

2022 INTERIM RESULTS

20220808

*CREATING
EXCELLENT VALUES*



匝道
连车
超行

Content



超行行
车车车
道道道

Operation Highlights

The enterprise economic operation has stabilized and rebounded under efficient epidemic prevention and control efforts. In May, Fitch Rating upgraded the company's credit rating from "BBB-" to "BBB", acting to affirm the company's stable operation and sustainable development.

Cost saving and enhanced efficiency achieved as a result of various actions, including strict cost control and project management of engineering as well as structural optimization of debts, the cost of which kept reducing given various flexible funding channels

Optimize and promote the interaction of the three platforms, promote the injection of Lanwei Expressway into listed company, and continue to strengthen and expand the listed platforms.

2022 1H Performance highlights

Revenue

RMB
1.616B
-11.8%

Total
assets

RMB
34.916B
-2.1%

Profit
attributable to
shareholders

RMB
295M
-36.9%

Total
liabilities/
Total assets
ratio

59.2%
-0.2ppt

Dividend per
share :
HKD 0.10

Payout ratio:
48.8%

Extract of consolidated statement of profit or loss

RMB million	2022 1H	2021 1H
Revenue	1,616	1,832
EBITDA	1,513	1,767
Gross profit	898	1,150
Attributable profit to shareholders	295	468
Earnings per share (RMB)	0.1765	0.2795
Dividend per share(HKD)	0.10	0.20
Payout ratio	48.8%	59.5%

Revenue

- 2022 1H decreased RMB 216M or 11.8%
- The deconsolidation of Hanxiao Expressway was completed in the 2H of 2021, toll revenue decreased RMB 109M
- GNSR Expressway decreased RMB 55M
- Daguangnan Expressway decreased RMB 38M
- Han'e Expressway decreased 24M

EBITIDA

- 2022 1H decreased RMB 253M
- Decreased 14.3%

Attributable profit

- RMB 295M

Dividend per share

- Dividend for 1H 2022 is HKD 10 cents per share

1H 2022 Operating analysis of controlled toll projects

Toll projects	Toll revenue		Average toll revenue		Average traffic volume		Attributable profit ⁽¹⁾	
	RMB million	Change %	2022 1H RMB '000/day ⁽²⁾	Change %	2022 1H vehicle/day ⁽²⁾	Change %	RMB million	Change %
GNSR Expressway	482	-10.3%	2,662	-10.3%	243,938	-8.2%	171	-2.9%
Cangyu Expressway	43	-4.1%	240	-4.1%	15,770	-1.9%	18	-55.0%
Jinxiong Expressway	33	-14.1%	183	-14.1%	26,789	-20.7%	2	-59.4%
Changzhu Expressway	115	-13.5%	638	-13.5%	65,181	-11.9%	33	-8.1%
Weixu Expressway	196	16.1%	1,084	16.1%	21,553	-11.1%	89	8.2%
Suiyuan Expressway	309	-0.3%	1,710	-0.3%	29,470	-9.4%	94	-2.9%
Hancai Expressway	115	-7.2%	633	-7.2%	44,206	-10.8%	0.3	-94.8%
Han'e Expressway	80	-23.3%	442	-23.3%	31,197	-26.6%	-29	Loss increased
Daguangnan Expressway	195	-16.1%	1,078	-16.1%	24,728	-23.9%	-13	Turned loss

Note:

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

2. The average daily toll revenue and average traffic volume of the Group for the 1H of 2022 were calculated based on the calendar days in the first half year (181 days)

1H 2022 Operating analysis of non-controlled toll projects

Note:

1 : Pazhou Port had not yet commenced operation, the loss was pre-operating expenses.

2. The average daily toll revenue and average traffic volume of the Group for the 1H of 2022 were calculated based on the calendar days in the first half year (181 days)

3. The disposal of Han-Xiao expressway to REIT was completed in the 2H of 2021, the toll revenue of Han-xiao in 1H 2021 was RMB 109M.

Toll projects	Toll revenue		Average toll revenue		Average traffic volume		Attributable profit ⁽¹⁾	
	RMB million	Change %	2022 1H RMB '000/day ⁽²⁾	Change %	2022 1H vehicle/day ⁽²⁾	Change %	RMB million	Change %
Northern Ring Road	318	-7.1%	1,755	-7.1%	342,448	-2.1%	22	-28.9%
Humen Bridge	334	-18.0%	1,844	-18.0%	68,826	-18.9%	34	-14.7%
GWSR Expressway	197	-18.5%	1,090	-18.5%	69,781	-21.0%	26	-30.9%
Qinglian Expressway	310	-31.2%	1,713	-31.2%	45,586	-15.0%	-5	Turned loss
Shantou Bay Bridge	75	-17.8%	416	-17.8%	25,675	-10.5%	11	-25.1%
REIT	102	N/A ⁽³⁾	565	-6.3%	28,585	-17.4%	8	N/A
Pazhou Port ⁽¹⁾	0	N/A	0	N/A	0	N/A	-5	Loss increased

Financial analysis



超行行
车车车
道道道

Extract of consolidated statement of financial position

<i>RMB million</i>	As at 30 Jun 2022	As at 31 Dec 2021
Total assets	34,916	35,661
Total liabilities	20,676	21,188
Total equity	14,240	14,473

	As at 30 Jun 2022	As at 31 Dec 2021
Gearing ratio (=net debt/(total equity + net debt))	48.4%	48.5%
Total liabilities/total assets ratio	59.2%	59.4%
Debt to equity ratio (=net debt/total equity)	93.9%	94.1%

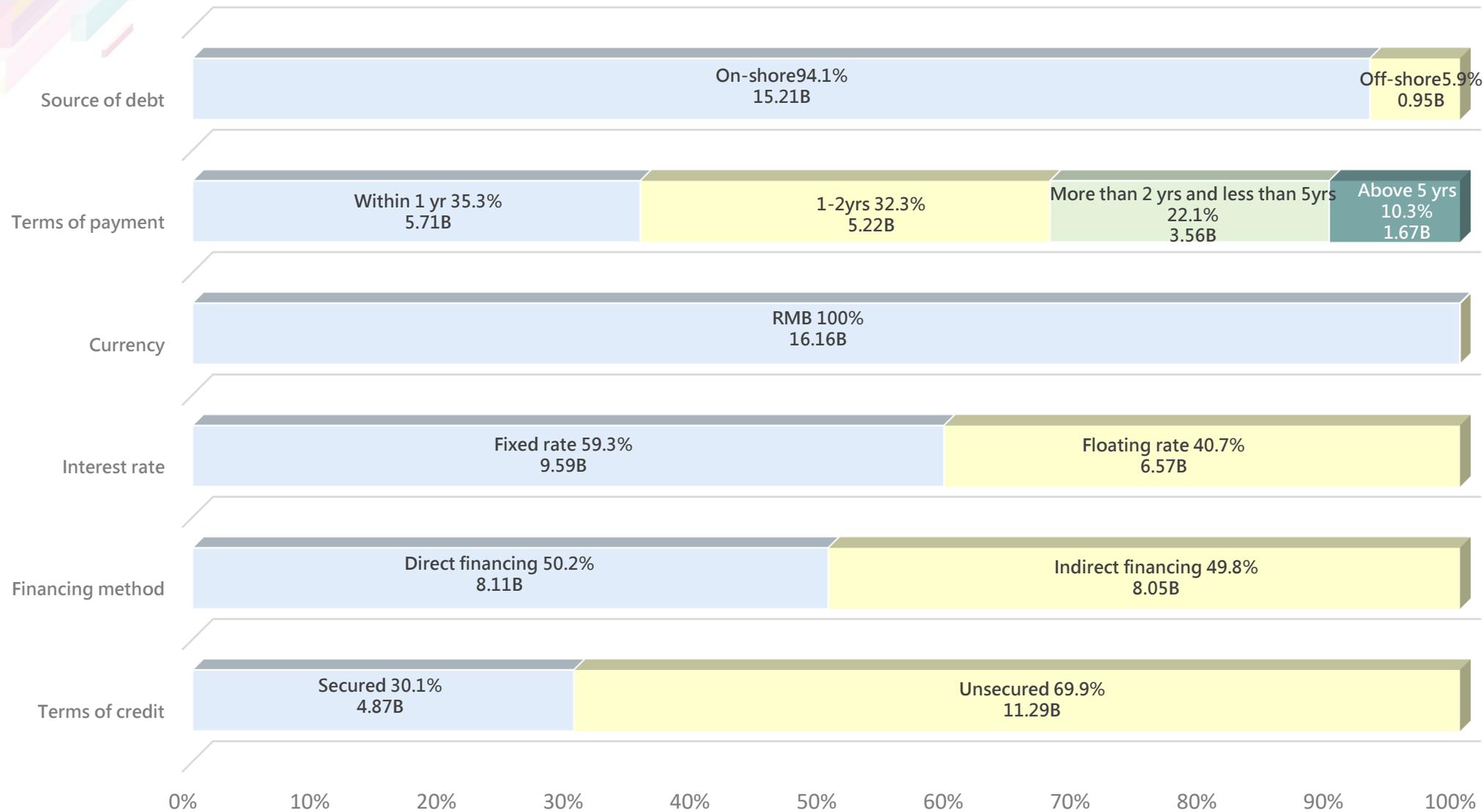
Mainly including:

- 82.3% intangible operation rights
- Net book value of intangible operating rights as at 30 Jun 2022 amounted to RMB 28.724B, decreased by 1.6% or RMB 463M, mainly due to amortization.
- 6.6% Investment in a joint venture/ associates
- As at 30 Jun 2022, investment in a joint venture/ associates amounted to RMB 2.314B, decreased 9.7% or RMB 247M. Mainly due to the dividend from joint venture/ associates.
- 8.2% Cash and cash equivalent
The closing balance of cash and cash equivalent was RMB 2.866B

Mainly including:

- External debt of RMB 16.16B
- Deferred income tax liabilities of RMB 3.032B

External debts structure



Cash flow

Operating activities

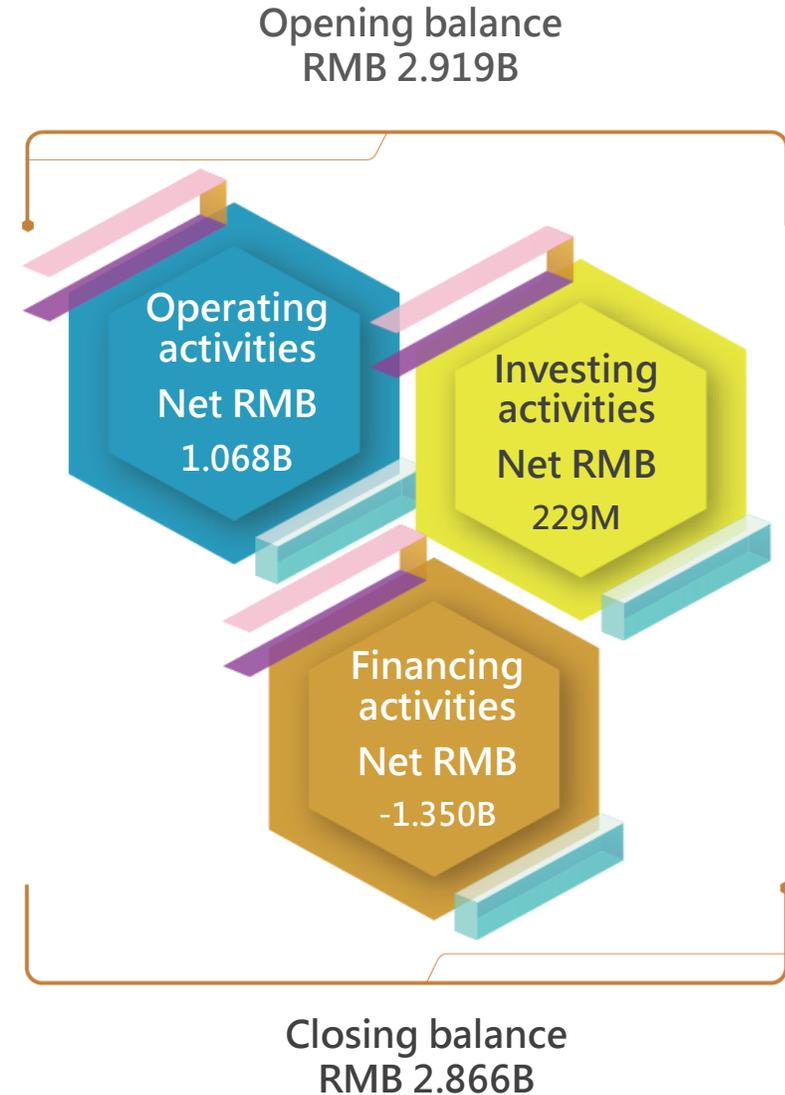
- 1H 2022 decreased RMB 184M
- Decreased 14.7%

Financing activities

- Drawdown of bank borrowings of RMB 2.390B
- Issuance of note payable and super short-term commercial paper of RMB 1.496B
- Repayable of bank borrowings and other borrowings of RMB 4.130B
- Payment of interest of RMB 352M
- Dividends paid to the shareholders of the Company of RMB 586M
- Dividends paid to non-controlling interests of RMB 96M

Investing activities

- Dividend from associates and a joint venture amounted to RMB 315M
- Capital expenditure in construction of RMB 107M



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; In July 2022, the Fed announced an interest rate hike of 75 basis points, and has raised interest rates by 225 basis points since the beginning of the year.
- IMF revised down the projected global growth by 0.4 percent to 3.2% in its latest issued report 'World Economic Outlooks' in Jul 2022.

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

- Under the epidemic and the external complexities and uncertainties, the downward pressure on the economy increased significantly in the second quarter. However, due to the efficient epidemic prevention and control efforts of the government, the rebound of the epidemic has been effectively controlled, the main economic indicators have stabilized and rebounded, and the domestic GDP in the second quarter and first half of 2022 will still achieve positive growth (0.4%, 2.5%).
- The central government issued a package of policies and measures to stabilize growth, and stepped up the implementation of fiscal, monetary and industrial policies, effectively stabilizing the economic market.

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 Regulations on the Administration of Toll Roads have been included in the second category 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 is expected to 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 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

Strengthen and
Expand major
business

Optimize asset portfolio and improve
financial structure

Infrastructure REITs scheme

- 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.

- 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

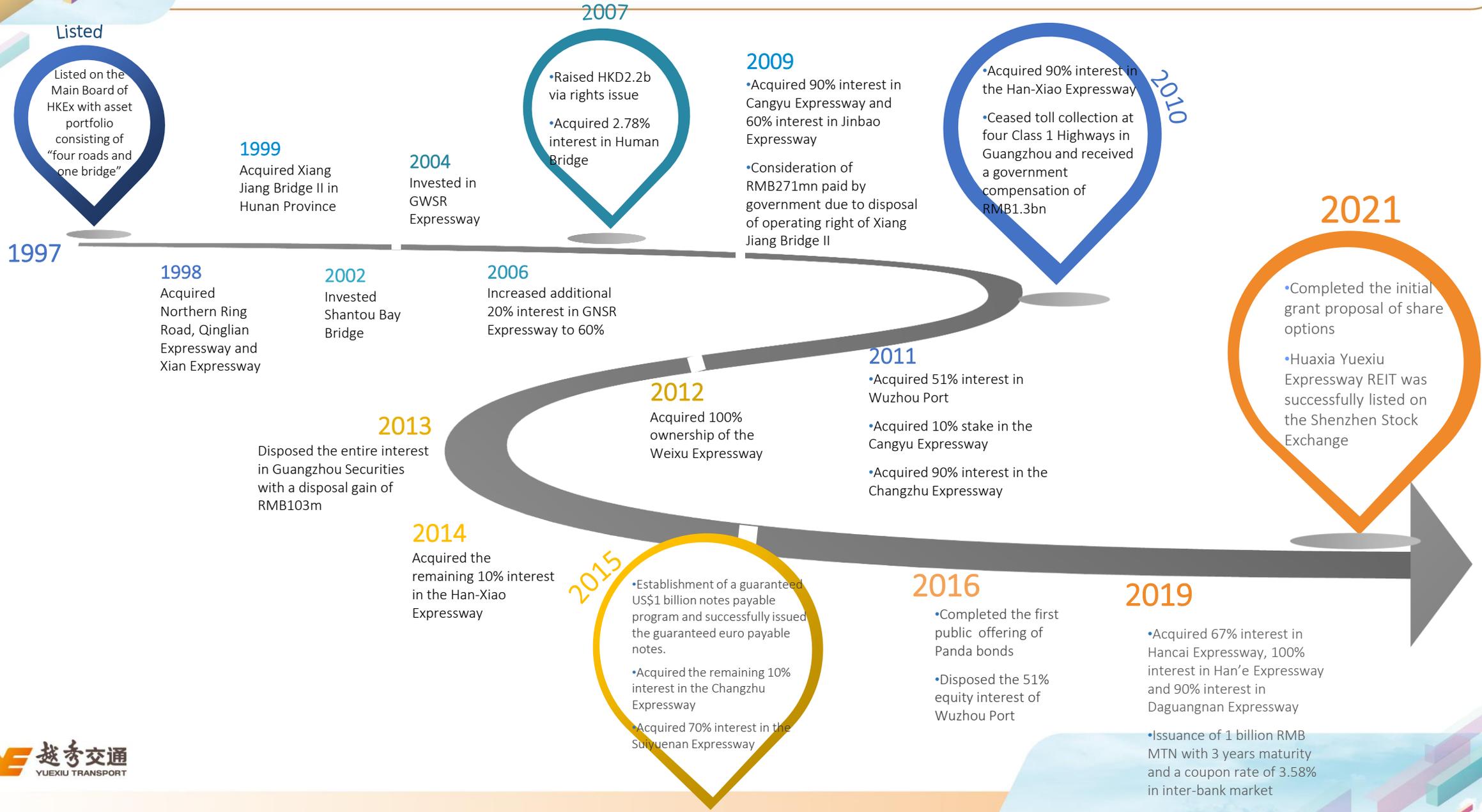


超行行
车车车
道道道

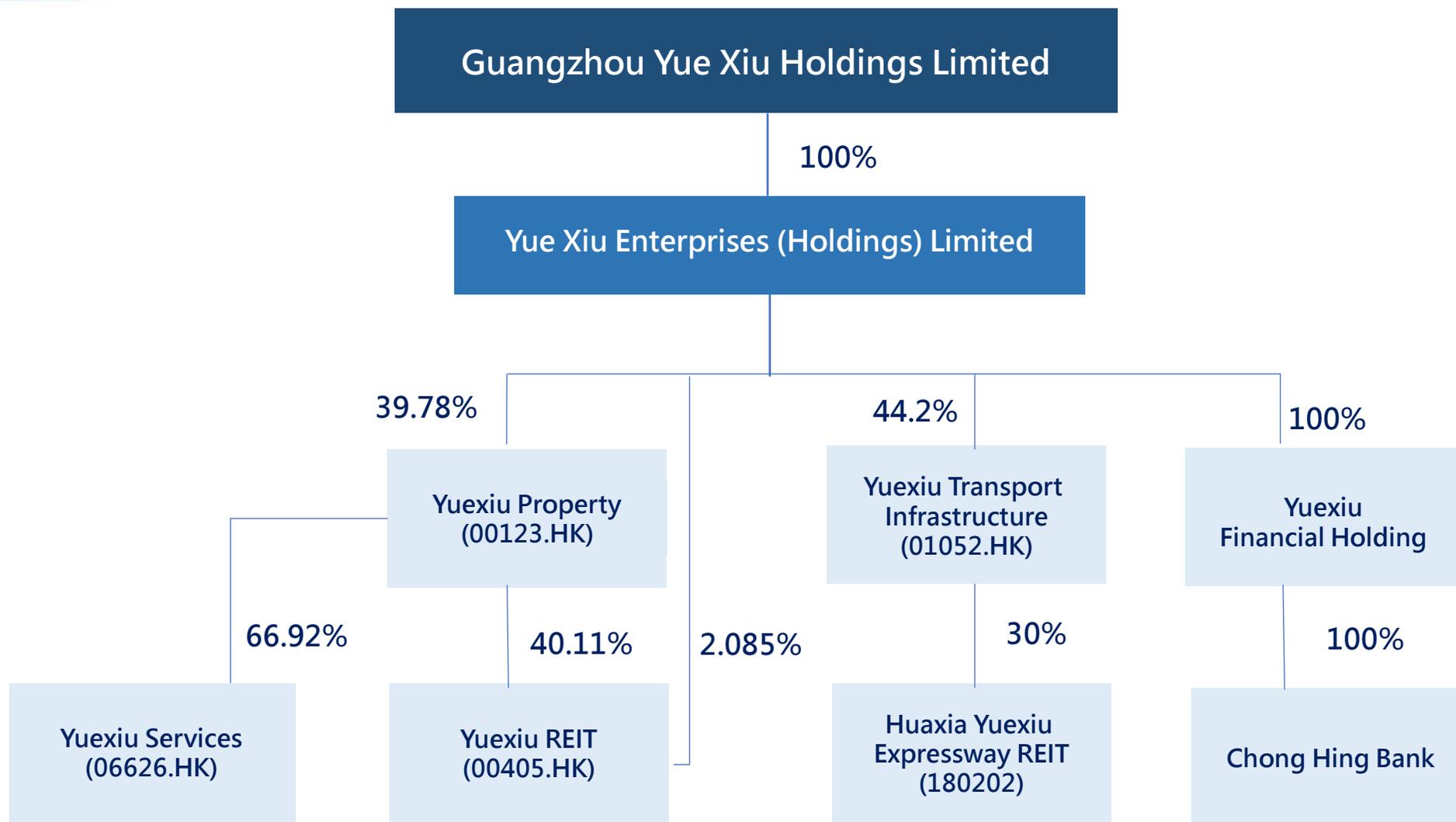
Extract of consolidated statement of profit or loss

RMB '000	1H 2022	1H 2021	Increase/decrease	Change%
Revenue	1,615,538	1,831,743	(216,205)	-11.8%
Cost of services	717,944	682,097	35,847	5.3%
Gross profit	897,594	1,149,646	(252,052)	-21.9%
Other income, gains and losses-net	37,914	27,253	10,661	39.1%
General and administrative expenses	102,138	105,424	(3,286)	-3.1%
Net finance costs	305,191	364,215	(59,024)	-16.2%
Share of results of a joint venture/ associates	90,893	140,053	(49,160)	-35.1%
Profit before tax	619,072	847,313	(228,241)	-26.9%
Income tax	173,137	214,385	(41,248)	-19.2%
Profit after tax	445,935	632,928	(186,993)	-29.5%
Profit attributable to shareholders	295,318	467,699	(172,381)	-36.9%
Basic earnings per share (RMB)	0.1765	0.2795	(0.1030)	-36.9%
Diluted earnings per share (RMB)	[0.1764]	0.2795	(0.1031)	-36.9%
Dividend per share (HKD)	0.10	0.20	(0.10)	-50.0%
Payout ratio	48.8%	59.5%	-10.7ppt	N/A

History



Shareholders structure



Yuexiu Transport Infrastructure Limited

Expressway/ Bridge/ Port



Controlled Projects

- GNSR Expressway /60%/ concession period until : 2032/01/10
- Cangyu Expressway /100%/ concession period until :2030/12/28
- Jinxiong Expressway /60%/ concession period until : 2030/03/17
- Changzhu Expressway /100%/ concession period until :2040/08/30
- Weixu Expressway /100%/ concession period until : 2035/11/18
- SYN Expressway /70%/ concession period until : 2040/03/09
- Hancai Expressway /67%/ concession period until : 2038/08/27
- Han'e Expressway /100%/ concession period until : 2042/06/30
- Daguangnan Expressway /90%/ concession period until : 2042/04/29

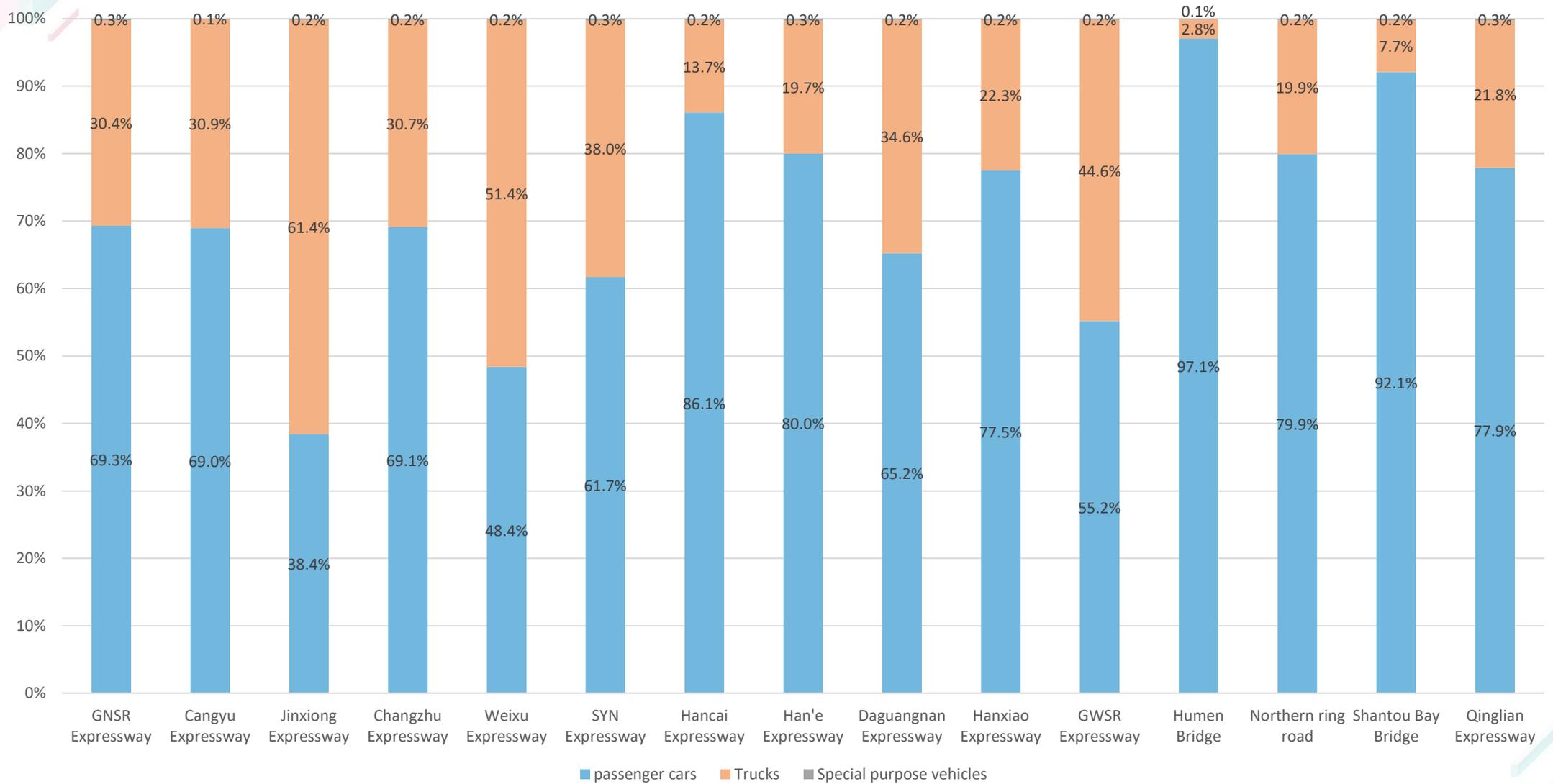


Non-controlled Projects

- Han-xiao Expressway /30%/ concession period until : 2036/12/09
- Humen Bridge /27.78%/ concession period until : 2029/05/08
- Northern Ring Road /24.3%/ concession period until : 2023/11/29
- Qinglian Expressway /23.63%/ concession period until : 2034/06/30
- GWSR Expressway /35%/ concession period until : 2030/12/19
- Shantou Bay Bridge /30%/ concession period until : 2028/12/23
- Pazhou Port /45%

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

1H 2022 Traffic mix



免責聲明

- ◆ *The material in this document is a presentation of general background information about the Company's activities at the date of the presentation. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to potential investors. These documents are not an offer of securities for sale inside or outside of the United States. Securities may not be offered or sold in the United States unless they are registered or exempt from registration. Any offering of securities to be made in the United States will be made by means of an offering circular that may be obtained from the Bank. Such offering circular will contain detailed information about the company and its management, as well as the Company's financial statements.*
- ◆ *This document may not be copied or otherwise reproduced and may not be distributed in the United States or to U.S. persons, or in Canada or Japan.*