



**越秀交通基建有限公司**  
YUEXIU TRANSPORT INFRASTRUCTURE LIMITED

2020 Annual Result

CREATING

**EXCELLENT VALUES**

HEAVEN  
HUNAN  
HUBEI  
TIANJIN  
GUANGXI  
GUANGDONG

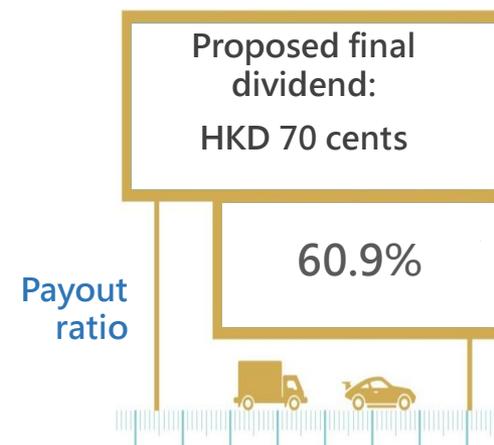
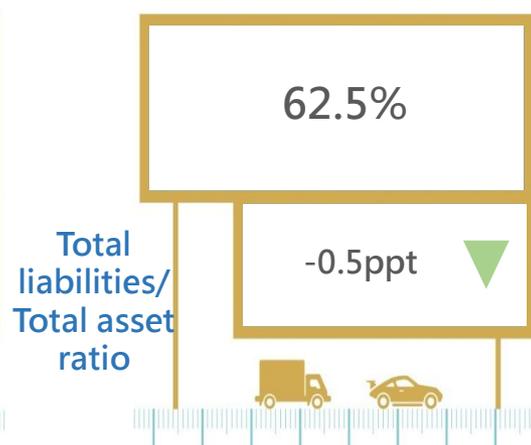
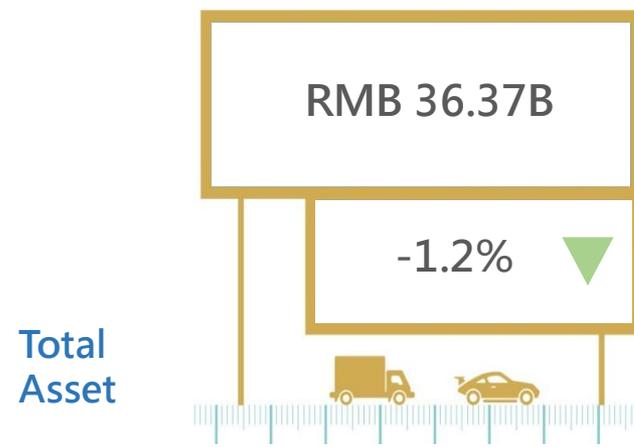
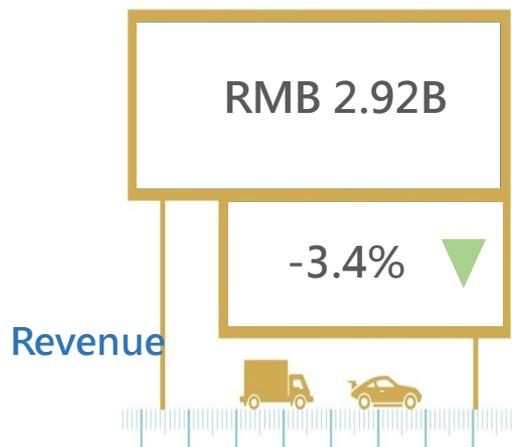


# Content



# 2020 Performance highlights

 Relying on the solid foundation we have built over the years, efficient precautionary measures, sufficient liquidity and financial stability, the Group withstand the impact of the COVID-19 pandemic and the Temporary Toll Exemption Policy.





## **With efficient precautionary measures, the Group's projects enjoyed a solid recovery in business in second half and achieved a full-year profit**

- Ensured the health and safety of employees, steadily promoted the resumption of work and production with implementation of efficient and strong precautionary measures. Withstand the interim loss and achieved a full year profit.
- In the second half of 2020, the average daily toll traffic volume and average daily toll revenue for the controlling projects increased by 11.2% and 5.8% YOY.
- The average daily toll traffic volume and average daily toll revenue of projects in Hubei Province increased by 14.9% and 10.9% respectively in the second half of 2020.



## **Multiple ways to increase revenue and reduce expenditure, strengthened costs and expense control and strived for policy support**

- The management strived to obtain the taxation, social security fee exemption and compensation of removing provincial broader toll booths of more than RMB 60M.
- Reasonably adjusted and reduced the construction and operation cost of RMB 110M
- Partial deferred payment of principal and interest of existing loans from the support of financial institutions



## **Withstand the impact of precautionary measures and toll exemption policy, continued to maintain financial stability and sufficient liquidity, optimizing debt structure significantly**

- Under the impact of pandemic and toll exemption policy, continued to maintain stable financial situation and sufficient liquidity
- Debt Optimization of RMB 4.5B through diversified financing methods, reducing interest expenses in 2020 by approximately RMB 26M



## **New breakthroughs had been made in building a dual financing platform, and the allocation of resources in domestic and overseas markets were more flexible**

- Both the domestic entity and the listed entity received AAA ratings. International rating agencies maintain investment-grade credit ratings on listed entity
- The allocation of two kinds of resource in both domestic and overseas markets were more flexible, and the investment-grade credit rating helped consolidate the advantage of low-cost debt financing

# Extract of consolidated income statement

RMB million	2020	2019
Revenue	2,920	3,023
EBITDA	2,452	2,957
Gross profit	1,559	2,012
Attributable profit to shareholders	160	1,138
Earnings per share (RMB)	0.0959	0.6799
Dividend per share(HKD)	0.07	0.39
Payout ratio	60.9%	51.5%

## Revenue

- 2020 decreased RMB 103M or 3.4%
- GNSR Expressway decreased RMB 301M
- SYN Expressway decreased RMB 157M
- Weixu Expressway decreased RMB 125M
- Revenue contribution from the newly acquired Hancai Expressway, Han's Expressway and Daguangnan Expressway amounted to RMB 182M, 154M and 351M representatively.

## EBITDA

- 2020 decreased RMB 505M
- Decreased 17.1%

## Attributable profit to shareholders

- RMB 160M

## Dividend per share

- Proposed final dividend for 2020 is HKD 0.07

# 2020 operating analysis of controlled toll projects

RMB million	Toll revenue <sup>(1)</sup>	Attributable profit <sup>(2)</sup>	Average toll revenue 2020 <sup>(4)</sup> (RMB/DAY)	Average Attributable profit 2020 Jul - Dec (RMB/DAY)	Average Traffic volume 2020 Jul - Dec (vehicle/DAY)
GNSR Expressway	909 -25.3%	304 -43.4%	3,167,671 -5.0%	3,534,847 0.9%	297,280 6.6%
Cangyu Expressway	55 -12.9%	18 -24.9%	191,081 10.8%	217,004 35.8%	12,489 66.5%
Jinxiong Expressway	73 -20.9%	6 -40.7%	255,251 0.5%	287,394 11.1%	45,254 18.8%
Han-Xiao Expressway	153 -16.2%	44 -27.0%	531,433 6.6%	577,930 9.6%	32,675 11.9%
Changzhu Expressway	206 -17.6%	9 -80.9%	719,099 4.8%	811,420 11.6%	77,895 17.7%
Weixu Expressway	289 -30.4%	106 -46.7%	1,006,934 -11.5%	1,069,673 -8.3%	23,676 -6.2%
Suiyuanan Expressway	521 -24.2%	141 -38.0%	1,815,021 -3.7%	1,983,232 1.3%	33,252 32.9%
Hancai Expressway <sup>(3)</sup>	179 N/A	-25 N/A	624,042 -8.3%	685,278 1.4%	47,929 3.8%
Han'e Expressway <sup>(3)</sup>	147 N/A	-76 N/A	512,791 6.3%	586,097 21.7%	41,220 15.8%
Daguangnan Expressway <sup>(3)</sup>	340 N/A	-69 N/A	1,183,791 25.8%	1,293,057 32.2%	30,017 19.4%

## Note :

1. Revenue includes toll revenue and other revenue related to normal toll roads operation. The figures in the table are toll revenue.
2. Figures in the table are before elimination of inter-company interest.
3. Hancai Expressway, Han'e Expressway, Daguangnan Expressway were newly acquired in 2019, which were finally consolidated on 8<sup>th</sup> November 2019.
4. The average daily toll revenue was calculated based on the numbers of calendar days less the number of the days exempting toll fees (79 days, including 9 days extension for the free toll period for small vehicle on toll road during 2020 Spring Festival Holiday), which is equivalent to 287 days.

# 2020 operating analysis of non-controlled toll projects



RMB million	Toll revenue <sup>(1)</sup>	Attributable profit	Average toll revenue 2020 <sup>(3)</sup> (RMB/DAY)	Average Attributable profit 2020 Jul - Dec (RMB/DAY)	Average Traffic volume 2020 Jul - Dec (vehicle/DAY)
Northern Ring Road	537 -29.4%	44 -59.4%	1,870,943 -10.2%	2,029,494 -3.3%	382,534 1.9%
Humen Bridge	449 -56.7%	21 -78.5%	1,563,862 -45.0%	1,800,641 -12.4%	70,251 -4.4%
GWSR Expressway	437 -25.0%	57 -36.3%	1,523,218 -4.6%	1,759,180 5.0%	110,815 19.7%
Qinglian Expressway	660 -21.1%	-8 Turned loss	2,301,103 0.3%	2,453,410 8.8%	53,893 9.3%
Shantou Bay Bridge	136 -33.5%	18 -45.3%	472,515 -15.5%	532,868 -7.7%	30,703 6.4%
Pazhou Port <sup>(2)</sup>	0 N/A	-7 N/A	N/A	N/A	N/A

## Note:

1. Revenue includes toll revenue and other revenue related to normal toll roads operation. The figures in the table are toll revenue.
2. Pazhou Pier had not yet commenced operation, the loss was pre-operating expenses.
3. The average daily toll revenue was calculated based on the numbers of calendar days less the number of the days exempting toll fees (79 days, including 9 days extension for the free toll period for small vehicle on toll road during 2020 Spring Festival Holiday), which is equivalent to 287 days.

# Extract of Consolidated Balance sheet

<i>RMB million</i>	As at 31 December 2020	As at 31 December 2019
<b>Total assets</b>	36,368	36,798
<b>Total liabilities</b>	22,714	23,169
<b>Total equity</b>	13,654	13,629

### Mainly including:

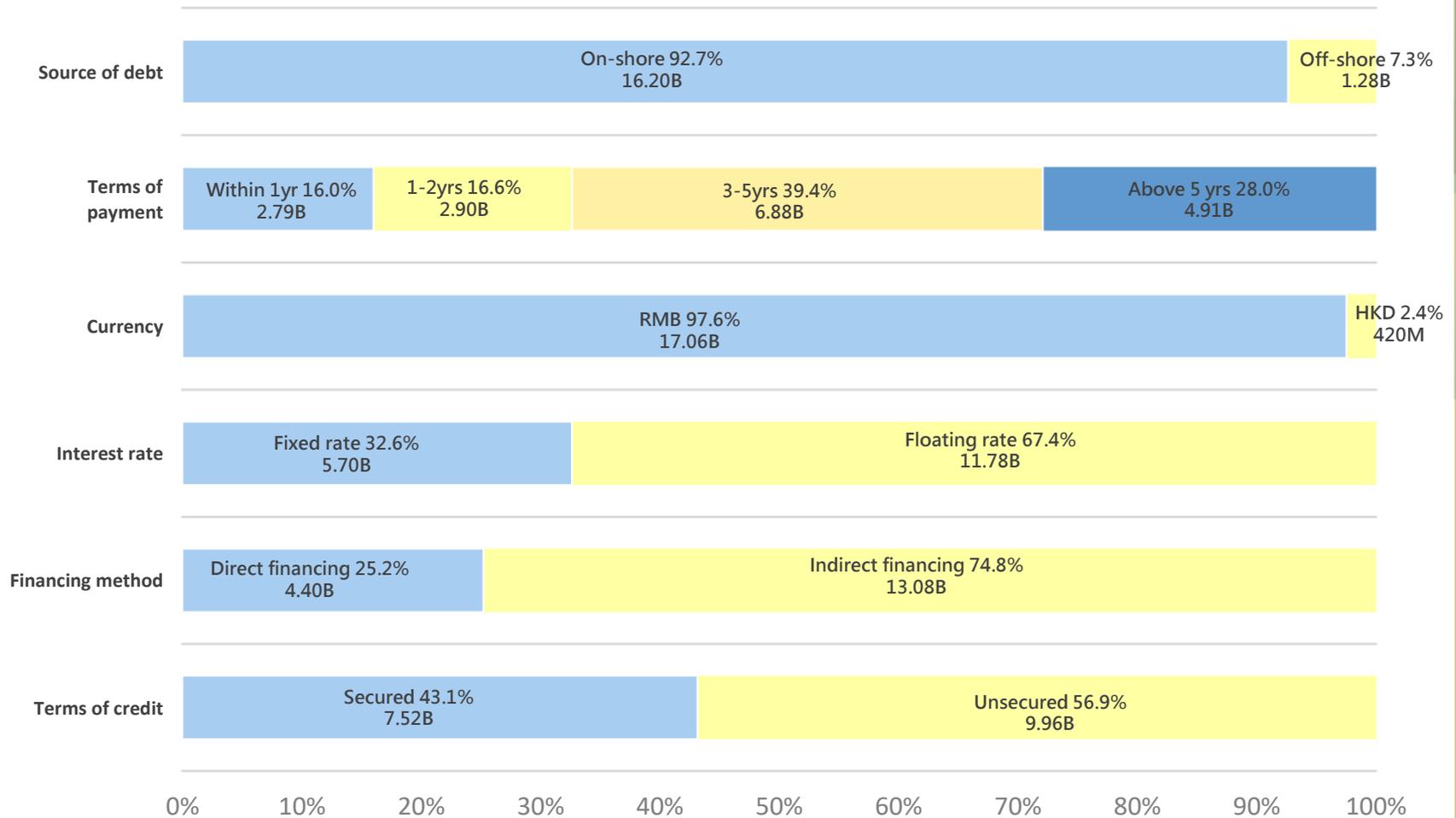
- 87.2% intangible operation rights**  
 Net book value of intangible operating rights as at 31 Dec 2020 amounted to RMB 31.7B, decreased by 2.0% or RMB 656M, which mainly due to the amortization.
- 5.6% Joint venture/ associates investment**  
 As at 31 Dec 2020, investment in joint venture/ associates amounted to RMB 2.024B, increased 8.2%
- 4.2% Cash and cash equivalent**  
 The closing balance of cash and cash equivalent was RMB 1.52B

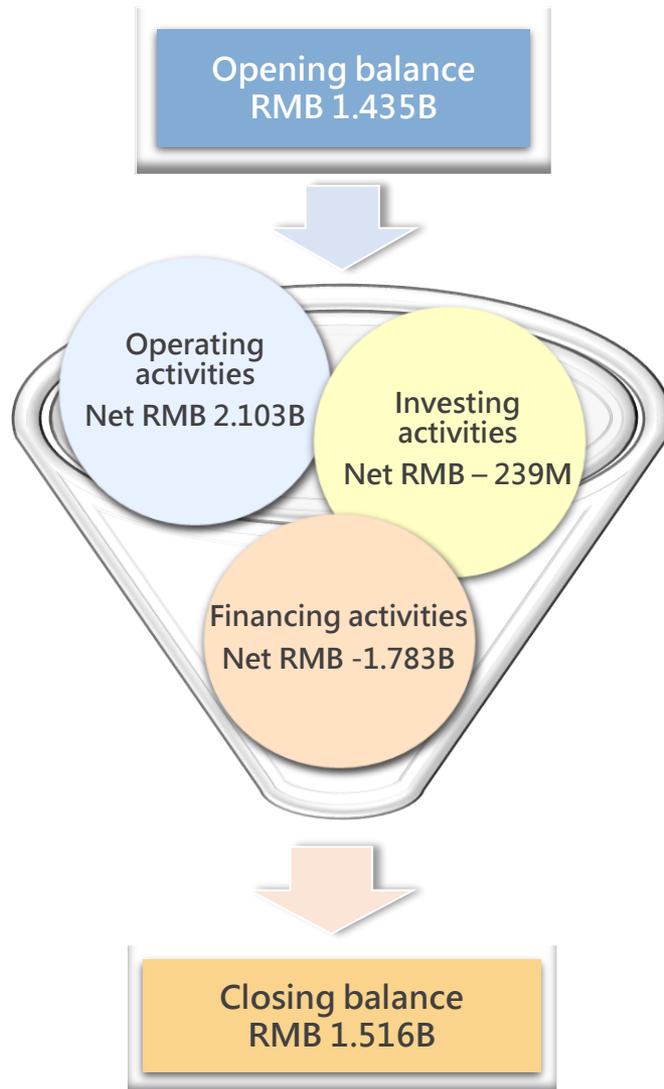
### Mainly including:

- External debt of RMB 17.48B**
- Deferred income tax liabilities of RMB 3.3B**

	As at 31 December 2020	As at 31 December 2019
<b>Gearing ratio (=net debt/(total equity + net debt))</b>	54.3%	55.4%
<b>Total liabilities/total assets ratio</b>	62.5%	63.0%
<b>Debt to equity ratio (=net debt/total equity)</b>	118.8%	124.2%

# External debts structure





## Operating activities

- 2020 decreased RMB 39M
- Decreased 1.8% YOY

## Investing activities

- Payment for capital increased Pazhou Port Project of RMB 76M
- Dividend distribution from associates amounted to RMB 47M

## Financing activities

- Drawdown of bank borrowings of RMB 771M
- Issuance of note payable of RMB 1.494B
- Repayment of bank borrowings of RMB 2.390B
- Repayment of other loan of RMB 500M
- Payment of bank loan and bond interest of RMB 753M
- Dividends paid to the shareholders of the Company of RMB 314M

# Future prospect



Despite the short term impact by COVID-19 and the toll free policy on the business operation, the core fundamentals which drive the growth projects are positive in longer given the demonstrated resilience of China's economy facing the shock of COVID-19

## Macro-economy

- Target growth of China's 2021 GDP is above 6%
- Prudent monetary policy will be more flexible and appropriate to ensure sufficient liquidity
- Boost the development opportunities brought by “the Rise of the Central China Region” and “Guangdong-Hong Kong-Macao Greater Bay Area Plan”
- The central government has launched a series of supporting policies to stabilize and expand the auto consumption.
- Assets with stable cashflow and return remain attractive to investors against the backdrop of sufficient liquidity

## Sector environment

- Speed up the development goal of accelerating the construction of a strong transportation nation and to build a modern high quality comprehensive Three-dimensional transportation network.
- The national expressway network will reach approximately 160,000 kilometers by 2035.
- Coordinate the advancement of the "Highway Law" and "Regulations on Toll Road Management" into the State Council's annual legislative plan, and promote the introduction as soon as possible
- The freight transport structure is still dominated by road transport.
- Research institutions pointed out that China will remain the world's largest road transport market in the next five years
- The impact of the full implementation of differentiated expressway tolls needs further evaluation

## Focus on principal business to become the prominent transport infrastructure AM by capturing opportunities

- Focus on toll road business by capturing opportunities arising from the sector during China's the 14<sup>th</sup> FYP
- Strive for acquiring quality projects by deep focus on the Greater Bay Area and the core of Central China (such as Henan, Hubei and Hunan)
- Capturing alternative investment opportunities by participating in lane expansion of matured projects
- Prudent financial policy to balance among business expansion, financial stability and shareholder return

## Obtaining more quality resources through enhancing the model of “incubation by Parent – acquisition by the Group”

- Acquisition of quality expressways becomes increasingly difficult; Assets that yield stable cash flow and return remain attractive to investors given the sufficient liquidity
- By taking advantage of parent's resource platform, more quality resources can be obtained by enhancing the model of “incubation by Parent – acquisition by the Group”
- Parent successfully bid the concession of Henan Lanwei Expressway in December 2020, the acquisition of which by YXT is now on progress

## High quality growth and sustainable development of core business will be supported by launching the Infrastructure REITs

- Policy guidelines issued in August 2020 to launch the scheme of infrastructure REITs, with supporting rules were almost ready
- Infrastructure REITs can efficiently capitalized the quality brownfield assets to revitalize the healthy and sustainable development of infrastructure sector
- YXT is making efforts to be qualify for the infrastructure REITs scheme, the establishment of which can assist the optimization of business model, creating the ‘capital recycling’ to boost the high quality growth and sustainable development of the core business

# Appendix

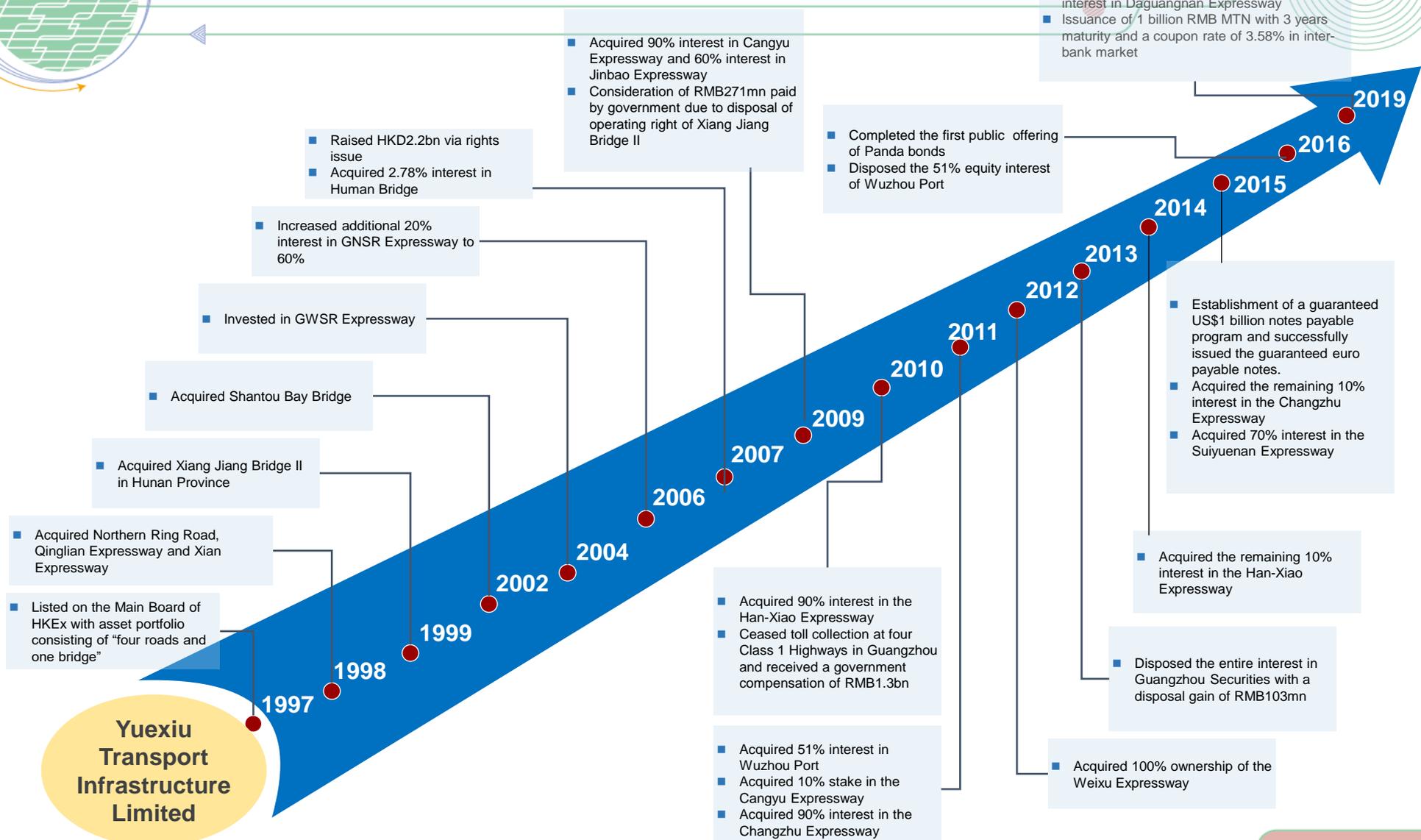
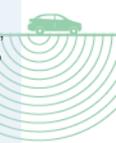
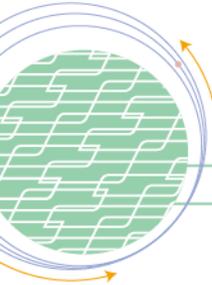


# Extract of consolidated income statement

RMB'000	As at 31 Dec 2020	As at 31 Dec 2019	Increase/decrease	change%
Revenue	2,919,838	3,023,221	-103,383	-3.4%
Cost of services	1,360,577	1,011,137	349,440	34.6%
Gross profit	1,559,261	2,012,084	-452,823	-22.5%
Other income, gains and losses-net	25,145	179,374	-154,229	-86.0%
General and administrative expenses	246,942	271,819	-24,877	-9.2%
Net finance costs	779,398	370,417	408,981	110.4%
Share of result of a joint venture/ associates	124,355	351,223	-226,868	-64.6%
Profit before tax	682,421	1,900,445	-1,218,024	-64.1%
Income tax	278,085	305,402	-27,317	-8.9%
Profit after tax	404,336	1,595,043	-1,190,707	-74.7%
Profit attributable to shareholders	160,491	1,137,590	-977,099	-85.9%
Earnings per share (RMB)	0.0959	0.6799	-0.5840	-85.9%
Dividend per share (HKD)	0.07	0.39	-0.32	-82.1%
Payout ratio	60.9%	51.5%	Increased 9.4 pts	N/A



# History



**Yuexiu Transport Infrastructure Limited**

1997

- Acquired Northern Ring Road, Qinglian Expressway and Xian Expressway

- Listed on the Main Board of HKEx with asset portfolio consisting of "four roads and one bridge"

1998

- Raised HKD2.2bn via rights issue
- Acquired 2.78% interest in Human Bridge

1999

- Invested in GWSR Expressway

2002

- Acquired Shantou Bay Bridge

2004

- Acquired Xiang Jiang Bridge II in Hunan Province

2006

- Increased additional 20% interest in GNSR Expressway to 60%

2007

- Acquired 90% interest in Cangyu Expressway and 60% interest in Jinbao Expressway
- Consideration of RMB271mn paid by government due to disposal of operating right of Xiang Jiang Bridge II

2009

- Acquired 90% interest in the Han-Xiao Expressway
- Ceased toll collection at four Class 1 Highways in Guangzhou and received a government compensation of RMB1.3bn

2010

- Acquired 51% interest in Wuzhou Port
- Acquired 10% stake in the Cangyu Expressway
- Acquired 90% interest in the Changzhu Expressway

2011

- Completed the first public offering of Panda bonds
- Disposed the 51% equity interest of Wuzhou Port

2012

- Acquired 100% ownership of the Weixu Expressway

2013

- Establishment of a guaranteed US\$1 billion notes payable program and successfully issued the guaranteed euro payable notes.
- Acquired the remaining 10% interest in the Changzhu Expressway
- Acquired 70% interest in the Suiyuan Expressway

2014

- Acquired the remaining 10% interest in the Han-Xiao Expressway

2015

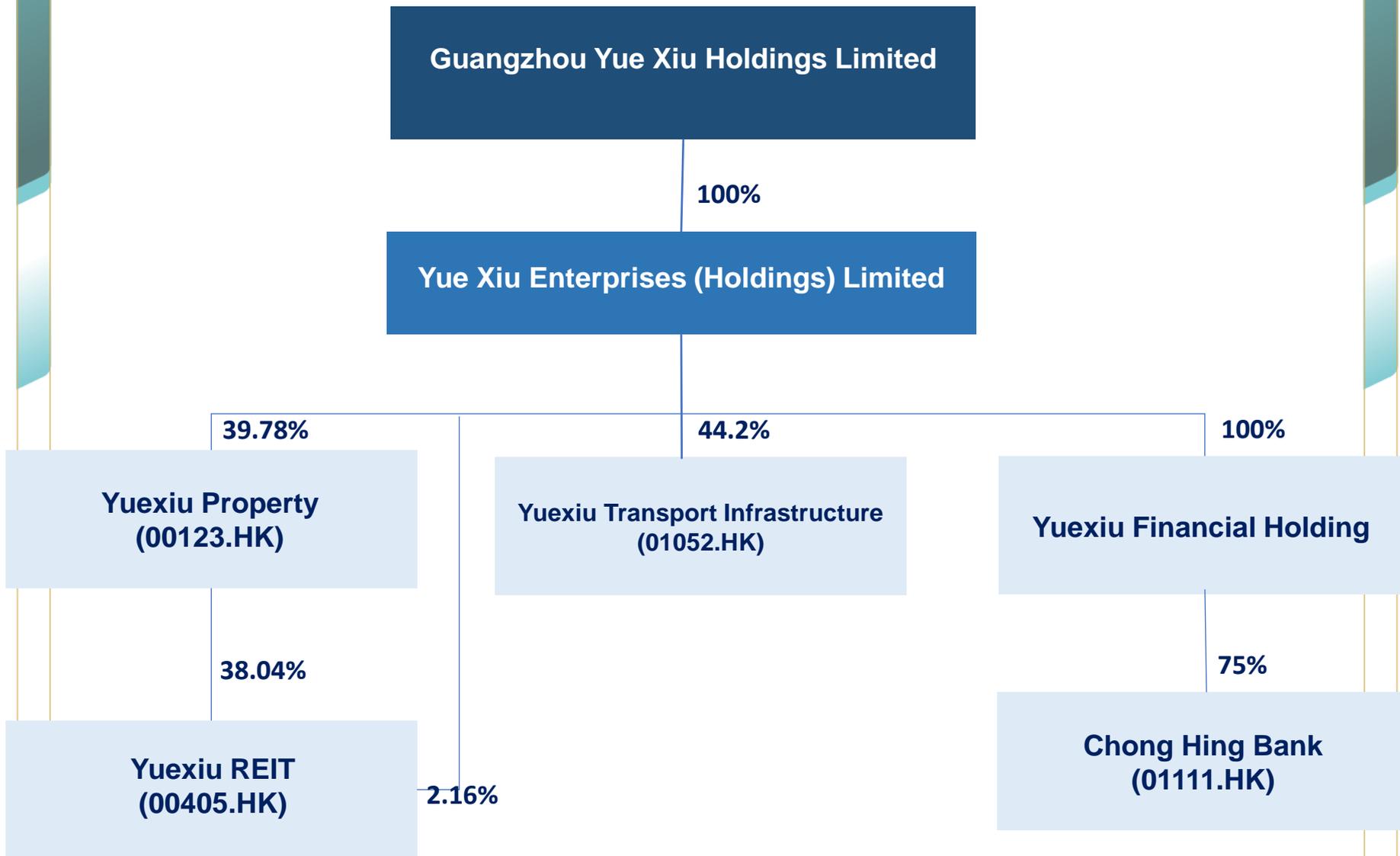
- Disposed the entire interest in Guangzhou Securities with a disposal gain of RMB103mn

2016

- Acquired 67% interest in Hancal Expressway, 100% interest in Han'e Expressway and 90% interest in Daguangan Expressway
- Issuance of 1 billion RMB MTN with 3 years maturity and a coupon rate of 3.58% in inter-bank market

2019

# Shareholders structure



# Company Structure

## Yuexiu Transport Infrastructure Limited

### Expressway/ Bridge/ Port



#### Controlled Projects

- GNSR Expressway/60%/12yrs
- Cangyu Expressway/ 100%/ 10yrs
- Jinxiong Expressway/ 60%/ 10yrs
- Han-Xiao Expressway/ 100%/ 16yrs
- Suiyuanan Expressway/ 70%/ 20yrs
- Changzhu Expressway/ 100%/ 20yrs
- Weixu Expressway/ 100%/ 15yrs
- Hancai Expressway/ 67%/ 18yrs
- Han'e Expressway/ 100%/ 22yrs
- Daguangnan Expressway/ 90%/ 22yrs



#### Non-controlled Projects

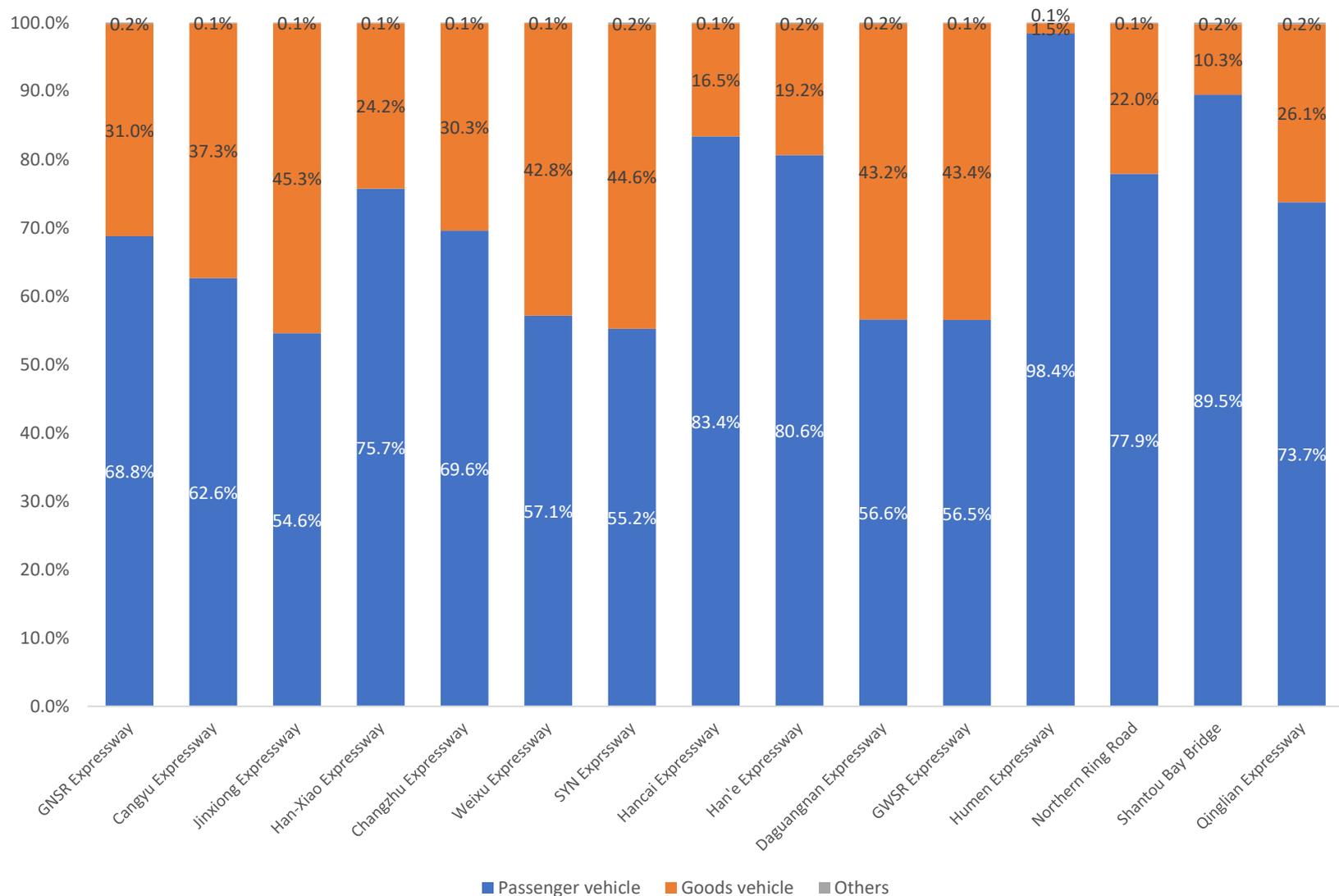
- Humen Bridge/ 27.78%/ 9yrs
- Northern Ring Road/ 24.3%/ 3yrs
- Qinglian Expressway/ 23.63%/ 14yrs
- GWSR Expressway/ 35%/ 10yrs
- Shantou Bay Bridge/ 30%/ 8yrs
- Pazhou Port/45%

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

Note 2: Jinxiong Expressway profit sharing ratio:

- (1) On or before 2012: 90%
- (2) 2013~2015: 40%
- (3) 2016 onwards: 60%

# 2H 2020 Traffic Mix ( by traffic volume )



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