

2021 ANNUAL RESULTS

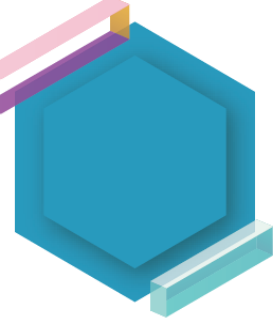
*CREATING
EXCELLENT VALUES*



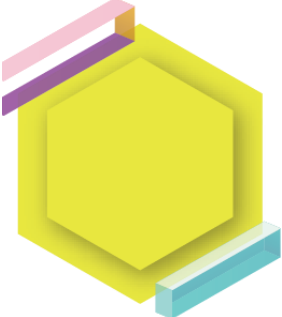
Content



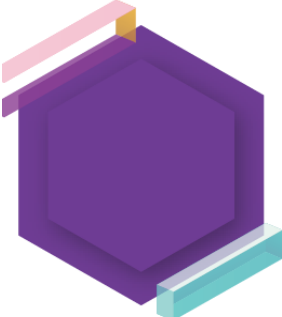
Operation Highlights



Various operating performance indicators have been improved. The Company revenue recorded RMB 3.702B and profit attributable to shareholders recorded RMB 1.465B, hit record high.



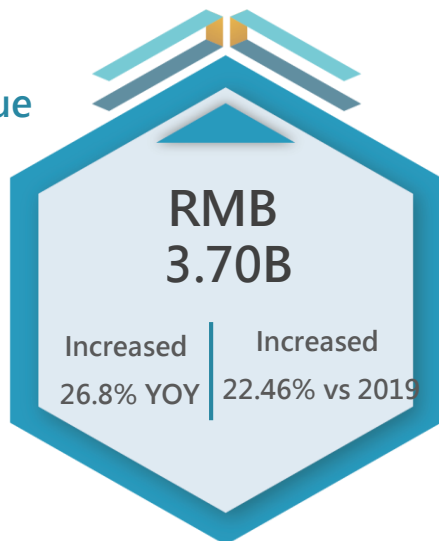
Successfully spin-off Han-Xiao Expressway for listing, a public infrastructure REITs platform has been established to open up the capital recycling and revamped business model.



Share options scheme was established to improve the incentive mechanism, which helps motivating talented employees to drive to achieve the Group's long-term development goals.

2021 Performance highlights

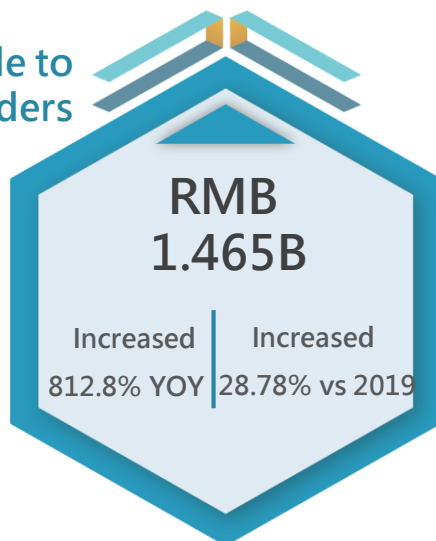
Revenue



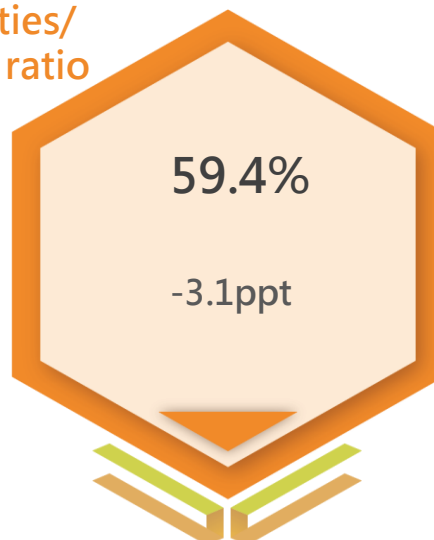
Total assets



Profit attributable to shareholders



Total liabilities/
Total assets ratio



Payout ratio:
56.9%



Extract of consolidated statement of profit or loss

RMB million	2021	2020
Revenue	3,702	2,920
EBITDA	3,292	2,452
Gross profit	2,223	1,559
Attributable profit to shareholders	1,465	160
Earnings per share (RMB)	0.8756	0.0959
Dividend per share(HKD)	0.61	0.07
Payout ratio	56.9%	60.9%

Revenue

- 2021 increased RMB782M or 26.8%
- GNSR increased RMB212M
- Daguannan Expressway increased 110M
- SYN Expressway increased RMB 93M
- Hancai Expressway increased RMB 79M

EBITIDA

- 2021 increased RMB 840M
- Increased 34.3%

Attributable profit

- RMB1.465B

Dividend per share

- Proposed final dividend for 2021 is HKD 0.41, representing an annual dividend payout ratio is 56.9%.

2021 Operating analysis of controlled toll projects

Note:

1. Figures in the table are before elimination of inter-company interest.

2 : Impairment loss of RMB97M was recognised against intangible operating rights of Jinxiong Expressway, related deferred tax credit was amounted to approximately RMB 24M, the attributable profit was decreased by approximately RMB 44M from this impairment.

3 : The disposal of Han-Xiao expressway to REIT was completed 7 December 2021, the figures in the table are for the period ended 6 December 2021

4 : The average daily toll revenue of the Group for the full year of 2021 was calculated based on the calendar days of the full year (365 days), and the average daily toll revenue of the Group for the full year of 2020 was calculated based on the number of calendar days in the full year (366 days) less the number of the days exempting toll fees (79 days), which is equivalent to 287 days.

	Toll revenue		Average toll revenue		Average traffic volume 2021 (vehicle/day)	Attributable profit ⁽¹⁾	
	RMB million	Change %	2021 RMB '000/day ⁽⁴⁾	Change %		RMB million	Change%
GNSR Expressway	1,121	23.3%	3,072	-3.0%	280,865	403	32.5%
Cangyu Expressway	89	63.1%	245	28.2%	15,550	61	246.0%
Jinxiong Expressway	80	9.5%	220	-13.9%	34,444	-35	N/A ⁽²⁾
Han-Xiao Expressway ⁽³⁾	209	37.3%	619	16.4%	33,520	106	137.8%
Changzhu Expressway	269	30.2%	736	2.4%	73,797	61	611.2%
Weixu Expressway	349	20.8%	957	-5.0%	23,531	151	41.8%
Suiyuan Expressway	614	17.9%	1,682	-7.3%	30,465	190	34.8%
Hancai Expressway	258	44.1%	707	13.3%	50,878	13	Turned profit
Han'e Expressway	209	42.3%	574	11.9%	41,436	-29	Loss decreased
Daguangnan Expressway	450	32.5%	1,233	4.2%	29,528	14	Turned profit

2021 Operating analysis of non-controlled toll projects

Note:

1. Impairment loss of RMB 128M was recognized against investment in Humen Bridge for 2021

2. Pazhou Pier had not yet commenced operation, the loss was pre-operating expenses.

3. The average daily toll revenue of the Group for the full year of 2021 was calculated based on the calendar days of the full year (365 days), and the average daily toll revenue of the Group for the full year of 2020 was calculated based on the number of calendar days in the full year (366 days) less the number of the days exempting toll fees (79 days), which is equivalent to 287 days.

	Toll revenue		Average toll revenue		Average traffic volume 2021 (vehicle/day)	Attributable profit	
	RMB million	Change %	2021 RMB '000/day	Change %		RMB million	Change%
Northern Ring Road	715	33.2%	1,959	4.7%	372,746	70	58.8%
Humen Bridge	865	92.8%	2,371	51.6%	89,498	-60	N/A ⁽¹⁾
GWSR Expressway	504	15.3%	1,380	-9.4%	92,549	77	36.1%
Qinglian Expressway	876	32.6%	2,400	4.3%	53,050	29	Turned profit
Shantou Bay Bridge	189	39.6%	519	9.8%	29,553	30	68.9%
Pazhou Port ⁽²⁾	0	N/A	N/A	N/A	N/A	-9	N/A

Financial analysis



Extract of consolidated statement of financial position

<i>RMB million</i>	As at 31 Dec 2021	As at 31 Dec 2020
Total assets	35,661	36,368
Total liabilities	21,188	22,714
Total equity	14,473	13,654

	As at 31 Dec 2021	As at 31 Dec 2020
Gearing ratio (=net debt/(total equity + net debt))	48.5%	54.3%
Total liabilities/total assets ratio	59.4%	62.5%
Debt to equity ratio (=net debt/total equity)	94.1%	118.8%

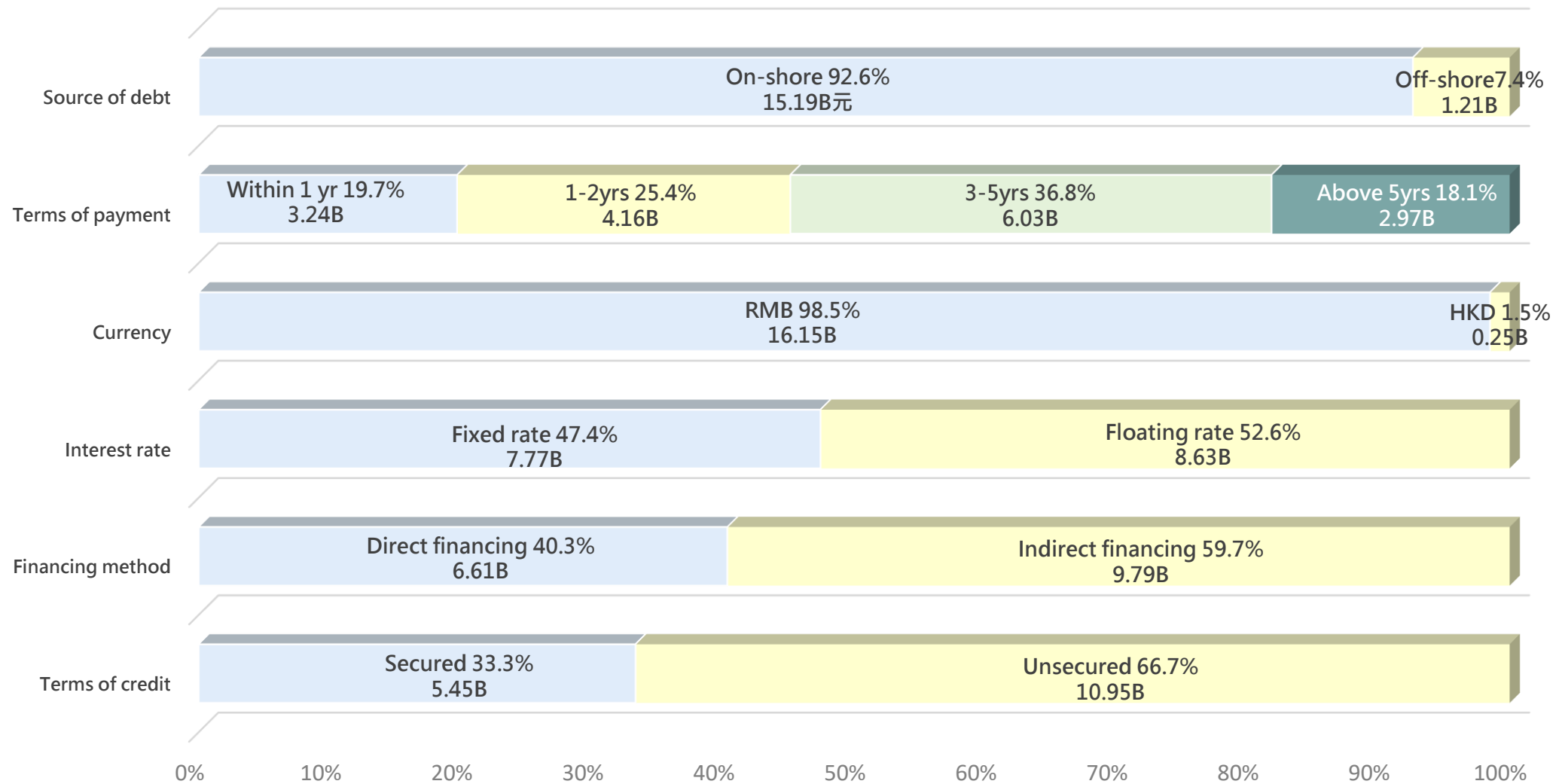
Mainly including:

- **81.8% intangible operation rights**
Net book value of intangible operating rights as at 31 Dec 2021 amounted to RMB 29.186B, decreased by 8.0% or RMB 2.526B, mainly due to the disposal of Han-Xiao Expressway, impairment of Jinxiang Expressway and amortization of intangible operating rights of other projects
- **7.2% Investment in joint venture/ associates**
As at 31 Dec 2021, investment in a joint venture/ associates amounted to RMB 2.561B, increased 26.5%, Mainly due to the company investment in public offering infrastructure REITs amounted to 639M.
- **8.2% Cash and cash equivalent**
- The closing balance of cash and cash equivalent was RMB 2.919B

Mainly including:

- External debt of RMB16.40B
- Deferred income tax liabilities of RMB 3.046B
- Accounts payable and other payables and accrued expenses of RMB 0.99B
- Contract liabilities and deferred revenue of RMB 0.34B
- Interest payable of RMB 0.17B

External debts structure



Cash flow

Operating activities

- 2021 increased RMB 467M
- Increased 22.2%

Financing activities

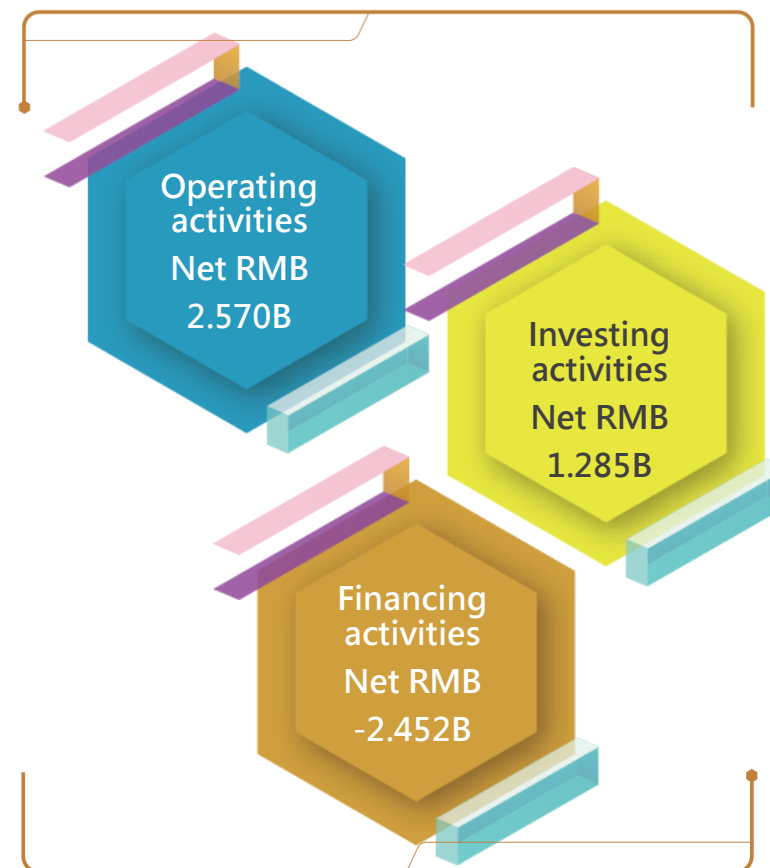
- Drawdown of bank borrowings of RMB 4.171B
- Issuance of note payable of RMB 997M
- Issuance of corporate bond of RMB 2.494B
- Repayment of bank borrowings of RMB 7.100B
- Repayment of corporate bond of RMB 1.293B
- Payment of interest of RMB 633M
- Dividends paid to the shareholders of the Company of RMB 376M
- Dividends paid to non-controlling interests of RMB 595M

Investing activities

- Dividend from associates and a joint venture amounted to RMB 202M
- Capital expenditure in construction of RMB 352M
- Received RMB 2.031B from disposal of Han-Xiao Expressway
- Investing in REIT with an expenditure of RMB 639M



Opening balance
RMB 1.516B



Closing balance
RMB 2.919B

Future Prospects



Future prospects—Business environment analysis

Global growth continues to be uncertain, and inflation pressures raise the prospects of rate hikes amid major economies

- Global recovery is facing headwinds, amid emergence of COVID variants, supply chain backlog and insufficient supply of energies; Fed claimed in Jan 2021 that, due to rising inflation, rate hikes and tapering will soon be triggered.
- IMF revised down the projected global growth by 0.5 percent to 4.4% in its latest issued report 'World Economic Outlooks' in Jan 2022.

Against both internal and external pressures, stabilizing domestic economic growth will still be the key of macro-economic policy

- Quarterly growth declined caused by external complexities and uncertainties. Though remaining positive in long term, domestic economy still faces 'Triple pressure', namely, 'shrinking demand, supply shock and weakening expectations'
- As pointed out by Central Government in the Economic Conference, in order to maintain the operation of economy within reasonable range, expansionary fiscal policy and prudent monetary policy will be enacted and accelerate infrastructure investments

Accelerating the construction of a strong transportation country, the demand for highway travel is expected to continue to grow, and the core regulations of the industry are to be revised and issued

- According to the "National Comprehensive Three-dimensional Transportation Network Planning Outline", length of the State expressway network will reach 160,000 km by 2035, the goal of which will require the vast additional expressways construction and investment going forward.
- Steady growth in road freight volume and car ownership shall be expected against a stable economic backdrop, and rising social income level will drive increasing demand of travelling.
- In order to further improve the legal and regulatory governance system and promote the sustainable development of toll roads, amendments to the Highway Law and the Regulation on the Administration of Toll Roads have been included in the legislative plan in 2022 of the Ministry of Transport.

Overall judgment: The Chinese economy has demonstrated strong resilience under the complex and severe international and domestic situation. In 2022, the government will actively introduce policies that are conducive to economic stability. Expressway investment and travel demand are expected to grow steadily, and the operating performance of expressway assets remain stable

Marco economy

Sector environment

Future prospects—Development strategies

Seize the opportunity Actively responding to challenges Focusing on main business

- Grasp the strategic opportunity period for expressways investment, mergers and acquisitions under the “14th Five-Year Plan” . Gaining a foothold in the Guangdong-Hong Kong-Macao Greater Bay Area, covering the regions benefiting from continued urbanization and rapid industrialization development in the future. Participating in lane expansion of matured projects in order to extend the concession period.
- Huaxia Yuexiu Expressway REIT was successfully issued, the Group will continued to grasp the policy opportunities of the infrastructure REITs, and adhere to improving the strategies of “investment, finance, management and retreat” .
- In response to the current reduction in highway assets that can be directly acquired by listed companies and the situation of the increasingly competitive investment market, anchoring assets in advance with the help of the incubation platform.
- Prudent financial policy to balance among business expansion, financial stability and shareholder return

Obtain resources for listed companies and anchor high-quality assets

Incubation platform

- 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”
- Successfully acquired three expressways in Hubei in the mode of parent company incubation. Currently, the incubation of Henan Lanwei Expressway in the parent company and the subsequent injection into listed companies is in progress.

Strengthen and Expand major business

Optimize asset portfolio and improve financial structure

Infrastructure REITs scheme

- Realized asset inflow and outflow with the help of public infrastructure offering REITs, the assets portfolio has been optimized.
- Sell assets to REITs at the right time to maintains a reasonable debt ratio and investment-grade credit rating, to support road industry mergers and acquisitions.

Appendix



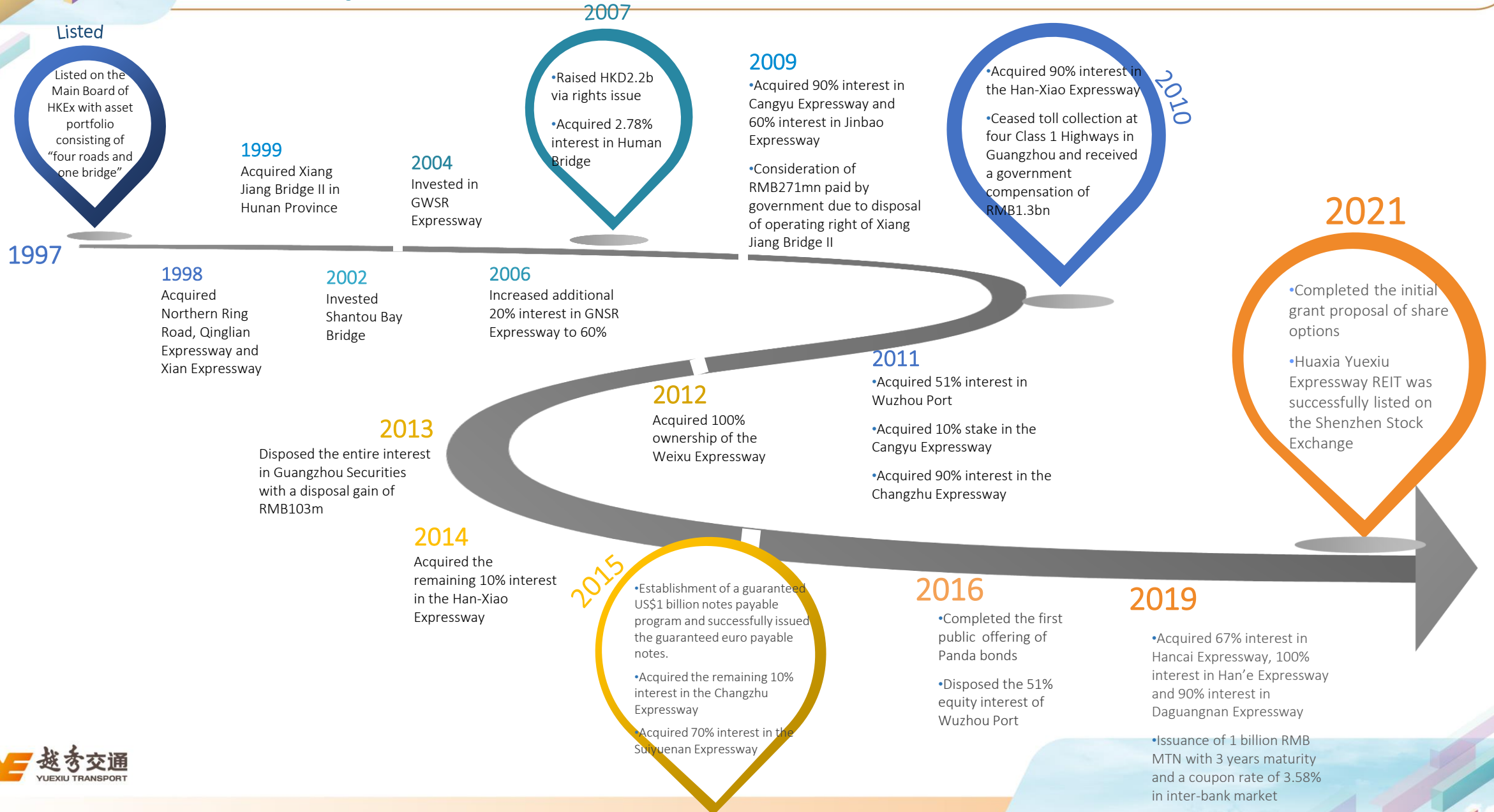
Extract of consolidated statement of profit or loss

RMB' 000	2021	2020	Increase/decrease	change%
Revenue	3,702,276	2,919,838	782,438	26.8%
Cost of services	1,479,030	1,360,577	118,453	8.7%
Gross profit	2,223,246	1,559,261	663,985	42.6%
Other income, gains and losses-net	64,632	25,145	39,487	157.0%
General and administrative expenses	369,664	246,942	122,722	49.7%
Net finance costs	699,143	779,398	(80,255)	-10.3%
Share of results of a joint venture/ associates	263,791	124,355	139,436	112.1%
Impairment losses ⁽¹⁾	225,488	-	225,489	N/A
Gain on from disposal of a subsidiary ⁽²⁾	960,976	-	975,976	N/A
Profit before tax	2,218,350	682,421	1,535,929	225.1%
Income tax	425,656	278,085	147,571	53.1%
Profit after tax	1,792,694	404,336	1,388,358	343.4%
Profit attributable to shareholders	1,464,984	160,491	1,304,493	812.8%
Basic earnings per share (RMB)	0.8756	0.0959	0.7797	812.8%
Diluted earnings per share (RMB)	0.8752	0.0959	0.7793	812.6%
Dividend per share (HKD)	0.61	0.07	0.54	771.4%
Payout ratio	56.9%	60.9%	Decreased 4 percentage points	N/A

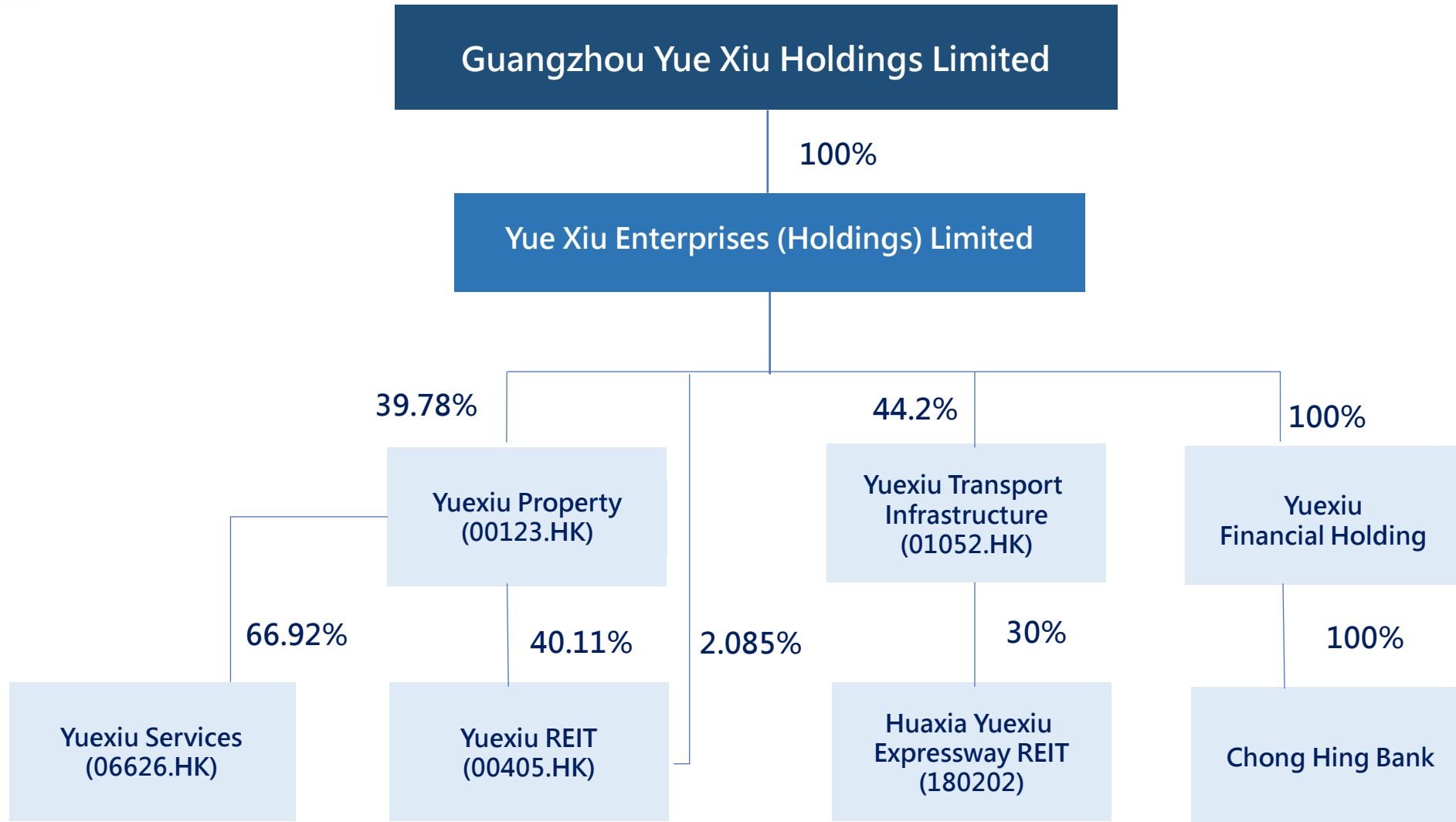
Note 1. Impairment losses of RMB 128M and 97M were recognized against investment in Humen Bridge for 2021 and intangible operating rights of Jinxiang Expressway respectively.

Note 2. It is the gain on disposal of Hanxiao to REIT for the public offering of the REIT.

History



Shareholders structure



Yuexiu Transport Infrastructure Limited

Expressway/ Bridge/ Port



Controlled Projects

- GNSR Expressway/60%/11yrs
- Cangyu Expressway /100%/9yrs
- Jinxiong Expressway /60%/9yrs
- Changzhu Expressway /100%/19yrs
- Weixu Expressway /100%/14yrs
- SYN Expressway /70%/19yrs
- Hancai Expressway /67%/17yrs
- Han'e Expressway /100%/21yrs
- Daguangnan Expressway /90%/21yrs

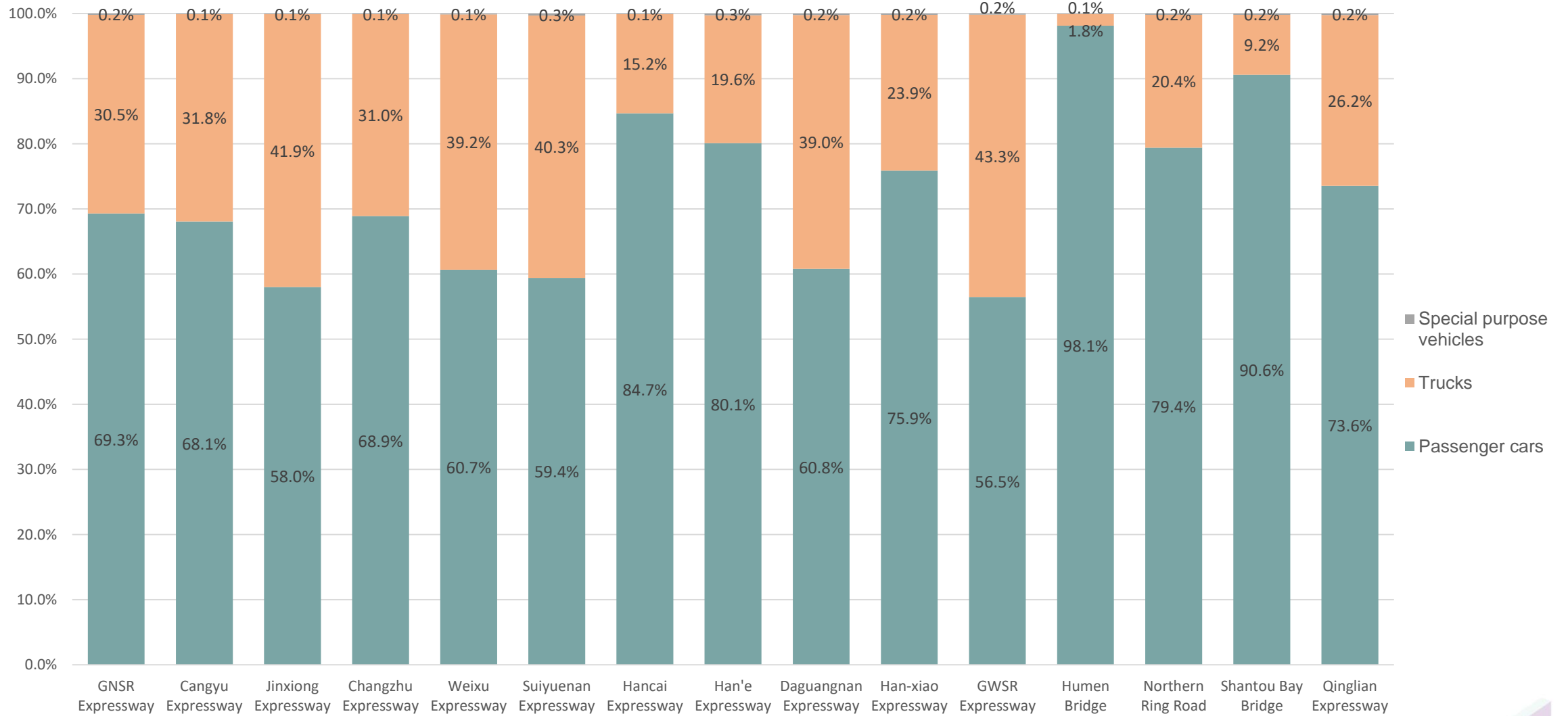


Non-controlled Projects

- Han-xiao Expressway /30%/15yrs
- Humen Bridge/27.78%/8yrs
- Northern Ring Road/24.3%/2yrs
- Qinglian Expressway /23.63%/13yrs
- GWSR Expressway /35%/9yrs
- Shantou Bay Bridge/30%/7yrs
- Pazhou Port/45%

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

2021 Traffic mix





Disclaimer

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