

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



越秀交通基建有限公司

Yuexiu Transport Infrastructure Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 01052)

CONNECTED TRANSACTION

FX FORWARD CONTRACTS

FX FORWARD CONTRACTS

The Board is pleased to announce that on 20 June 2019, the Company entered into the two FX Forward Contracts with YXE to purchase HKD in the amount of HK\$200 million and HK\$300 million, respectively, with RMB on the terms stated therein.

LISTING RULES IMPLICATIONS

As YXE is the controlling Shareholder of the Company, it is a connected person of the Company. As such, the FX Forward Contracts between the Group and YXE constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) for the FX Forward Contracts are more than 0.1% but less than 5%, the FX Forward Contracts are only subject to the reporting and announcement requirements, but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 20 June 2019, the Company entered into the two FX Forward Contracts with YXE to purchase HKD in the amount of HK\$200 million and HK\$300 million, respectively, with RMB on the terms stated therein.

FX FORWARD CONTRACTS

Under the FX Forward Contracts, the Company agreed to use the forward rate (i.e. a pre-agreed foreign exchange rate determined by the parties after arms' length negotiations and in compliance with the Group's internal control policy), to purchase HKD with RMB on the relevant settlement date.

Major Terms of the 2021 FX Forward Contract

Trade date	:	20 June 2019
Parties	:	(1) the Company (as purchaser of HKD) and (2) YXE (as seller of HKD)
Principal amount and currency	:	HKD 200 million
Forward rate	:	RMB 0.8979 per HKD 1.00
Settlement currency	:	HKD
Settlement date	:	29 March 2021
Settlement	:	Non-deliverable
Valuation date	:	Two business days prior to the settlement date

Major Terms of the 2022 FX Forward Contract

Trade date	:	20 June 2019
Parties	:	(1) the Company (as purchaser of HKD) and (2) YXE (as seller of HKD)
Principal amount and currency	:	HKD 300 million
Forward rate	:	RMB 0.9090 per HKD 1.00
Settlement currency	:	HKD
Settlement date	:	29 March 2022
Settlement	:	Non-deliverable
Valuation date	:	Two business days prior to the settlement date

Pursuant to the FX Forward Contracts, either YXE or the Company may, by notice in writing to each other, elect to early terminate any outstanding transaction under the FX Forward Contracts in full or in part where the HKD Loan is cancelled, repaid or prepaid in full or, as applicable, in part, or is declared prematurely due and payable under and in accordance with the loan agreement in relation to the HKD Loan.

REASONS AND BENEFITS FOR ENTERING INTO THE FX FORWARD CONTRACTS

As the Group's principal operations are in the PRC, its income and expenses are primarily denominated in RMB. The Company and most of its subsidiaries consider RMB as their functional currency. As such, any transaction that is denominated or requires settlement in a currency other than RMB would result in foreign exchange exposure to the Group.

In March 2018, the Company entered into a loan agreement in relation to a HKD 2 billion 5-year term loan (the "**HKD Loan**") to fulfil its business needs. HKD 500 million in principal amount is outstanding under the HKD Loan as at the date of this announcement, and the Company is required to, among others, make principal payments of (i) HKD 200 million on 29 March 2021 and (ii) HKD 300 million on 29 March 2022, respectively.

With a view to managing the Group's foreign exchange exposure in relation to the two principal repayments (described above) under the HKD Loan, the Company entered into the FX Forward Contracts with YXE.

In accordance with the Group's internal control policy, for determination of the forward rate in the 2021 FX Forward Contract and 2022 FX Forward Contract respectively through arm's length negotiation with YXE, the Group has compared the quotation that it received from YXE with quotations from three independent banks and entered into the FX Forward Contracts on the basis that the quotation from YXE was more favourable to the Group when compared with quotations from the three independent banks. The Company considers that it would be in the interest of the Company and its Shareholders as a whole for the Group to enter into the FX Forward Contracts with the YXE as this would result in lower hedging costs for the Group.

In view of the reasons and benefits described above, the Directors (including the independent non-executive Directors) believe that the terms of the FX Forward Contracts and the transactions contemplated thereunder are on normal commercial terms or better and in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ABOUT THE COMPANY

The Company is incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 01052). The Group is principally engaged in investment in, operation and management of toll expressways and bridges in Guangdong Province and other high-growth provinces in PRC.

INFORMATION ABOUT YXE

Yue Xiu Enterprises (Holdings) Limited, a company incorporated in Hong Kong with limited liability, is the controlling shareholder of the Company directly and indirectly holding approximately 45.82% of the total issued share capital of the Company as at the date of this announcement. YXE, through its various subsidiaries, engages in various businesses including (among others) financial business, property development, infrastructure, construction and others.

LISTING RULES IMPLICATIONS

As YXE is the controlling Shareholder of the Company, it is a connected person of the Company. As such, the FX Forward Contracts between the Group and YXE constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) for the FX Forward Contracts are more than 0.1% but less than 5%, the FX Forward Contracts are only subject to the reporting and announcement requirements, but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors have a material interest in the transactions contemplated under the FX Forward Contracts. Accordingly, no Director was required to abstain from voting on the board resolutions in respect of the FX Forward Contracts.

DEFINITIONS

In this announcement, the following terms shall have the following meanings unless the context otherwise requires:

”2021 FX Forward Contract”	means	the foreign exchange forward contract entered into between the Company and YXE with principal amount of HK\$200 million and settlement date falling on 29 March 2021
”2022 FX Forward Contract”	means	the foreign exchange forward contract entered into between the Company and YXE with principal amount of HK\$300 million and settlement date falling on 29 March 2022
“Board”	means	the board of Directors
“Company”	means	Yuexiu Transport Infrastructure Limited, a limited liability company incorporated under the laws of Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 01052)
“connected person”		has the meaning ascribed to it under the Listing Rules
“Director(s)”	means	director(s) of the Company
“FX Forward Contracts”	means	the 2021 FX Forward Contract and the 2022 FX Forward Contract
“Group”	means	the Company and its subsidiaries
“HKD Loan”		has the meaning ascribed to it under the section headed “Reasons and Benefits for entering into the FX Forward Contracts” in this announcement
“Hong Kong”	means	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	means	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	means	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Shareholder(s)”	means	holder(s) of Shares
“Share(s)”	means	share(s) in the capital of the Company
“Stock Exchange”	means	The Stock Exchange of Hong Kong Limited
“HK\$/ HKD”	means	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	means	Renminbi, the lawful currency of the PRC
“YXE”	means	Yue Xiu Enterprises (Holdings) Limited, a limited company incorporated under the laws of Hong Kong and the controlling shareholder of the Company
“%”	means	per cent.

By Order of the Board
Yuexiu Transport Infrastructure Limited
ZHU Chunxiu
Chairman

Hong Kong, 20 June 2019

As at the date of this announcement, the Board comprises:

Executive Directors: *ZHU Chunxiu (Chairman), HE Baiqing, LI Feng and CHEN Jing*

Independent Non-executive Directors: *FUNG Ka Pun, LAU Hon Chuen Ambrose and CHEUNG Doi Shu*