meanwhile, the infrastructure sector would be more opened to market.

Policy environment of the toll road sector

- The nation-wide toll road rectification campaign is closing, thus regulatory risk has been largely reduced.
- Positive signs appeared in the sector:
 - (1) November 21 2012: Yunnan Government approved the toll rates hike.
 - (2) January 30 2013: Jiurui Expressway, approved by Jiangxi Provincial Government, got concession extended from 22 years to 30 years in total.
 - (3) February 20 2013: The hike in rail freight rate would possibly make the toll rate hike more likely, especially in provinces where toll rates are lower than average level.
- Other favorable policies
 - (1) Non-local freight vehicles restriction on Guangzhou Ring Expressway (Effective since January 10 2013).
 - (2) Guangdong Government determined to create a single unified toll collection system by 2013, indicating process of all cover toll-by-weight measures has been accelerated.

New Profitable Projects

- Immediate profit was recorded for Weixu Expressway when being taken over on 28 May 2012. It will be a new profit driver for the company in future.
- The toll revenue increased by 10.9%, in line with project estimation.
- The overhaul at Hebei Section of Jingzhu Expressway will likely boost up the growth of Weixu Expressway.

Cultivating Projects

- Significant growth recorded for revenues of Hanxiao Expressway, Changzhu Expressway and Qinglian Expressway.
- Benefiting from rapid growth of regional economy, relocation of Yangluo Port and Logistic Park, the strong growth momentum of revenue for Hanxiao Expressway will be maintained.
- Benefiting from the connection of surrounding road network, Changzhu Expressway and Qinglian will remain strong growth in revenue.

Mature Projects

- It is anticipated that relatively mature projects, such as GNSR Expressway, Humen Bridge, Xian Expressway, Northern Ring Road, Cangyu Expressway, Shantou Bay Bridge and Jinbao Expressway, will remain the main source of stable profit.
- Restrictions on non-local trucks on Guangzhou Ring Expressway, and future measure of all cover toll-by-weight policy in Guangdong could boost up revenue for GNSR Expressway and GWSR.

Investment Prospects

Regional Strategies

- Focus on the large-scale expressway projects with high quality
- Prefer projects with control outside Guangdong Province, while joint-venture is an option for projects in Guangdong Province

Investment Strategies

- Highly developed Pearl River Delta region
- Central and western provinces have been enjoying rapid economic growth due to strong support by central government, industrial migration and favorable policy

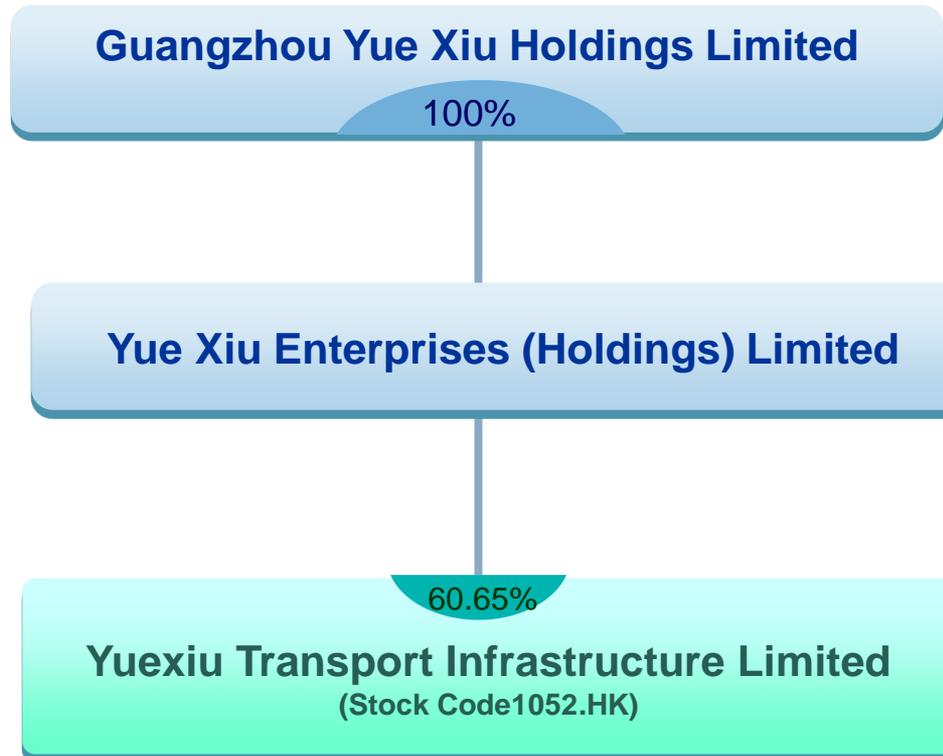
- Projected IRR (by independent valuer) not lower than 10%
- Balanced cash shortly after acquisition

Acquisition Financial Criteria

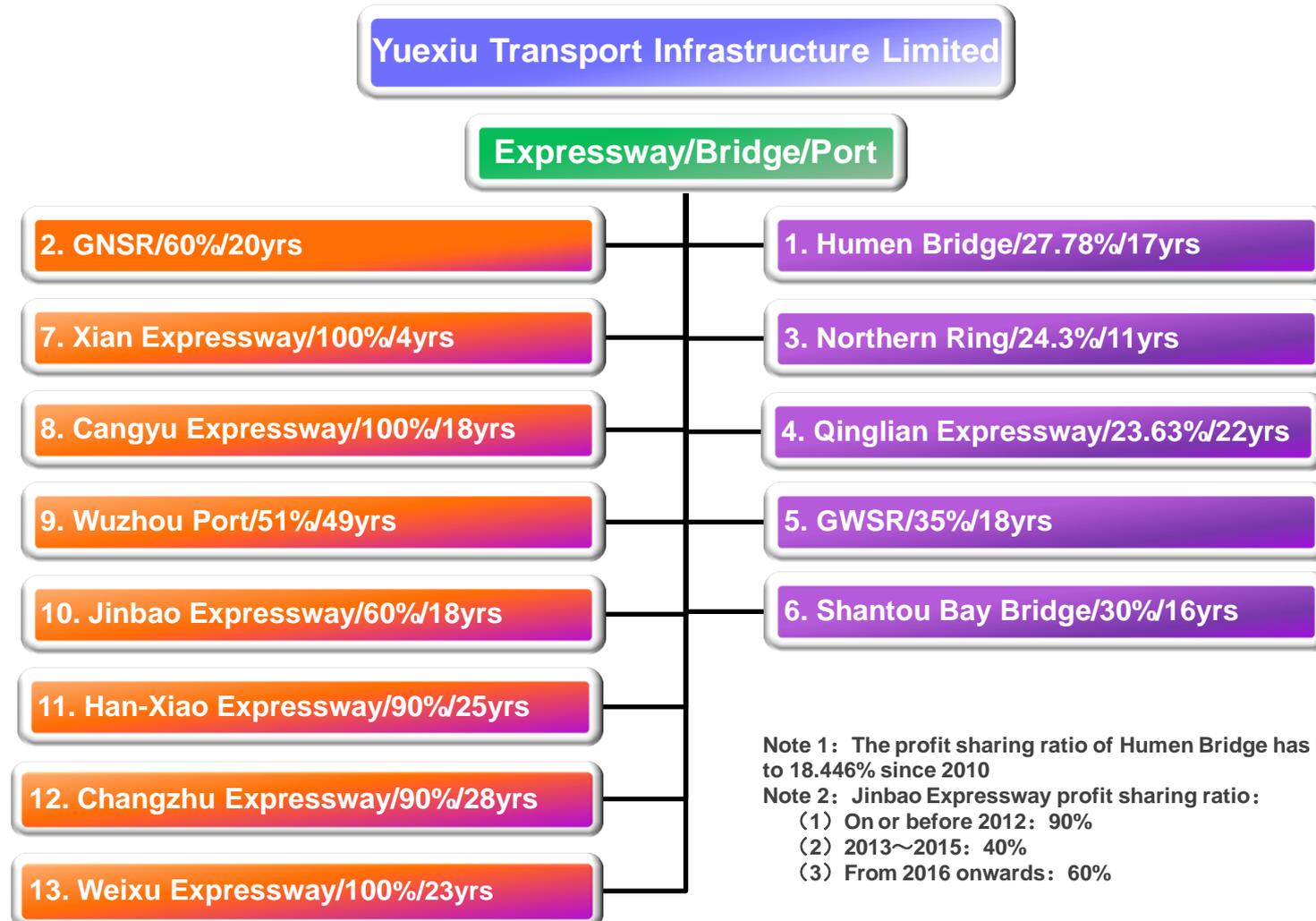


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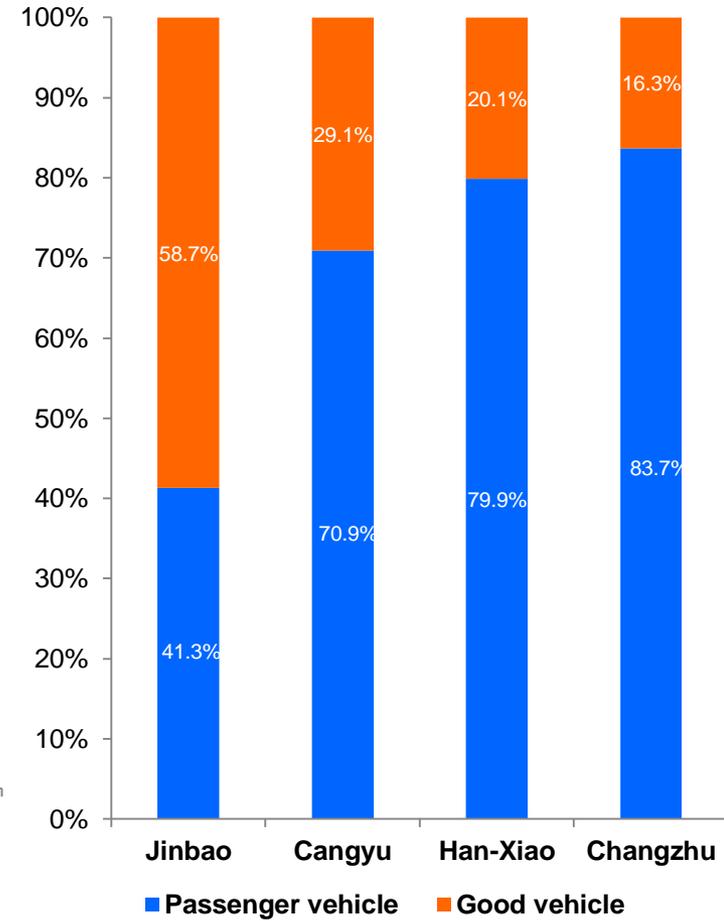
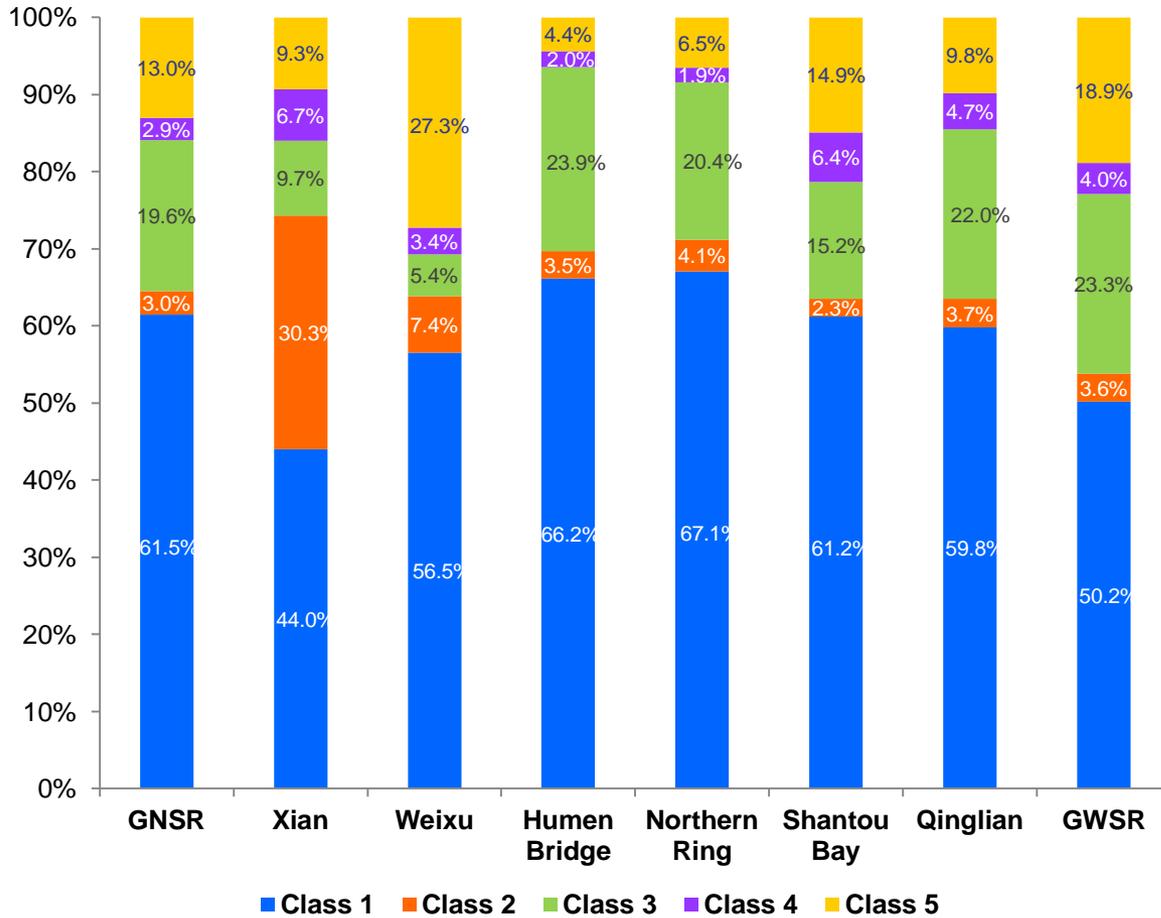
Shareholders Structure



Business Structure



Traffic Mix



Location Maps of Projects — Guangdong



1



Humen Bridge

is an expressway of approximately 15.8 km long with a six-lane suspension bridge linking Panyu District of Guangzhou Municipality and Dongguan City. Its two ends are connected to the GS Superhighway and Guangzhou Zhuhai Eastern Expressway.

2



GNSR Expressway

is a six-lane 42.5 km expressway with nine intersections which connects eleven provincial, national highways and expressways in the north of Guangzhou Municipality.

3



Northern Ring Road

is located in the urban area of Guangzhou City with total length of approximately 22.0 km with six lanes. It links the GS Superhighway in the east and the Guangzhou Foshan Expressway in the west.

4



Qinglian Expressway

consists of an expressway of approximately 215.2 km long with four lanes and a Class II Highway of approximately 253.0 km long with two lanes. They are located in the northwestern part of Guangdong Province and is a major access connecting Guangdong Province and Hunan Province.

5



GWSR Expressway

is a 42.1 km expressway with six lanes in dual direction which connected to GNSR Expressway, Jingzhu Expressway, Guanghua Expressway, New Airport Expressway, Guangnan Expressway and National Highways 324, 321, 105, 106, 107.

6



Shantou Bay Bridge

is a six-lane bridge of approximately 6.5 km long, located in the eastern entrance of Shantou Harbour which connects Shenshan Expressway in the west and stretches over Shantou Harbour Huangsha Bay Sea Route linking Shanfen Expressway.

Location Maps of Projects — Shaanxi



Location Maps of Projects — Guangxi



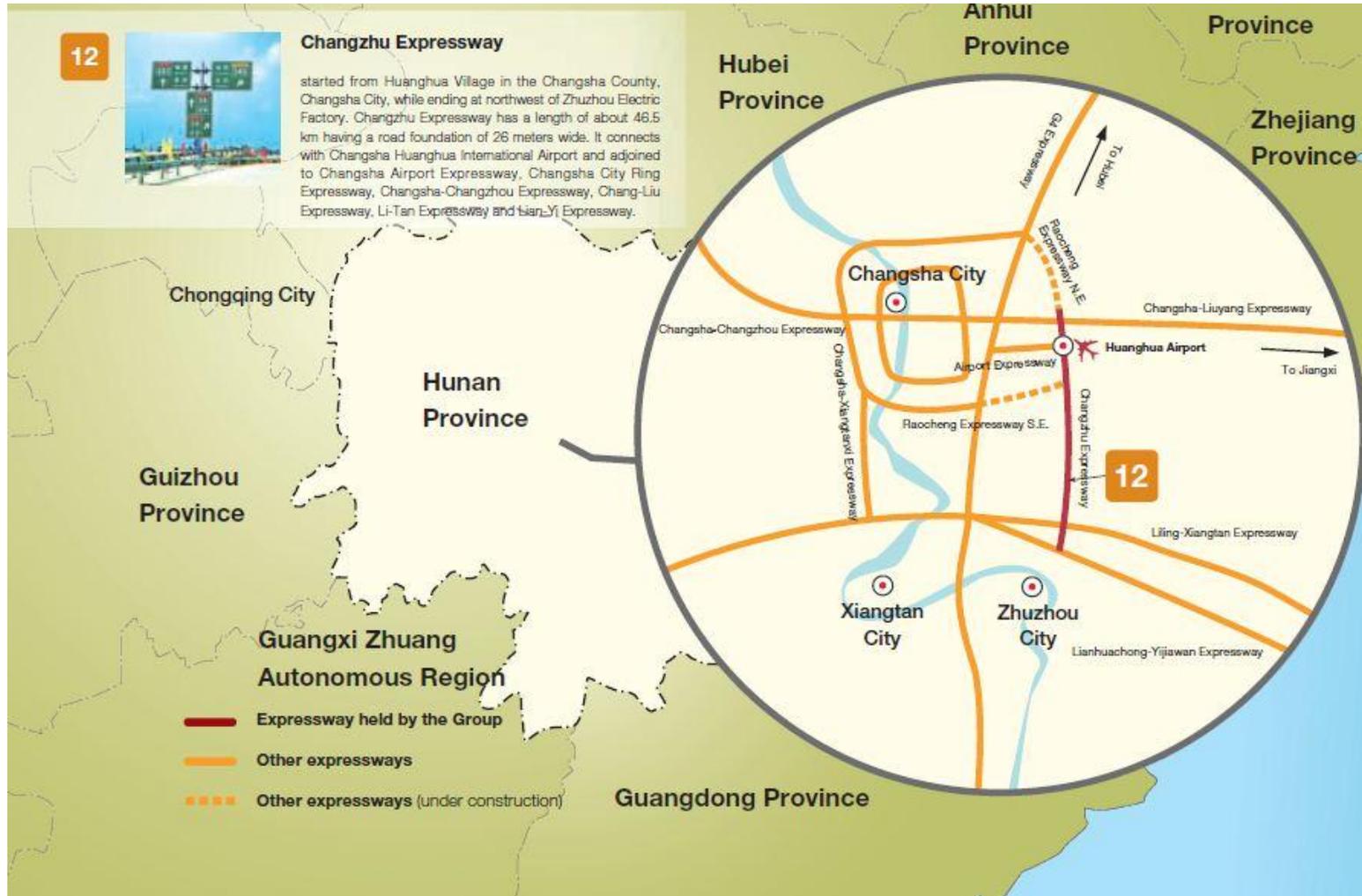
Location Maps of Projects — Tianjin



Location Maps of Projects —Hubei



Location Maps of Projects —Hunan



Location Maps of Projects — Henan



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