



越秀交通基建有限公司

YUEXIU TRANSPORT INFRASTRUCTURE LIMITED

(Stock Code: 01052)

2015 Annual Result



 越秀集團
YUEXIU GROUP

 30
Beyond Excellence



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Financial Highlights

Income from operations

+19.8%

RMB2.226B

Profit attributable to shareholders

-12.7%

RMB 532M

Total assets

+33.7%

RMB 23.42B

Dividend per share

Final: HKD 0.16

Total: HKD 0.28

Review of operating environment of 2015

The global economic recovery in 2015 slowed down further, diverged patterns appeared among different economies

PRC economy remained steady with an improving trend, the GDP grew by 6.9% in 2015

For the first 11 months of 2015, investments of highways, highway passenger turnover and freight turnover increased by 6.5%, 2.0% and 5.9% respectively in China

Ministry of Transport published the revised draft of Toll Road Regulations, in which concessions could be adjusted/renewed depends on scales of investment or expansion/upgrade projects as proposed

Treasury Department and Ministry of Transport jointly issued an official documents to encourage social capitals to invest, construct, operate and maintain in toll road sector

A unified ETC system of expressways was established across the country to enhance the efficiency of toll collections

2015 Performance Highlights

- ✓ **C**ore business achieved solid and stable growth, with operating income reached new historical high
- ✓ **A**ssets portfolio further optimized : smooth integration of SYN Expressway; disposal agreement of Wuzhou Port has been signed
- ✓ **C**redit rating maintained investment grade for three consecutive years
- ✓ **F**inancing channels diversified : establishment of a guaranteed US\$1 billion MTN program and successfully issued a 3-year Euro 200M guaranteed notes with coupon rate of 1.625%

2015 operating analysis of controlled toll projects

RMB million	Income from operations	Attributable profit ⁽¹⁾	Average daily Traffic volume
GNSR Expressway	950 + 12.4%	303 + 20.7%	169,868 + 14.2%
Xian Expressway	268 + 3.3%	133 + 1.2%	22,178 N/A
Cangyu Expressway	67 + 3.6%	21 + 41.1%	7,296 + 2.4%
Jinbao Expressway	94 - 3.8%	-111 ⁽²⁾ - 1156.4%	25,777 + 1.6%
Han-Xiao Expressway	141 + 4.1%	59 + 114.3%	18,898 + 8.2%
Changzhu Expressway	216 + 28.8%	34 Turned profit	18,773 + 16.6%
Weixu Expressway	274 - 3.8%	88 + 1.7%	16,125 - 1.1%
Suiyuan Expressway	205 N/A	23 N/A	15,678 + 19.0%

(1) The amounts represented attributable profit before elimination of inter-company loan interest.

(2) Due to the 266M impairment loss of Jinbao Expressway, which attributable profit reduced RMB 120M.

2015 operating analysis of non-controlling projects

RMB million	Revenue	Share of results	Average daily Traffic volume
Northern Ring Expressway	+ 690 7.2%	+ 74 13.0%	+ 271,455 8.2%
Humen Bridge	+ 1,401 6.5%	+ 157 6.4%	+ 99,813 7.4%
GWSR Expressway	+ 361 8.0%	+ 27 26.6%	+ 50,275 9.7%
Qinglian Expressway	- 637 18.3%	-33 ⁽¹⁾ Turned loss	+ 33,290 0.8%
Shantou Bay Bridge	- 249 0.7%	- 33 5.1%	+ 21,197 6.9%

(1) Included an impairment loss provision of RMB 5.7M

Extract of consolidated income statement

RMB'000	2015	2014	
Income from operation	2,226,023	1,858,706	Income from operation <ul style="list-style-type: none"> Total 2015 increased 19.8% or RMB 367M Acquisition of SYN Expressway consolidated RMB 205M GNSR Expressway increased RMB 105M Changzhu Expressway increased RMB 48.4M
EBITDA	2,037,563	1,670,146	EBITDA <ul style="list-style-type: none"> 2015 increased 22% or RMB 367M Contribution of acquisition and consolidation of SYN Expressway to EBITDA of RMB 188.7M GNSR Expressway contributed RMB 125.3M to the EBITDA increase
Gross profit	1,450,776	1,167,891	
Attributable profit	532,086	609,370	Attributable profit <ul style="list-style-type: none"> Decreased 12.7% or 77.3M Increase in gross profit of which RMB 140.4M from consolidation of SYN Expressway and RMB 96.8M from GNSR Expressway RMB devaluation led to RMB 184.9M exchange loss in accounting translation of foreign debt If impairment loss is excluded, attributable profit was 652M, increased 7.0% or 42.6M
Earnings per share (RMB)	0.3180	0.3642	
Dividend per share(HKD)	0.28	0.28	
Payout ratio	72.2%	61.0%	

Extract of Balance sheet

	2015	2014
Total assets	23,419,273	17,509,960
Total liabilities	12,590,180	7,065,391
Total equity	10,829,093	10,444,569

Mainly including:

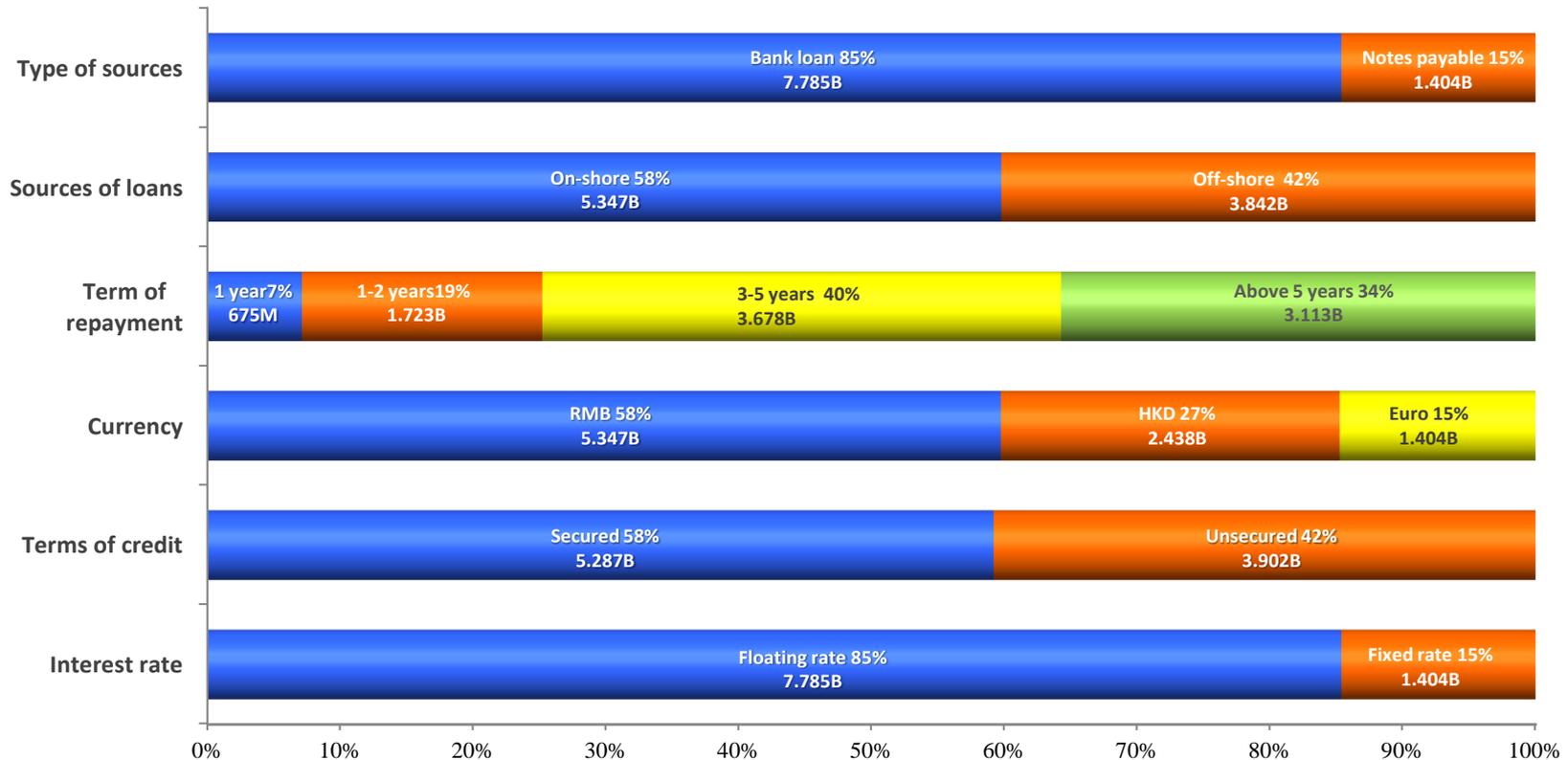
- 81% intangible operating rights**
 Net book value of intangible operating rights as at 31 Dec 2015 amounted to RMB 18.95B, increase by 5.96B or 45.9%, which mainly due to the consolidation of the intangible operating rights of SYN Expressway.
- 4% cash and cash equivalents**
 The closing balance of cash and cash equivalents was RMB 867M, decreased 257M compared with the opening balance, was mainly due to the payment of considerations of acquisition of SYN Expressway and the repayment of bank borrowings.

Mainly including:

- Bank borrowings of RMB 7.79B
- Notes payable of RMB 1.4B

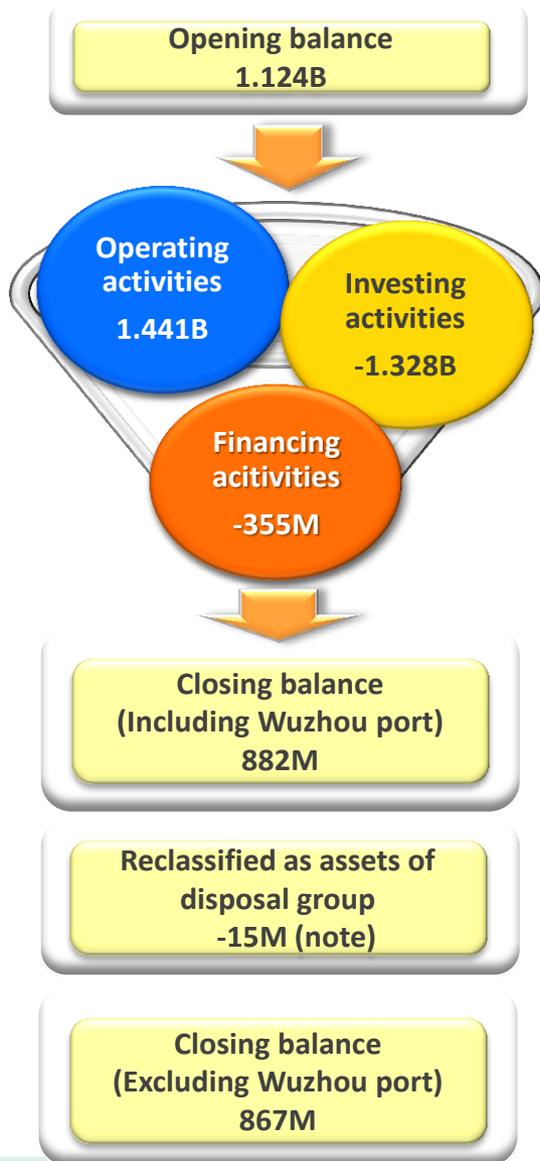
	2015	2014
Gearing ratio (=net debt/(total equity + net debt))	43.9%	27.6%
Total liabilities/total assets ratio	53.8%	40.4%
Debt to equity ratio (=net debt / total equity)	78.4%	38.1%

Borrowings Structure (Bank borrowings and notes payable)



Effective interest rate	31 Dec 2015	31 Dec 2014
On-shore	5.45%	6.46%
Off-shore	2.59%	3.24%
Total	4.08%	5.05%

Cash Flow



Operating activities

- Cash generated from operation of RMB 1.441B
- Less tax paid of RMB 280.6M

Investing activities

- Payment of RMB 1.581B for consideration of SYN Expressway
- Payment of RMB 220.8M for major overhaul
- Receipt of dividends received from non-controlling projects of RMB 313M

Financing activities

- Repayment of bank borrowings of MB 1.81B
- Payment of finance cost of RMB 343M
- Payment of dividend of RMB 306M to non-controlling interests
- Payment of dividend of RMB 386M to shareholders of the Company
- Proceeds from bank borrowings of RMB 1.3B
- Proceeds from notes payable of RMB 1.4B

Note: The cash and cash equivalents of Wuzhou Port as at year end was reclassified to Assets of disposal group classified as held for sale



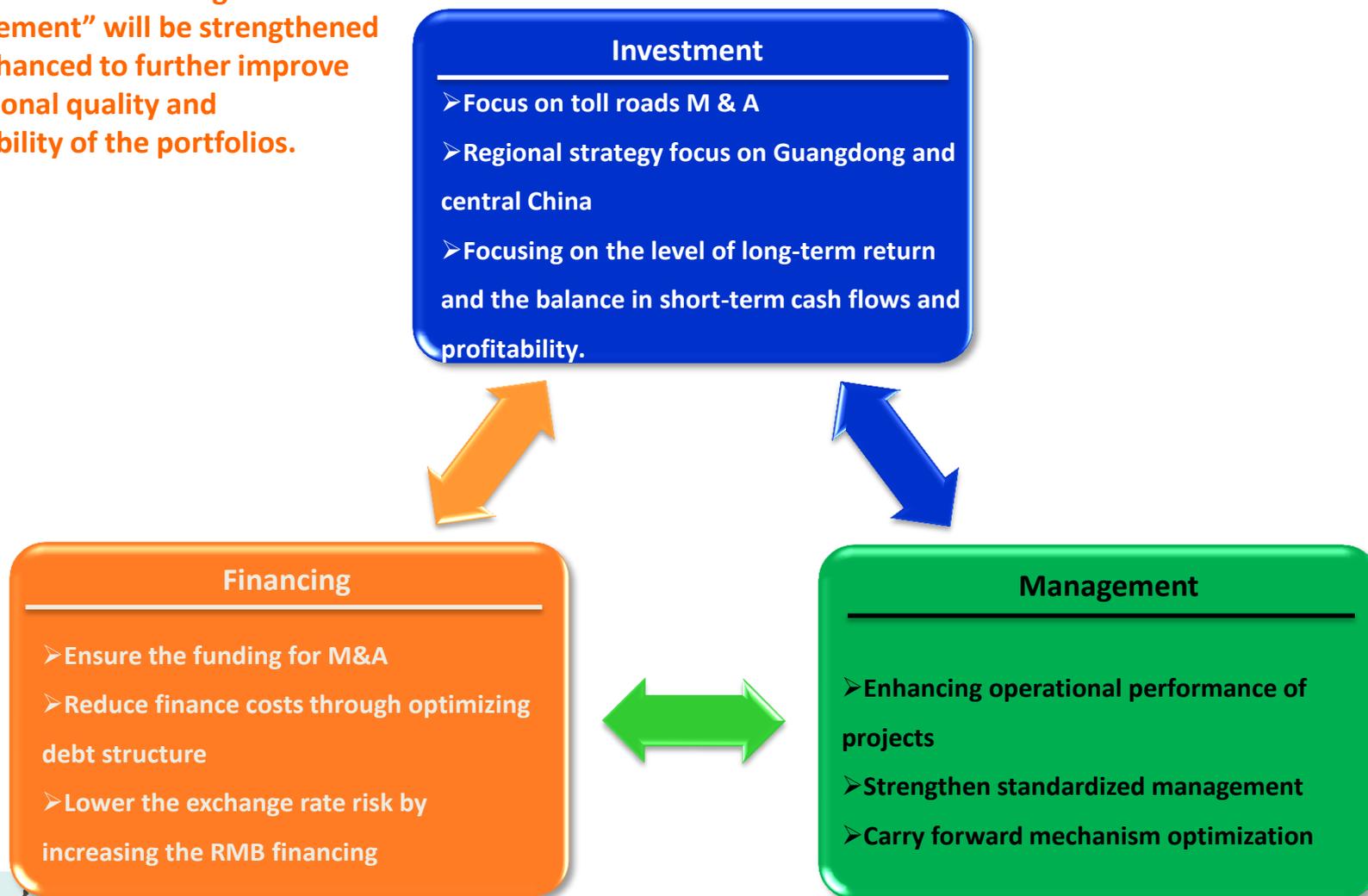
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Future prospects- analysis of operating environment

- The IMF lowered down the projection of 2016 global economic growth to 3.4% from 3.8%; Challenges will confront the emerging markets and developing economies.
- The monetary policy in advanced economies as Europe and Japan were likely to be more accommodative, a negative interest rate has adopted to counter the ongoing economic slump.
- China's economy is still within the reasonable range. Supply side reforms will be significantly promoted by government since economy is further rebalanced and transformed, aiming to maintain a mid-high speed of economy growth.
- Affected by the downside pressures of domestic economy, a slow growth of transportation sector is expected.
- Regulatory environment remain steady with an improving trend. A revised Toll Road Regulation is expected to be promulgated by official authorities to support sustainable development of toll road sector.

Future prospects——Business strategies

The integrated business model of “Investment + Financing+ management” will be strengthened and enhanced to further improve operational quality and profitability of the portfolios.





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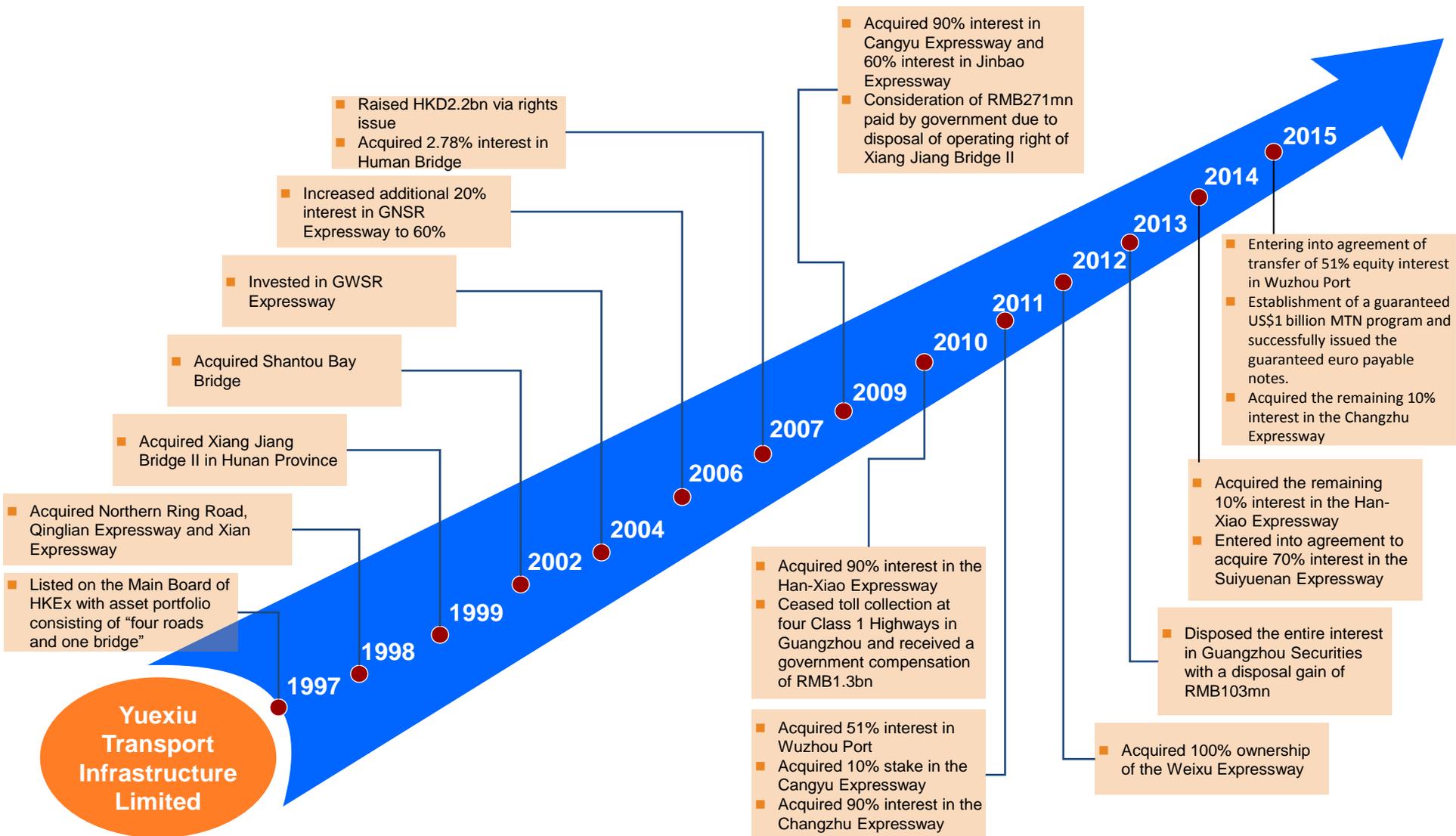
Extract of consolidated income statement

RMB'000	2015	2014	Increase/ decrease	Change%
Income from operation	2,226,023	1,858,706	367,317	19.8%
Cost of services	775,247	690,815	84,432	12.2%
Gross profit	1,450,776	1,167,891	282,885	24.2%
Other income, gains and losses-net (excluding impairment loss)	138,195	32,789	105,406	321.5%
Impairment loss of IOR	266,435	-	266,435	N/A
General and administrative expenses	202,091	203,979	(1,888)	-0.9%
Net finance costs	508,439	253,933	254,506	100.2%
Share of result of a joint venture/ associates	257,926	271,472	(13,546)	-5.0%
Profit before tax	869,932	1,014,240	(144,308)	-14.2%
Income tax	216,910	236,510	(19,600)	-8.3%
Profit after tax	653,022	777,730	(124,708)	-16.0%
Profit attributable to shareholders	532,086	609,370	(77,284)	-12.7%
Earnings per share (RMB)	0.3180	0.3642	(0.0462)	-12.7%
Dividend per share (HKD)	0.28	0.28		
Payout ratio	72.2%	61.0%		

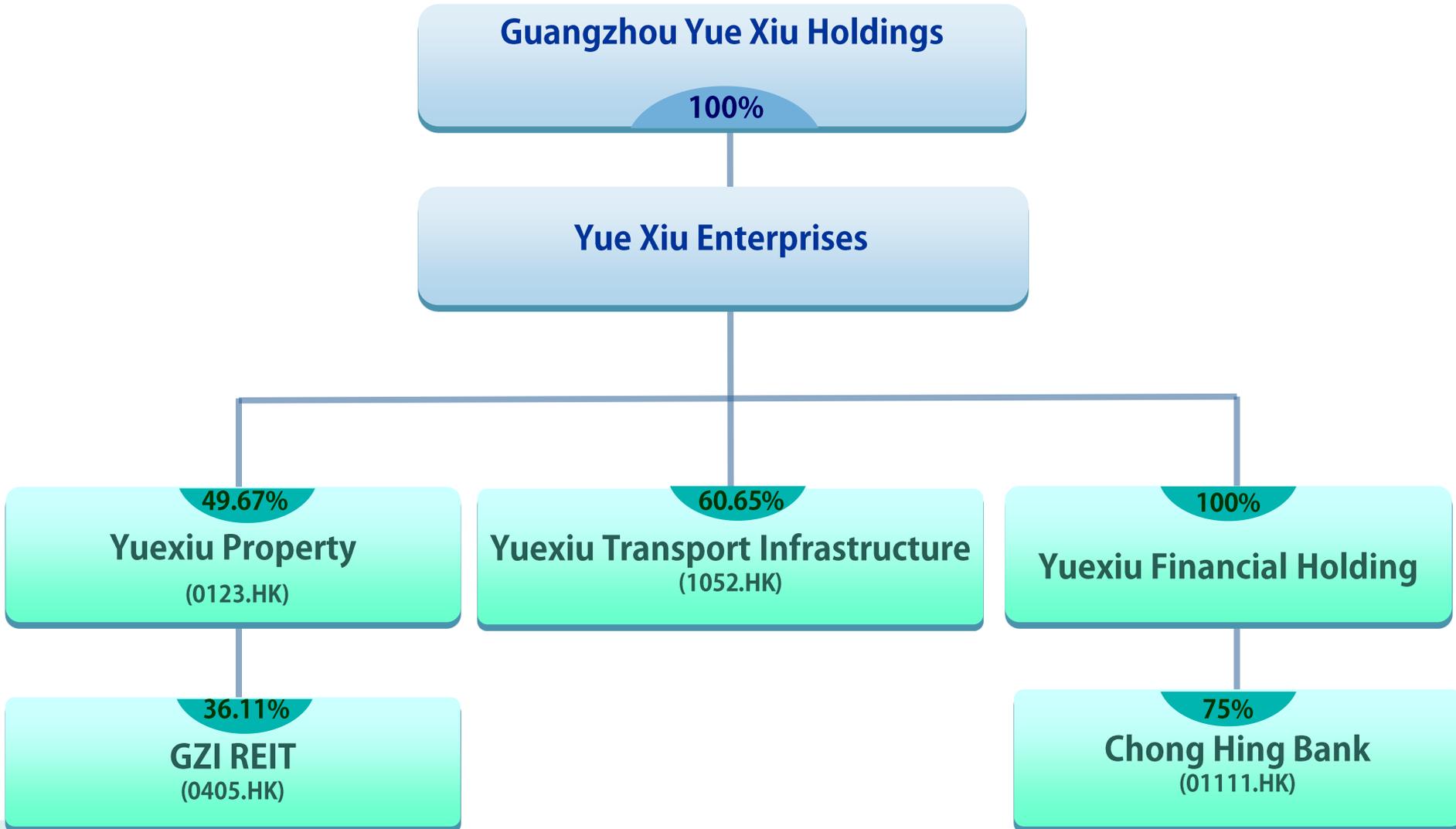
Extract of Balance Sheet

RMB'000	31 Dec 2015	31 Dec 2014	Change %
Total assets	23,419,273	17,509,960	33.7%
Mainly including:			
Intangible operating rights	18,952,996	12,991,487	45.9%
Investments in a joint venture and associates	1,845,439	1,855,924	-0.6%
Cash and cash equivalents	866,665	1,123,517	-22.9%
Assets of disposal group classified as held for sale	599,192	-	N/A
Total liabilities	12,590,180	7,065,391	78.2%
Mainly including:			
Bank borrowings -- current portion	675,268	358,338	88.4%
-- long term portion	7,109,620	4,518,505	57.3%
Loans from non-controlling interest	107,227	107,534	-0.3%
Notes payable	1,403,973	-	N/A
Deferred income tax	1,932,015	1,529,613	26.3%
Liabilities of disposal group classified as held for sale	417,749	-	N/A
Total equity	10,829,093	10,444,569	3.7%
Of which: Attributable to the shareholders of the company	8,571,746	8,527,595	0.5%
Net assets per share	5.12	5.10	0.5%
Gearing ratio (=net debt/(total equity + net debt))	43.9%	27.6%	16.3ppt
Total liabilities/total assets ratio	53.8%	40.4%	13.4ppt
Debt to equity ratio (=net debt / total equity)	78.4%	38.1%	40.3ppt

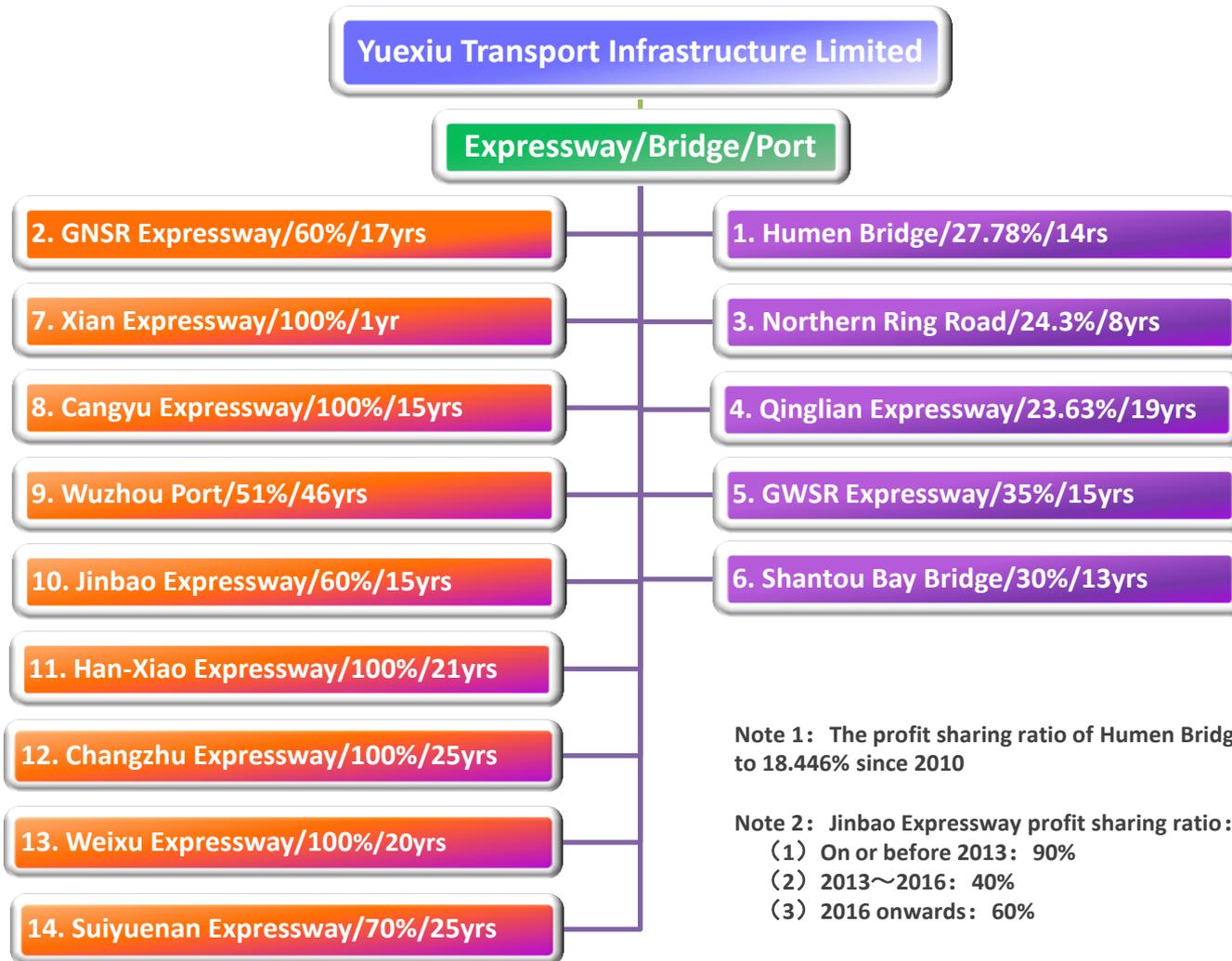
History



Shareholders Structure



Asset portfolios

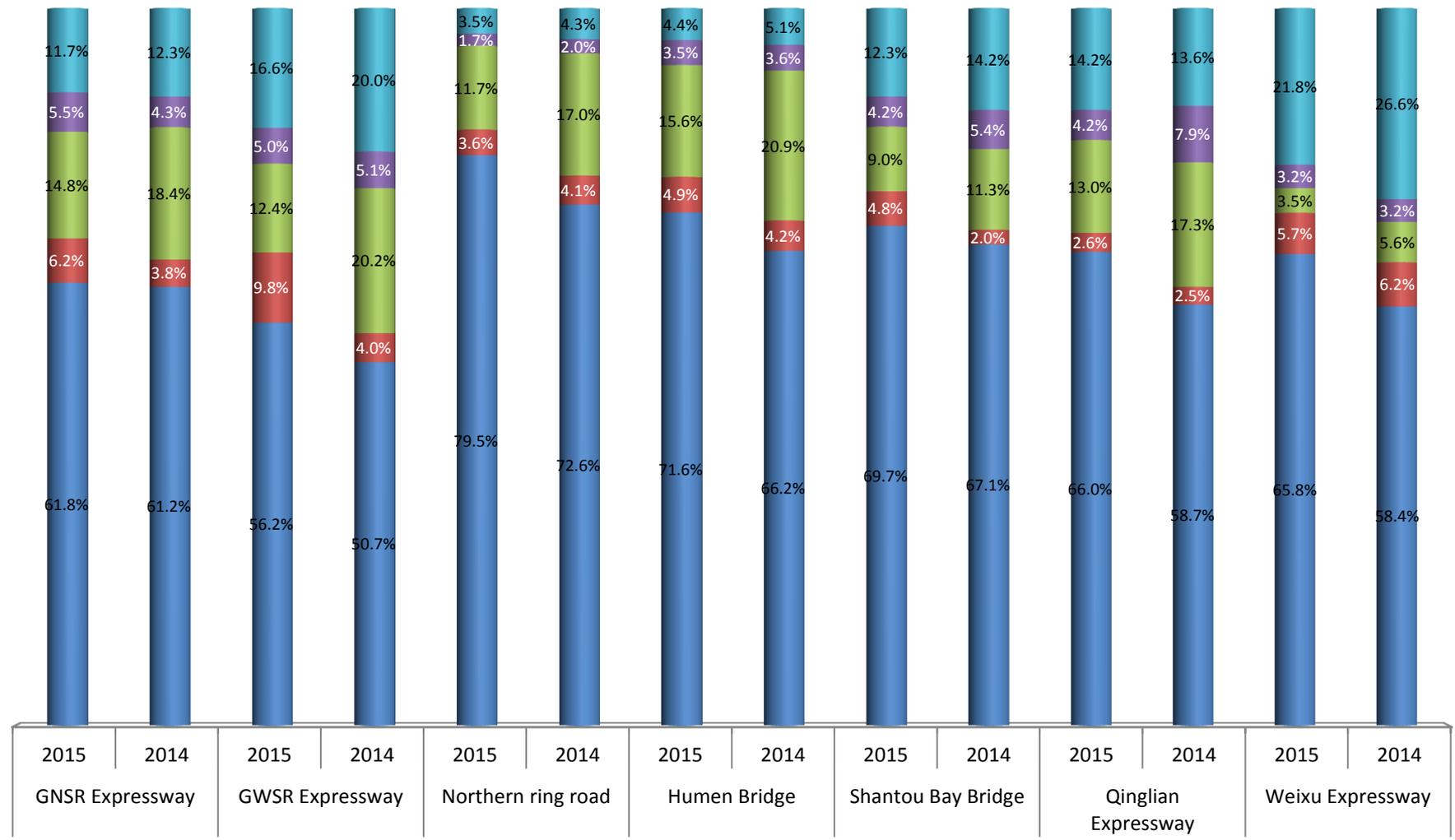


Note 1: The profit sharing ratio of Humen Bridge has been adjusted to 18.446% since 2010

Note 2: Jinbao Expressway profit sharing ratio:

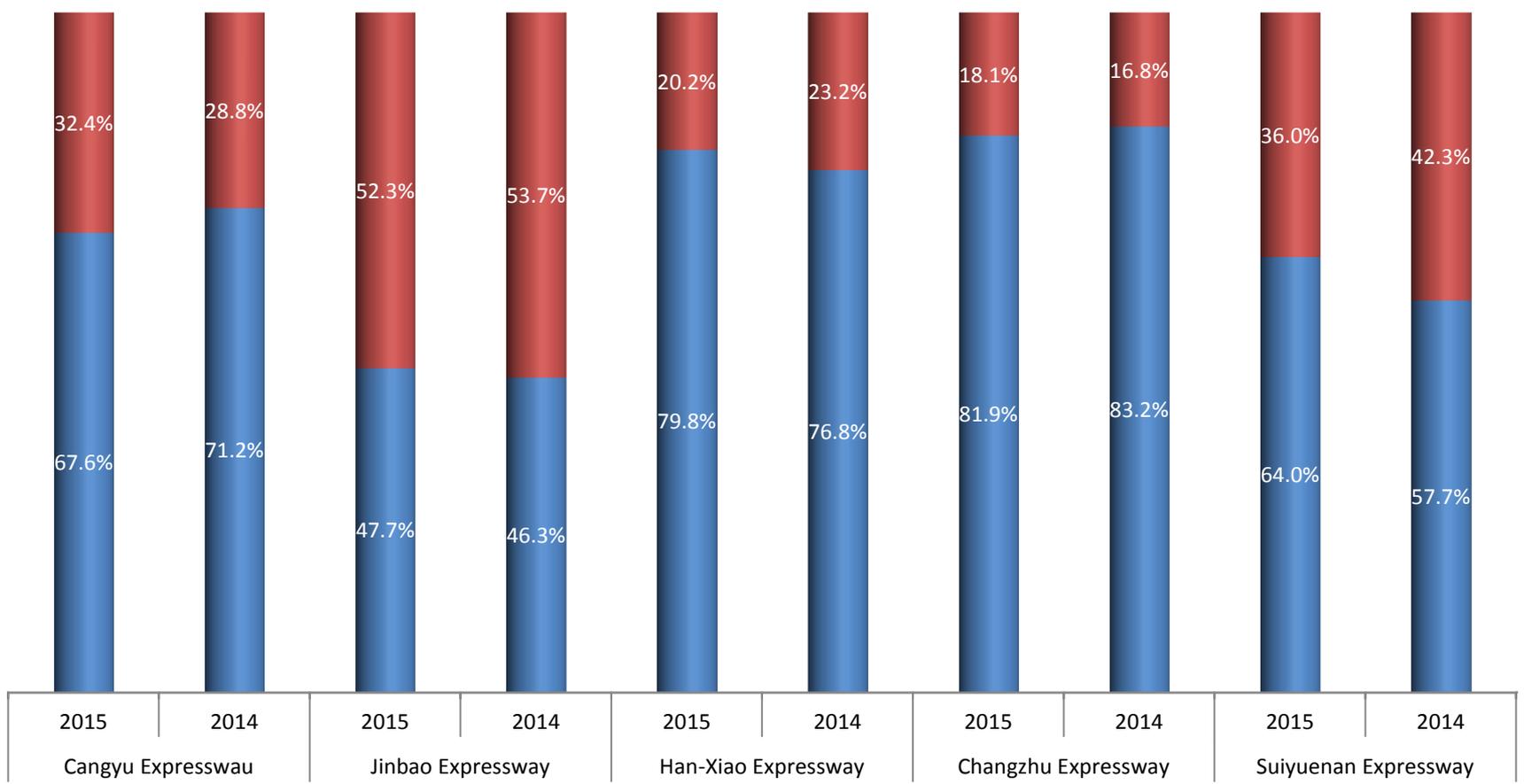
- (1) On or before 2013: 90%
- (2) 2013~2016: 40%
- (3) 2016 onwards: 60%

Traffic Mix (2015 VS 2014)



■ Class 1 ■ Class 2 ■ Class 3 ■ Class 4 ■ Class 5

Traffic Mix (2015 VS 2014)

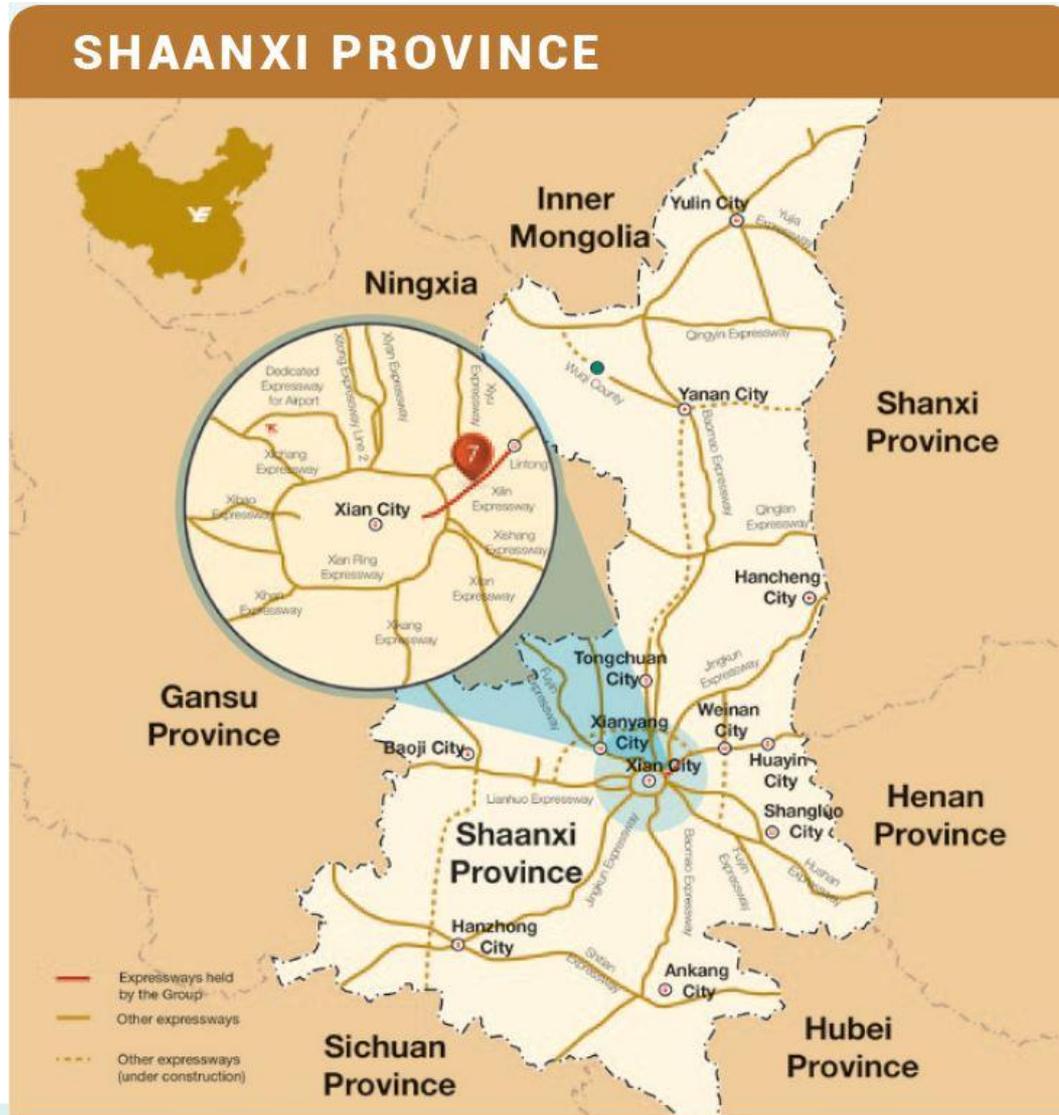


■ passenger vehicle ■ Goods vehicle

Location Maps of Projects — Guangdong



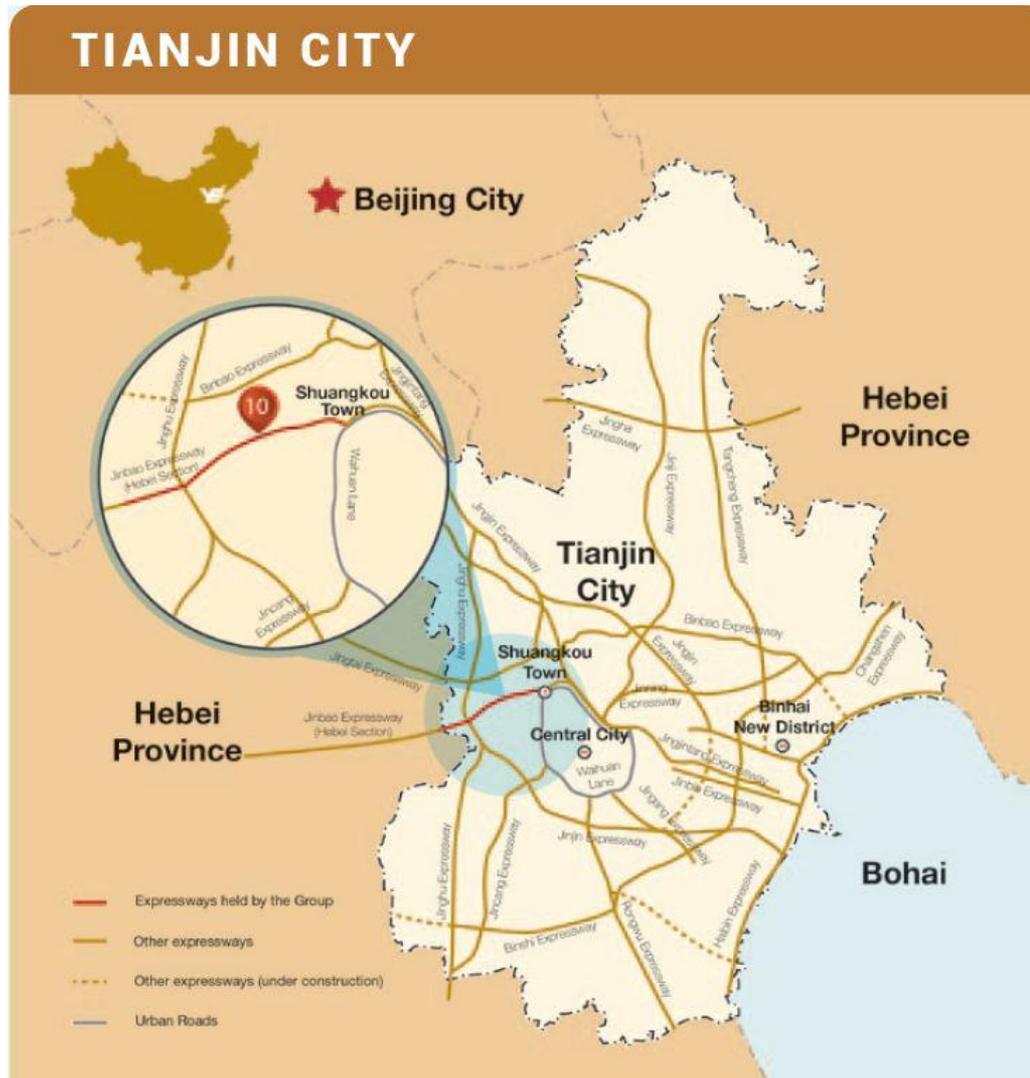
Location Maps of Projects — Shaanxi



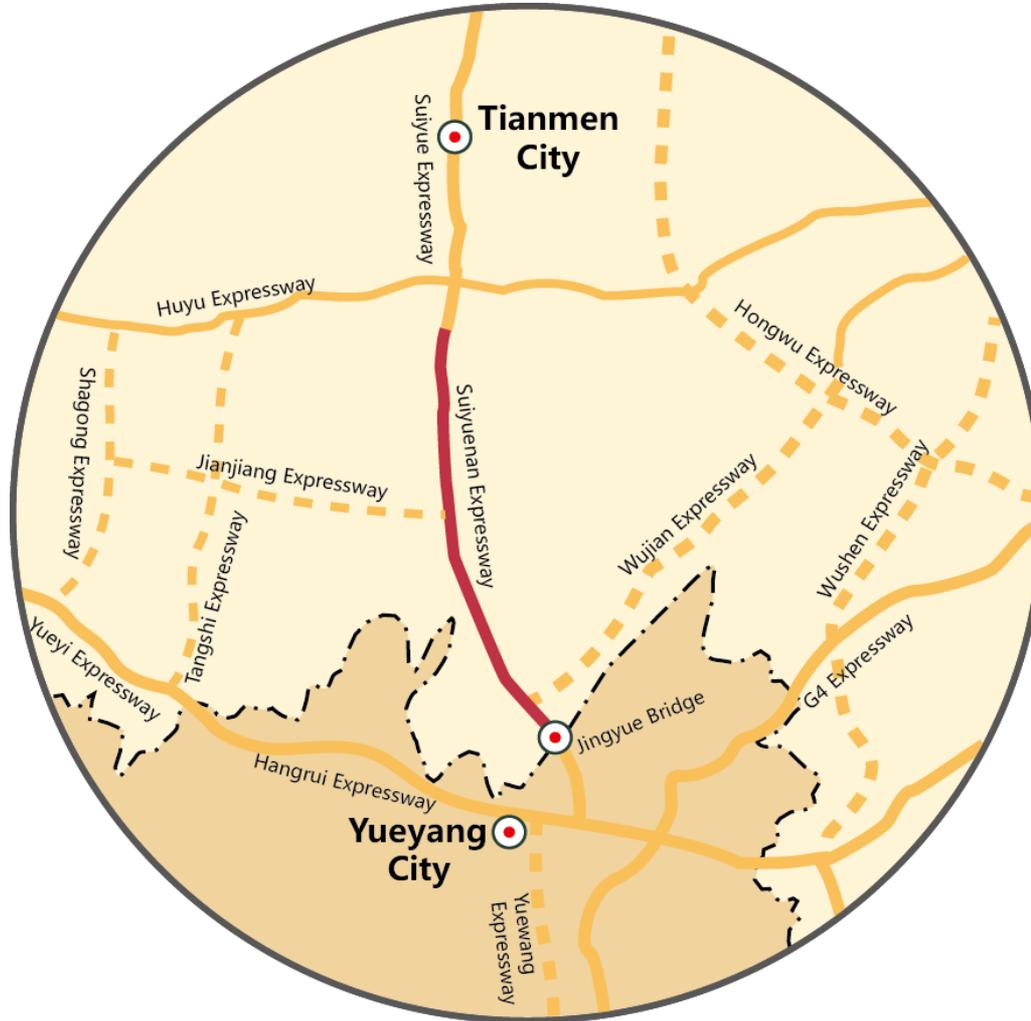
Location Maps of Projects — Guangxi



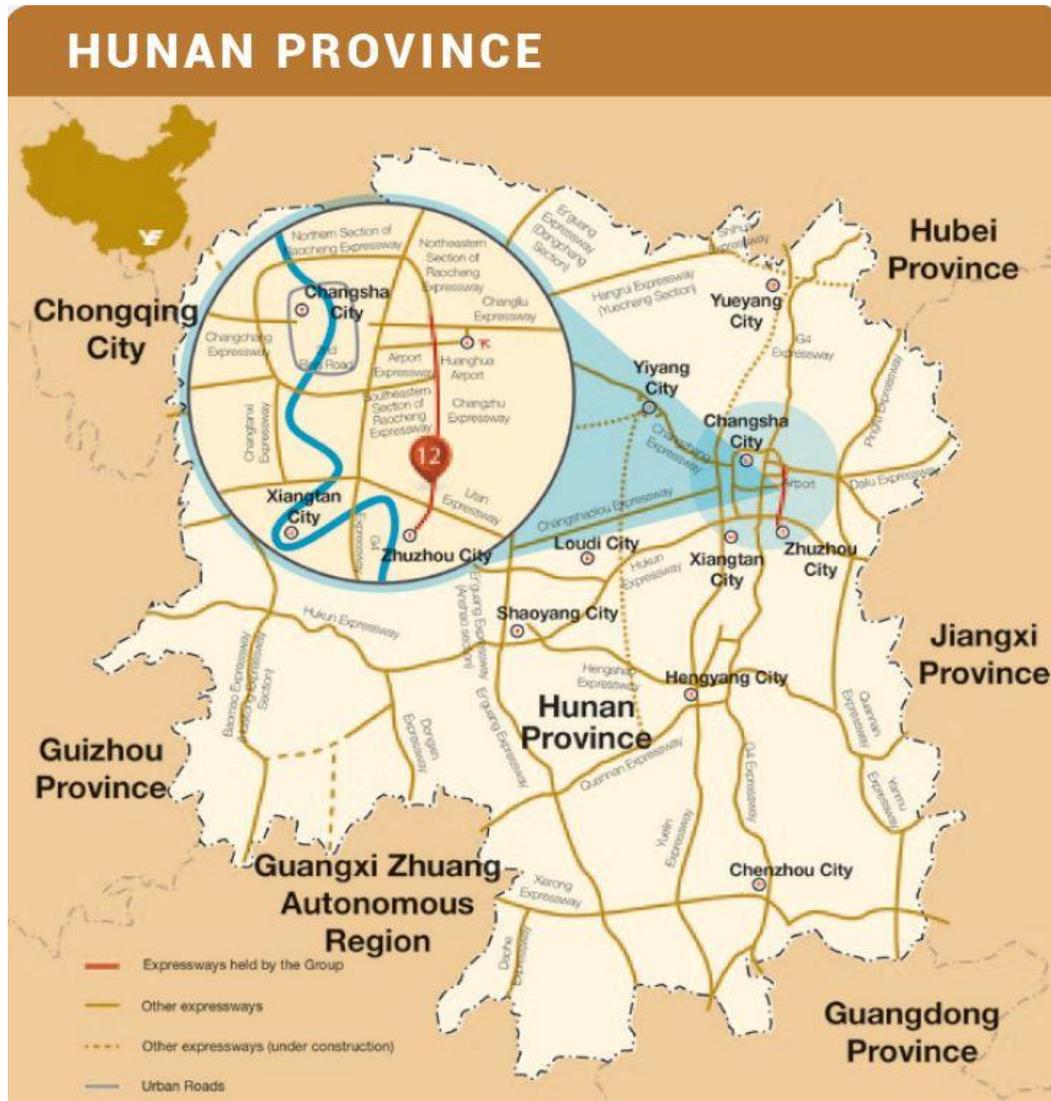
Location Maps of Projects — Tianjin



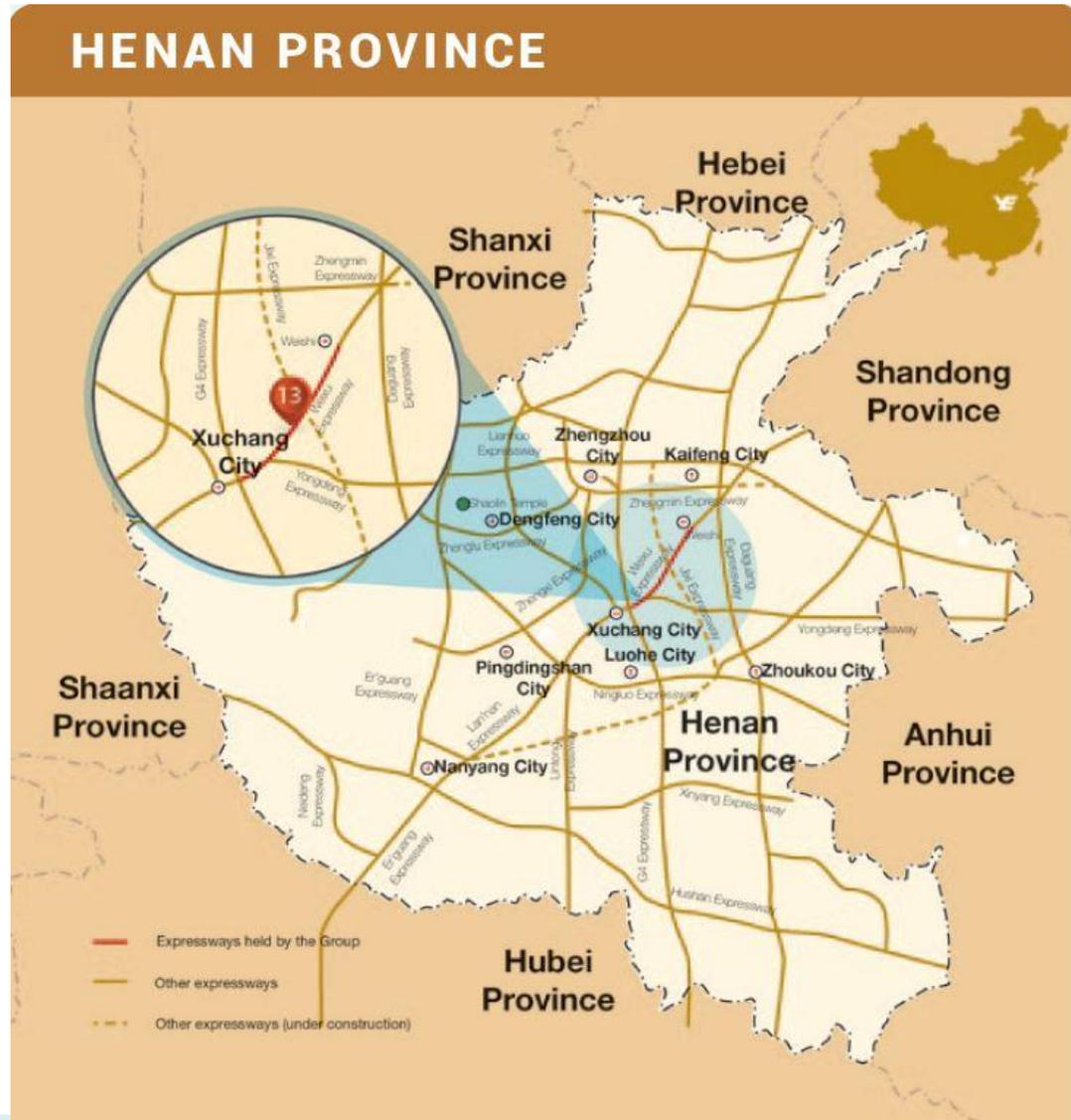
Location Maps of Projects —Hubei



Location Maps of Projects — Hunan



Location Maps of Projects — Henan



免責聲明

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