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越秀交通基建有限公司

Yuexiu Transport Infrastructure Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 01052)

**(1) MAJOR TRANSACTIONS:
PROPOSED RELATED CONSTRUCTION WORKS AGREEMENTS
IN CONNECTION WITH
THE GNSR EXPRESSWAY R&E PROJECT**

**(2) DISCLOSEABLE TRANSACTION:
SECTION TJ7 MAIN WORKS AGREEMENT
IN CONNECTION WITH
THE GNSR EXPRESSWAY R&E PROJECT**

**(3) DISCLOSEABLE AND CONNECTED TRANSACTIONS:
PROPOSED GCIG AGREEMENTS
IN CONNECTION WITH
THE GNSR EXPRESSWAY R&E PROJECT**

Reference is made to the announcements of the Company dated 17 October 2022, 28 November 2022, 10 January 2023, 28 February 2023 and 20 March 2023 and the circular dated 22 December 2022 regarding the Land Expropriation Agreements and the Preliminary Construction Works Agreement for the GNSR Expressway R&E Project.

PROPOSED MAIN CONSTRUCTION WORKS AGREEMENTS

In anticipation of the commencement of the main construction works for the GNSR Expressway R&E Project, GNSR Company has undertaken the standardized tender and bidding process through the Guangzhou Public Resources Trading Center and on 17 October 2023 (after trading hours), issued the letters of award to the respective Contractors (being the winning bidders for each of the tenders) for the main construction works under the GNSR Expressway R&E Project. As the letters of award have been issued to the respective Contractors, it is intended that GNSR Company will enter into the Proposed Main Construction Works Agreements with the respective Contractors for each of the Main Works Sections.

Furthermore, in connection with the commencement of the main construction works for the GNSR Expressway R&E Project, GNSR Company has also undertaken the standardized tender and bidding process and on 17 October 2023 (after trading hours), issued a letter of award to the winning bidder, namely Chengxin S&C, for supervisory works for the construction works under the GNSR Expressway R&E Project. As such, it is intended that GNSR Company will enter into the Proposed Construction Supervision Agreement with Chengxin S&C.

LISTING RULES IMPLICATIONS

Proposed Related Construction Works Agreements

Whilst the highest applicable percentage ratio in respect of the transactions contemplated under each of the Proposed China Communications Agreements exceeds 5% but is less than 25% on a standalone basis, given the Proposed China Communications Agreements will be entered into with parties connected with each other, the highest applicable percentage ratio in respect of the transactions contemplated under the Proposed China Communications Agreements on an aggregate basis, pursuant to Rules 14.22 and 14.23(1) of the Listing Rules, exceeds 25% but is less than 100%.

Whilst the highest applicable percentage ratio in respect of the transactions contemplated under each of the Proposed CRCC Agreements exceeds 5% but is less than 25% on a standalone basis, given the Proposed CRCC Agreements will be entered into with parties connected with each other, the highest applicable percentage ratio in respect of the transactions contemplated under the Proposed CRCC Agreements on an aggregate basis, pursuant to Rules 14.22 and 14.23(1) of the Listing Rules, exceeds 25% but is less than 100%.

In light of the above, the entering into of and the transactions contemplated under each of the Proposed Related Construction Works Agreements constitute major transactions of the Company and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Section TJ7 Main Works Agreement

As the highest applicable percentage ratio in respect of the transactions contemplated under the Section TJ7 Main Works Agreement exceeds 5% but is less than 25%, the entering into of and the transactions contemplated under the Section TJ7 Main Works Agreement constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements but are exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

Proposed GCIG Agreements

Whilst on a standalone basis (i) the highest applicable percentage ratio in respect of the transactions contemplated under the Section TJ4 Main Works Agreement exceeds 5% but is less than 25% and (ii) the highest applicable percentage ratio in respect of the transactions contemplated under the Proposed Construction Supervision Agreement is less than 5%, given the Proposed GCIG Agreements will be entered into with parties connected with each other, the highest applicable percentage ratio in respect of the transactions contemplated under the Proposed GCIG Agreements on an aggregate basis, pursuant to Rules 14.22 and 14.23(1) of the Listing Rules, exceeds 5% but is less than 25%, and therefore the entering into of and the transactions contemplated under the Proposed GCIG Agreements constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements but are exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

As GCIG indirectly owns 30% shareholding in GNSR Company, a subsidiary of the Company, GCIG is a substantial shareholder of a subsidiary of the Company and a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Furthermore, GHEG is a wholly-owned subsidiary of GCIG and Chengxin S&C is also a subsidiary indirectly owned by GCIG as to approximately 96.67%. As such, GHEG and Chengxin S&C are associates of GCIG and therefore also are connected persons of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Section TJ4 Main Works Agreement and the Proposed Construction Supervision Agreement constitute connected transactions for the Company under Chapter 14A of the Listing Rules. As (i) GCIG, GHEG and Chengxin S&C are connected persons of the Company at the subsidiary level; (ii) the Board has approved the Proposed GCIG Agreements and the respective transactions contemplated thereunder; and (iii) all the independent non-executive Directors have confirmed that the respective terms of the Proposed GCIG Agreements are fair and reasonable and the transactions contemplated under the Proposed GCIG Agreements are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the Proposed GCIG Agreements are subject to the reporting and announcement requirements but are exempt from circular, independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

GENERAL

The SGM will be convened and held by the Company to consider, and if thought fit, approve the entering into of and the transactions contemplated under the Proposed Related Construction Works Agreements.

As additional time is required to prepare the financial and other information to be included in the circular, a circular containing, among other things, (i) further details of the Proposed Related Construction Works Agreements and (ii) a notice of the SGM, is expected to be despatched to the Shareholders on or before 11 November 2023.

I. INTRODUCTION

Reference is made to the announcements of the Company dated 17 October 2022, 28 November 2022, 10 January 2023, 28 February 2023 and 20 March 2023 and the circular of the Company dated 22 December 2022 regarding the Land Expropriation Agreements and the Preliminary Construction Works Agreement for the GNSR Expressway R&E Project.

II. PROPOSED MAIN CONSTRUCTION WORKS AGREEMENTS AND PROPOSED CONSTRUCTION SUPERVISION AGREEMENT

In anticipation of the commencement of the main construction works for the GNSR Expressway R&E Project, GNSR Company has undertaken the standardized tender and bidding process through the Guangzhou Public Resources Trading Center and on 17 October 2023 (after trading hours), issued the letters of award to the respective Contractors (being the winning bidders for each of the tenders) for the main construction works under the GNSR Expressway R&E Project. As the letters of award have been issued to the respective Contractors, it is intended that GNSR Company will enter into the Proposed Main Construction Works Agreements with the respective Contractors for each of the Main Works Sections, namely:

- (1) the Section TJ1 Main Works Agreement with CCCC Second Harbour;
- (2) the Section TJ2 Main Works Agreement with CR 14th Bureau;
- (3) the Section TJ4 Main Works Agreement with GHEG;
- (4) the Section TJ5 Main Works Agreement with CCCC R&B;
- (5) the Section TJ6 Main Works Agreement with CR 11th Bureau;

(6) the Section TJ7 Main Works Agreement with CR MBE; and

(7) the Section TJ8 Main Works Agreement with CR 25th Bureau.

Furthermore, in connection with the commencement of the main construction works for the GNSR Expressway R&E Project, GNSR Company has also undertaken the standardized tender and bidding process and on 17 October 2023 (after trading hours), issued a letter of award to the winning bidder, namely Chengxin S&C, for supervisory works for the construction works under the GNSR Expressway R&E Project. As such, it is intended that GNSR Company will enter into the Proposed Construction Supervision Agreement with Chengxin S&C.

(1) Section TJ1 Main Works Agreement

The principal terms of the Section TJ1 Main Works Agreement are set out below:

Parties

(i) GNSR Company

(ii) CCCC Second Harbour

Subject Matter

CCCC Second Harbour (as the contractor) shall undertake the construction works in connection with the main construction section TJ1 of the GNSR Expressway R&E Project, which comprises the highway road sections (i) starting from YK2987+150 and ending at YK2992+460 and (ii) starting from ZK2987+150 and ending at ZK2992+310 with a total length of approximately 5.235km, and the main structures under construction include but are not limited to 2 interchange sections, 1 grand bridge of 4,873.3 metres and 1 medium-to-large-sized bridge of 106.4 metres.

In connection with the construction works, CCCC Second Harbour shall be responsible for arranging, among others, all necessary labour and management personnel, materials and construction equipment.

Construction Period

60 months commencing from the date on which the supervisor for the construction project has issued the works commencement notice.

CCCC Second Harbour will be subject to a daily delay fee of RMB20,000 if there are any delays to the expected construction timetable and such delay is attributable to CCCC Second Harbour, subject to a maximum cap of 10% of the total contract amount.

Project Price

The total contract amount shall be approximately RMB1,122,110,220 (inclusive of VAT), which may be subject to the adjustments based on changes in the actual work to be taken by CCCC Second Harbour as instructed by GNSR Company through the supervisor and certain adjustment mechanism based on (i) the price fluctuation of certain construction materials (including but not limited to gravel, sand, cement, steel reinforcement, wire strand, steel materials, concrete pile and diesel) and (ii) change in the relevant PRC laws, regulations and tax policies.

Notwithstanding the above, GNSR Company shall not be required to bear any costs which exceed the total contract amount as set out above unless (i) GNSR Company and CCCC Second Harbour have entered into separate agreement for such amount exceeding the total contract amount and (ii) GNSR Company and its controlling shareholder (namely, the Company) have complied with the relevant compliance requirements under relevant law and regulations and the Listing Rules, including the relevant announcement, circular and Shareholders' approval requirements (as applicable). The Company will comply with the requirements under the Listing Rules (as applicable) if there are any material upward adjustments to the total contract amount under the Section TJ1 Main Works Agreement.

GNSR Company intends to finance the total contract amount by way of external bank financing and/or capital contribution by its shareholders.

**Basis of Determination
of Project Price**

The total contract amount represents the sum of (i) the bidding price offered by CCCC Second Harbour under the tender exercise, which was determined based on the prevailing market price for a project of similar nature and complexity and (ii) the premium quality award, with the premium quality award under the Section TJ1 Main Works Agreement amounting to 1.5% of a designated portion of the bidding price in accordance with the requirements published by the Department of Transport of Guangdong Province. The contract was awarded to CCCC Second Harbour through an open tender and bidding process after GNSR Company considered comprehensively a number of factors such as the bidding price, construction organisation and design, historical performance and contract performance reputation of the bidders.

Prepayment

Construction prepayment in the aggregate amount of 10% of the total contract amount shall be payable by GNSR Company to CCCC Second Harbour in instalments in accordance with CCCC Second Harbour's construction preparation status after CCCC Second Harbour has delivered the performance bond.

The construction prepayment shall be set off against the incurred contract amount pursuant to the current progress payment certificate at an agreed ratio upon the incurred contract amount reaching 30% of the total contract amount.

Payment Arrangement

Contract amount incurred shall be paid by GNSR Company to CCCC Second Harbour in instalments of not less than RMB500,000 based on the construction progress of CCCC Second Harbour. During the construction period, once CCCC Second Harbour has provided a progress payment request and supporting documentations to the supervisor appointed by GNSR Company, the supervisor shall complete review of such progress payment request within 14 days and pass the same to GNSR Company for approval. GNSR Company shall then complete the approval procedure and settle such amount within 28 days after the supervisor receives the progress payment request and CCCC Second Harbour provides the valid VAT invoice.

CCCC Second Harbour may, within 42 days after issuance of the delivery inspection certificate, provide the delivery payment request (together with the relevant supporting materials) to the supervisor, who shall then review the request within 14 days and issue a delivery payment certificate to GNSR Company. GNSR Company shall thereafter settle the amount payable within 14 days after the supervisor issues the delivery payment certificate and CCCC Second Harbour provides the valid VAT invoice.

Performance Bond

CCCC Second Harbour shall provide a performance bond amounting to 10% of the total contract amount of the Section TJ1 Main Works Agreement to GNSR Company, which shall remain effective until the payment of the quality guarantee deposit by CCCC Second Harbour, and may be in the form of cash, cheque, bank guarantee or other legal means. GNSR Company shall return the performance bond to CCCC Second Harbour upon payment of the quality guarantee deposit by CCCC Second Harbour to GNSR Company.

Quality Guarantee Deposit

Within 14 days after the passing of the construction delivery inspection and issuance of the delivery inspection certificate, CCCC Second Harbour shall pay a quality guarantee deposit to GNSR Company. The quality guarantee deposit may be made in the form of bank guarantee or by cash and shall represent 3% of the total contract amount. The quality guarantee deposit paid shall bear no interest.

Provided that CCCC Second Harbour has fulfilled its obligations during the defect responsibility period as set out below and the quality inspection has been passed after 2 years of trial operation of the reconstructed and expanded GNSR Expressway:

- (i) 50% of the quality guarantee deposit shall be returned by GNSR Company to CCCC Second Harbour; and
- (ii) the remaining 50% of the quality guarantee deposit shall be treated as and used to settle the final instalment of the contract amount and shall be returned by GNSR Company to CCCC Second Harbour within one month after the completion inspection and final audit and the settlement amount adjustment based on such audit.

If CCCC Second Harbour fails to achieve the standard of good level for the completion inspection, GNSR Company shall deduct 10% of the quality guarantee deposit or an equivalent amount from the final instalment of the contract amount as damages. In such scenario, GNSR Company shall also be entitled to claw back all premium quality award paid during the construction period.

**Defect Responsibility
Period**

During the defect responsibility period, being the 2 years after the overall delivery inspection of the section, CCCC Second Harbour shall be responsible for handling and rectifying any new and re-occurring defects. If the defects are found to be attributable to the reasons of CCCC Second Harbour, the expenses for rectifying and inspecting the defects shall be borne by CCCC Second Harbour.

Effective Date

The Section TJ1 Main Works Agreement shall be concluded upon the date on which it is signed and sealed by the parties thereto after the provision of the performance bond by CCCC Second Harbour, and shall become effective on the date of completion of the approval procedure by GNSR Company and its controlling shareholder (including the Company) as required by relevant law and regulations and the Listing Rules, including the relevant announcement, circular and/or Shareholders' approval requirements.

(2) Section TJ2 Main Works Agreement

The principal terms of the Section TJ2 Main Works Agreement are set out below:

Parties

- (i) GNSR Company
- (ii) CR 14th Bureau

Subject Matter

CR 14th Bureau (as the contractor) shall undertake the construction works in connection with the main construction section TJ2 of the GNSR Expressway R&E Project, which comprises the highway road sections (i) starting from YK2992+460 and ending at YK2998+415, and (ii) starting from ZK2992+310 and ending at ZK2998+380 with a total length of approximately 6.026km, and the main structures under construction include but are not limited to 1 interchange section, 3 medium-to-large-sized bridges of 1,411.25 metres and 1 tunnel of 347.5 metres.

In connection with the construction works, CR 14th Bureau shall be responsible for arranging, among others, all necessary labour and management personnel, materials and construction equipment.

Construction Period

60 months commencing from the date on which the supervisor for the construction project has issued the works commencement notice.

CR 14th Bureau will be subject to a daily delay fee of RMB20,000 if there are any delays to the expected construction timetable and such delay is attributable to CR 14th Bureau, subject to a maximum cap of 10% of the total contract amount.

Project Price

The total contract amount shall be approximately RMB653,123,733 (inclusive of VAT), which may be subject to the adjustments based on changes in the actual work to be taken by CR 14th Bureau as instructed by GNSR Company through the supervisor and certain adjustment mechanism based on (i) the price fluctuation of certain construction materials (including but not limited to gravel, sand, cement, steel reinforcement, wire strand, steel materials, concrete pile and diesel) and (ii) change in the relevant PRC laws, regulations and tax policies.

Notwithstanding the above, GNSR Company shall not be required to bear any costs which exceed the total contract amount as set out above unless (i) GNSR Company and CR 14th Bureau have entered into separate agreement for such amount exceeding the total contract amount and (ii) GNSR Company and its controlling shareholder (namely, the Company) have complied with the relevant compliance requirements under relevant law and regulations and the Listing Rules, including the relevant announcement, circular and Shareholders' approval requirements (as applicable). The Company will comply with the requirements under the Listing Rules (as applicable) if there are any material upward adjustments to the total contract amount under the Section TJ2 Main Works Agreement.

GNSR Company intends to finance the total contract amount by way of external bank financing and/or capital contribution by its shareholders.

**Basis of Determination
of Project Price**

The total contract amount represents the sum of (i) the bidding price offered by CR 14th Bureau under the tender exercise, which was determined based on the prevailing market price for a project of similar nature and complexity and (ii) the premium quality award, with the premium quality award under the Section TJ2 Main Works Agreement amounting to 1.5% of a designated portion of the bidding price in accordance with the requirements published by the Department of Transport of Guangdong Province. The contract was awarded to CR 14th Bureau through an open tender and bidding process after GNSR Company considered comprehensively a number of factors such as the bidding price, construction organisation and design, historical performance and contract performance reputation of the bidders.

Prepayment

Construction prepayment in the aggregate amount of 10% of the total contract amount shall be payable by GNSR Company to CR 14th Bureau in instalments in accordance with CR 14th Bureau's construction preparation status after CR 14th Bureau has delivered the performance bond.

The construction prepayment shall be set off against the incurred contract amount pursuant to the current progress payment certificate at an agreed ratio upon the incurred contract amount reaching 30% of the total contract amount.

Payment Arrangement

Contract amount incurred shall be paid by GNSR Company to CR 14th Bureau in instalments of not less than RMB500,000 based on the construction progress of CR 14th Bureau. During the construction period, once CR 14th Bureau has provided a progress payment request and supporting documentations to the supervisor appointed by GNSR Company, the supervisor shall complete review of such progress payment request within 14 days and pass the same to GNSR Company for approval. GNSR Company shall then complete the approval procedure and settle such amount within 28 days after the supervisor receives the progress payment request and CR 14th Bureau provides the valid VAT invoice.

CR 14th Bureau may, within 42 days after issuance of the delivery inspection certificate, provide the delivery payment request (together with the relevant supporting materials) to the supervisor, who shall then review the request within 14 days and issue a delivery payment certificate to GNSR Company. GNSR Company shall thereafter settle the amount payable within 14 days after the supervisor issues the delivery payment certificate and CR 14th Bureau provides the valid VAT invoice.

Performance Bond

CR 14th Bureau shall provide a performance bond amounting to 10% of the total contract amount of the Section TJ2 Main Works Agreement to GNSR Company, which shall remain effective until the payment of the quality guarantee deposit by CR 14th Bureau, and may be in the form of cash, cheque, bank guarantee or other legal means. GNSR Company shall return the performance bond to CR 14th Bureau upon payment of the quality guarantee deposit by CR 14th Bureau to GNSR Company.

**Quality Guarantee
Deposit**

Within 14 days after the passing of the construction delivery inspection and issuance of the delivery inspection certificate, CR 14th Bureau shall pay a quality guarantee deposit to GNSR Company. The quality guarantee deposit may be made in the form of bank guarantee or by cash and shall represent 3% of the total contract amount. The quality guarantee deposit paid shall bear no interest.

Provided that CR 14th Bureau has fulfilled its obligations during the defect responsibility period as set out below and the quality inspection has been passed after 2 years of trial operation of the reconstructed and expanded GNSR Expressway:

- (i) 50% of the quality guarantee deposit shall be returned by GNSR Company to CR 14th Bureau; and
- (ii) the remaining 50% of the quality guarantee deposit shall be treated as and used to settle the final instalment of the contract amount and shall be returned by GNSR Company to CR 14th Bureau within one month after the completion inspection and final audit and the settlement amount adjustment based on such audit.

If CR 14th Bureau fails to achieve the standard of good level for the completion inspection, GNSR Company shall deduct 10% of the quality guarantee deposit or an equivalent amount from the final instalment of the contract amount as damages. In such scenario, GNSR Company shall also be entitled to claw back all premium quality award paid during the construction period.

**Defect Responsibility
Period**

During the defect responsibility period, being the 2 years after the overall delivery inspection of the section, CR 14th Bureau shall be responsible for handling and rectifying any new and re-occurring defects. If the defects are found to be attributable to the reasons of CR 14th Bureau, the expenses for rectifying and inspecting the defects shall be borne by CR 14th Bureau.

Effective Date

The Section TJ2 Main Works Agreement shall be concluded upon the date on which it is signed and sealed by the parties thereto after the provision of the performance bond by CR 14th Bureau, and shall become effective on the date of completion of the approval procedure by GNSR Company and its controlling shareholder (including the Company) as required by relevant law and regulations and the Listing Rules, including the relevant announcement, circular and/or Shareholders' approval requirements.

(3) Section TJ4 Main Works Agreement

The principal terms of the Section TJ4 Main Works Agreement are set out below:

Parties

- (i) GNSR Company
- (ii) GHEG

Subject Matter

GHEG (as the contractor) shall undertake the construction works in connection with the main construction section TJ4 of the GNSR Expressway R&E Project, which comprises the highway road sections starting from K3002+900 and ending at K3005+975.941 with a total length of approximately 3.076km, and the main structures under construction include but are not limited to 1 interchange section and 1 medium-to-large-sized bridge of 75 metres.

In connection with the construction works, GHEG shall be responsible for arranging, among others, all necessary labour and management personnel, materials and construction equipment.

Construction Period

60 months commencing from the date on which the supervisor for the construction project has issued the works commencement notice.

GHEG will be subject to a daily delay fee of RMB20,000 if there are any delays to the expected construction timetable and such delay is attributable to GHEG, subject to a maximum cap of 10% of the total contract amount.

Project Price

The total contract amount shall be approximately RMB701,897,275 (inclusive of VAT), which may be subject to the adjustments based on changes in the actual work to be taken by GHEG as instructed by GNSR Company through the supervisor and certain adjustment mechanism based on (i) the price fluctuation of certain construction materials (including but not limited to gravel, sand, cement, steel reinforcement, wire strand, steel materials, concrete pile and diesel) and (ii) change in the relevant PRC laws, regulations and tax policies.

Notwithstanding the above, GNSR Company shall not be required to bear any costs which exceed the total contract amount as set out above unless (i) GNSR Company and GHEG have entered into separate agreement for such amount exceeding the total contract amount and (ii) GNSR Company and its controlling shareholder (namely, the Company) have complied with the relevant compliance requirements under relevant law and regulations and the Listing Rules, including the relevant announcement, circular and Shareholders' approval requirements (as applicable). The Company will comply with the requirements under the Listing Rules (as applicable) if there are any material upward adjustments to the total contract amount under the Section TJ4 Main Works Agreement.

GNSR Company intends to finance the total contract amount by way of external bank financing and/or capital contribution by its shareholders.

**Basis of Determination
of Project Price**

The total contract amount represents the sum of (i) the bidding price offered by GHEG under the tender exercise, which was determined based on the prevailing market price for a project of similar nature and complexity and (ii) the premium quality award, with the premium quality award under the Section TJ4 Main Works Agreement amounting to 1.5% of a designated portion of the bidding price in accordance with the requirements published by the Department of Transport of Guangdong Province. The contract was awarded to GHEG through an open tender and bidding process after GNSR Company considered comprehensively a number of factors such as the bidding price, construction organisation and design, historical performance and contract performance reputation of the bidders.

Prepayment

Construction prepayment in the aggregate amount of 10% of the total contract amount shall be payable by GNSR Company to GHEG in instalments in accordance with GHEG's construction preparation status after GHEG has delivered the performance bond.

The construction prepayment shall be set off against the incurred contract amount pursuant to the current progress payment certificate at an agreed ratio upon the incurred contract amount reaching 30% of the total contract amount.

Payment Arrangement

Contract amount incurred shall be paid by GNSR Company to GHEG in instalments of not less than RMB500,000 based on the construction progress of GHEG. During the construction period, once GHEG has provided a progress payment request and supporting documentations to the supervisor appointed by GNSR Company, the supervisor shall complete review of such progress payment request within 14 days and pass the same to GNSR Company for approval. GNSR Company shall then complete the approval procedure and settle such amount within 28 days after the supervisor receives the progress payment request and GHEG provides the valid VAT invoice.

GHEG, within 42 days after issuance of the delivery inspection certificate, may provide the delivery payment request (together with the relevant supporting materials) to the supervisor, who shall then review the request within 14 days and issue a delivery payment certificate to GNSR Company. GNSR Company shall thereafter settle the amount payable within 14 days after the supervisor issues the delivery payment certificate and GHEG provides the valid VAT invoice.

Performance Bond

GHEG shall provide a performance bond amounting to 10% of the total contract amount of the Section TJ4 Main Works Agreement to GNSR Company, which shall remain effective until the payment of the quality guarantee deposit by GHEG, and may be in the form of cash, cheque, bank guarantee or other legal means. GNSR Company shall return the performance bond to GHEG upon payment of the quality guarantee deposit by GHEG to GNSR Company.

**Quality Guarantee
Deposit**

Within 14 days after the passing of the construction delivery inspection and issuance of the delivery inspection certificate, GHEG shall pay a quality guarantee deposit to GNSR Company. The quality guarantee deposit may be made in the form of bank guarantee or by cash and shall represent 3% of the total contract amount. The quality guarantee deposit paid shall bear no interest.

Provided that GHEG has fulfilled its obligations during the defect responsibility period as set out below and the quality inspection has been passed after 2 years of trial operation of the reconstructed and expanded GNSR Expressway:

- (i) 50% of the quality guarantee deposit shall be returned by GNSR Company to GHEG; and

(ii) the remaining 50% of the quality guarantee deposit shall be treated as and used to settle the final instalment of the contract amount and shall be returned by GNSR Company to GHEG within one month after the completion inspection and final audit and the settlement amount adjustment based on such audit.

If GHEG fails to achieve the standard of good level for the completion inspection, GNSR Company shall deduct 10% of the quality guarantee deposit or an equivalent amount from the final instalment of the contract amount as damages. In such scenario, GNSR Company shall also be entitled to claw back all premium quality award paid during the construction period.

**Defect Responsibility
Period**

During the defect responsibility period, being the 2 years after the overall delivery inspection of the section, GHEG shall be responsible for handling and rectifying any new and re-occurring defects. If the defects are found to be attributable to the reasons of GHEG, the expenses for rectifying and inspecting the defects shall be borne by GHEG.

Effective Date

The Section TJ4 Main Works Agreement shall be concluded upon the date on which it is signed and sealed by the parties thereto after the provision of the performance bond by GHEG, and shall become effective on the date of completion of the approval procedure by GNSR Company and its controlling shareholder (including the Company) as required by relevant law and regulations and the Listing Rules, including the relevant announcement, circular and/or Shareholders' approval requirements.

(4) Section TJ5 Main Works Agreement

The principal terms of the Section TJ5 Main Works Agreement are set out below:

Parties

- (i) GNSR Company
- (ii) CCCC R&B

Subject Matter

CCCC R&B (as the contractor) shall undertake the construction works in connection with the main construction section TJ5 of the GNSR Expressway R&E Project, which comprises the highway road sections starting from K3005+866.350 and ending at K3010+690 with a total length of approximately 4.824km, and the main structures under construction include but are not limited to 1 interchange section and 10 small, medium and large sized bridges of 1,016.283 metres.

In connection with the construction works, CCCC R&B shall be responsible for arranging, among others, all necessary labour and management personnel, materials and construction equipment.

Construction Period

60 months commencing from the date on which the supervisor for the construction project has issued the works commencement notice.

CCCC R&B will be subject to a daily delay fee of RMB20,000 if there are any delays to the expected construction timetable and such delay is attributable to CCCC R&B, subject to a maximum cap of 10% of the total contract amount.

Project Price

The total contract amount shall be approximately RMB598,630,694 (inclusive of VAT), which may be subject to the adjustments based on changes in the actual work to be taken by CCCC R&B as instructed by GNSR Company through the supervisor and certain adjustment mechanism based on (i) the price fluctuation of certain construction materials (including but not limited to gravel, sand, cement, steel reinforcement, wire strand, steel materials, concrete pile and diesel) and (ii) change in the relevant PRC laws, regulations and tax policies.

Notwithstanding the above, GNSR Company shall not be required to bear any costs which exceed the total contract amount as set out above unless (i) GNSR Company and CCCC R&B have entered into separate agreement for such amount exceeding the total contract amount and (ii) GNSR Company and its controlling shareholder (namely, the Company) have complied with the relevant compliance requirements under relevant law and regulations and the Listing Rules, including the relevant announcement, circular and Shareholders' approval requirements (as applicable). The Company will comply with the requirements under the Listing Rules (as applicable) if there are any material upward adjustments to the total contract amount under the Section TJ5 Main Works Agreement.

GNSR Company intends to finance the total contract amount by way of external bank financing and/or capital contribution by its shareholders.

**Basis of Determination
of Project Price**

The total contract amount represents the sum of (i) the bidding price offered by CCCC R&B under the tender exercise, which was determined based on the prevailing market price for a project of similar nature and complexity and (ii) the premium quality award, with the premium quality award under the Section TJ5 Main Works Agreement amounting to 1.5% of a designated portion of the bidding price in accordance with the requirements published by the Department of Transport of Guangdong Province. The contract was awarded to CCCC R&B through an open tender and bidding process after GNSR Company considered comprehensively a number of factors such as the bidding price, construction organisation and design, historical performance and contract performance reputation of the bidders.

Prepayment

Construction prepayment in the aggregate amount of 10% of the total contract amount shall be payable by GNSR Company to CCCC R&B in instalments in accordance with CCCC R&B's construction preparation status after CCCC R&B has delivered the performance bond.

The construction prepayment shall be set off against the incurred contract amount pursuant to the current progress payment certificate at an agreed ratio upon the incurred contract amount reaching 30% of the total contract amount.

Payment Arrangement

Contract amount incurred shall be paid by GNSR Company to CCCC R&B in instalments of not less than RMB500,000 based on the construction progress of CCCC R&B. During the construction period, once CCCC R&B has provided a progress payment request and supporting documentations to the supervisor appointed by GNSR Company, the supervisor shall complete review of such progress payment request within 14 days and pass the same to GNSR Company for approval. GNSR Company shall then complete the approval procedure and settle such amount within 28 days after the supervisor receives the progress payment request and CCCC R&B provides the valid VAT invoice.

CCCC R&B may, within 42 days after issuance of the delivery inspection certificate, provide the delivery payment request (together with the relevant supporting materials) to the supervisor, who shall then review the request within 14 days and issue a delivery payment certificate to GNSR Company. GNSR Company shall thereafter settle the amount payable within 14 days after the supervisor issues the delivery payment certificate and CCCC R&B provides the valid VAT invoice.

Performance Bond

CCCC R&B shall provide a performance bond amounting to 10% of the total contract amount of the Section TJ5 Main Works Agreement to GNSR Company, which shall remain effective until the payment of the quality guarantee deposit by CCCC R&B, and may be in the form of cash, cheque, bank guarantee or other legal means. GNSR Company shall return the performance bond to CCCC R&B upon payment of the quality guarantee deposit by CCCC R&B to GNSR Company.

**Quality Guarantee
Deposit**

Within 14 days after the passing of the construction delivery inspection and issuance of the delivery inspection certificate, CCCC R&B shall pay a quality guarantee deposit to GNSR Company. The quality guarantee deposit may be made in the form of bank guarantee or by cash and shall represent 3% of the total contract amount. The quality guarantee deposit paid shall bear no interest.

Provided that CCCC R&B has fulfilled its obligations during the defect responsibility period as set out below and the quality inspection has been passed after 2 years of trial operation of the reconstructed and expanded GNSR Expressway:

- (i) 50% of the quality guarantee deposit shall be returned by GNSR Company to CCCC R&B; and

- (ii) the remaining 50% of the quality guarantee deposit shall be treated as and used to settle the final instalment of the contract amount and shall be returned by GNSR Company to CCCC R&B within one month after the completion inspection and final audit and the settlement amount adjustment based on such audit.

If CCCC R&B fails to achieve the standard of good level for the completion inspection, GNSR Company shall deduct 10% of the quality guarantee deposit or an equivalent amount from the final instalment of the contract amount as damages. In such scenario, GNSR Company shall also be entitled to claw back all premium quality award paid during the construction period.

**Defect Responsibility
Period**

During the defect responsibility period, being the 2 years after the overall delivery inspection of the section, CCCC R&B shall be responsible for handling and rectifying any new and re-occurring defects. If the defects are found to be attributable to the reasons of CCCC R&B, the expenses for rectifying and inspecting the defects shall be borne by CCCC R&B.

Effective Date

The Section TJ5 Main Works Agreement shall be concluded upon the date on which it is signed and sealed by the parties thereto after the provision of the performance bond by CCCC R&B, and shall become effective on the date of completion of the approval procedure by GNSR Company and its controlling shareholder (including the Company) as required by relevant law and regulations and the Listing Rules, including the relevant announcement, circular and/or Shareholders' approval requirements.

(5) Section TJ6 Main Works Agreement

The principal terms of the Section TJ6 Main Works Agreement are set out below:

Parties	(i) GNSR Company (ii) CR 11th Bureau
Subject Matter	<p>CR 11th Bureau (as the contractor) shall undertake the construction works in connection with the main construction section TJ6 of the GNSR Expressway R&E Project, which comprises the highway road sections starting from K3010+690 and ending at K3016+800 with a total length of approximately 6.115km, and the main structures under construction include but are not limited to 2 interchange sections and 10 small, medium and large sized bridges of 2,129 metres.</p> <p>In connection with the construction works, CR 11th Bureau shall be responsible for arranging, among others, all necessary labour and management personnel, materials and construction equipment.</p>
Construction Period	<p>60 months commencing from the date on which the supervisor for the construction project has issued the works commencement notice.</p> <p>CR 11th Bureau will be subject to a daily delay fee of RMB20,000 if there are any delays to the expected construction timetable and such delay is attributable to CR 11th Bureau, subject to a maximum cap of 10% of the total contract amount.</p>
Project Price	<p>The total contract amount shall be approximately RMB653,179,589 (inclusive of VAT), which may be subject to the adjustments based on changes in the actual work to be taken by CR 11th Bureau as instructed by GNSR Company through the supervisor and certain adjustment mechanism based on (i) the price fluctuation of certain construction materials (including but not limited to gravel, sand, cement, steel reinforcement, wire strand, steel materials, concrete pile and diesel) and (ii) change in the relevant PRC laws, regulations and tax policies.</p>

Notwithstanding the above, GNSR Company shall not be required to bear any costs which exceed the total contract amount as set out above unless (i) GNSR Company and CR 11th Bureau have entered into separate agreement for such amount exceeding the total contract amount and (ii) GNSR Company and its controlling shareholder (namely, the Company) have complied with the relevant compliance requirements under relevant law and regulations and the Listing Rules, including the relevant announcement, circular and Shareholders' approval requirements (as applicable). The Company will comply with the requirements under the Listing Rules (as applicable) if there are any material upward adjustments to the total contract amount under the Section TJ6 Main Works Agreement.

GNSR Company intends to finance the total contract amount by way of external bank financing and/or capital contribution by its shareholders.

**Basis of Determination
of Project Price**

The total contract amount represents the sum of (i) the bidding price offered by CR 11th Bureau under the tender exercise, which was determined based on the prevailing market price for a project of similar nature and complexity and (ii) the premium quality award, with the premium quality award under the Section TJ6 Main Works Agreement amounting to 1.5% of a designated portion of the bidding price in accordance with the requirements published by the Department of Transport of Guangdong Province. The contract was awarded to CR 11th Bureau through an open tender and bidding process after GNSR Company considered comprehensively a number of factors such as the bidding price, construction organisation and design, historical performance and contract performance reputation of the bidders.

Prepayment

Construction prepayment in the aggregate amount of 10% of the total contract amount shall be payable by GNSR Company to CR 11th Bureau in instalments in accordance with CR 11th Bureau's construction preparation status after CR 11th Bureau has delivered the performance bond.

The construction prepayment shall be set off against the incurred contract amount pursuant to the current progress payment certificate at an agreed ratio upon the incurred contract amount reaching 30% of the total contract amount.

Payment Arrangement

Contract amount incurred shall be paid by GNSR Company to CR 11th Bureau in instalments of not less than RMB500,000 based on the construction progress of CR 11th Bureau. During the construction period, once CR 11th Bureau has provided a progress payment request and supporting documentations to the supervisor appointed by GNSR Company, the supervisor shall complete review of such progress payment request within 14 days and pass the same to GNSR Company for approval. GNSR Company shall then complete the approval procedure and settle such amount within 28 days after the supervisor receives the progress payment request and CR 11th Bureau provides the valid VAT invoice.

CR 11th Bureau may, within 42 days after issuance of the delivery inspection certificate, provide the delivery payment request (together with the relevant supporting materials) to the supervisor, who shall then review the request within 14 days and issue a delivery payment certificate to GNSR Company. GNSR Company shall thereafter settle the amount payable within 14 days after the supervisor issues the delivery payment certificate and CR 11th Bureau provides the valid VAT invoice.

Performance Bond

CR 11th Bureau shall provide a performance bond amounting to 10% of the total contract amount of the Section TJ6 Main Works Agreement to GNSR Company, which shall remain effective until the payment of the quality guarantee deposit by CR 11th Bureau, and may be in the form of cash, cheque, bank guarantee or other legal means. GNSR Company shall return the performance bond to CR 11th Bureau upon payment of the quality guarantee deposit by CR 11th Bureau to GNSR Company.

Quality Guarantee Deposit

Within 14 days after the passing of the construction delivery inspection and issuance of the delivery inspection certificate, CR 11th Bureau shall pay a quality guarantee deposit to GNSR Company. The quality guarantee deposit may be made in the form of bank guarantee or by cash and shall represent 3% of the total contract amount. The quality guarantee deposit paid shall bear no interest.

Provided that CR 11th Bureau has fulfilled its obligations during the defect responsibility period as set out below and the quality inspection has been passed after 2 years of trial operation of the reconstructed and expanded GNSR Expressway:

- (i) 50% of the quality guarantee deposit shall be returned by GNSR Company to CR 11th Bureau; and
- (ii) the remaining 50% of the quality guarantee deposit shall be treated as and used to settle the final instalment of the contract amount and shall be returned by GNSR Company to CR 11th Bureau within one month after the completion inspection and final audit and the settlement amount adjustment based on such audit.

If CR 11th Bureau fails to achieve the standard of good level for the completion inspection, GNSR Company shall deduct 10% of the quality guarantee deposit or an equivalent amount from the final instalment of the contract amount as damages. In such scenario, GNSR Company shall also be entitled to claw back all premium quality award paid during the construction period.

**Defect Responsibility
Period**

During the defect responsibility period, being the 2 years after the overall delivery inspection of the section, CR 11th Bureau shall be responsible for handling and rectifying any new and re-occurring defects. If the defects are found to be attributable to the reasons of CR 11th Bureau, the expenses for rectifying and inspecting the defects shall be borne by CR 11th Bureau.

Effective Date

The Section TJ6 Main Works Agreement shall be concluded upon the date on which it is signed and sealed by the parties thereto after the provision of the performance bond by CR 11th Bureau, and shall become effective on the date of completion of the approval procedure by GNSR Company and its controlling shareholder (including the Company) as required by relevant law and regulations and the Listing Rules, including the relevant announcement, circular and/or Shareholders' approval requirements.

(6) Section TJ7 Main Works Agreement

The principal terms of the Section TJ7 Main Works Agreement are set out below:

Parties

- (i) GNSR Company
- (ii) CR MBE

Subject Matter

CR MBE (as the contractor) shall undertake the construction works in connection with the main construction section TJ7 of the GNSR Expressway R&E Project, which comprises the highway road sections starting from K3016+800 and ending at K3020+200 with a total length of approximately 3.4km, and the main structures under construction include but are not limited to 1 interchange section and 7 small, medium and large sized bridges of 1,337.24 metres.

In connection with the construction works, CR MBE shall be responsible for arranging, among others, all necessary labour and management personnel, materials and construction equipment.

Construction Period

60 months commencing from the date on which the supervisor for the construction project has issued the works commencement notice.

CR MBE will be subject to a daily delay fee of RMB20,000 if there are any delays to the expected construction timetable and such delay is attributable to CR MBE, subject to a maximum cap of 10% of the total contract amount.

Project Price

The total contract amount shall be approximately RMB431,013,674 (inclusive of VAT), which may be subject to the adjustments based on changes in the actual work to be taken by CR MBE as instructed by GNSR Company through the supervisor and certain adjustment mechanism based on (i) the price fluctuation of certain construction materials (including but not limited to gravel, sand, cement, steel reinforcement, wire strand, steel materials, concrete pile and diesel) and (ii) change in the relevant PRC laws, regulations and tax policies.

Notwithstanding the above, GNSR Company shall not be required to bear any costs which exceed the total contract amount as set out above unless (i) GNSR Company and CR MBE have entered into separate agreement for such amount exceeding the total contract amount and (ii) GNSR Company and its controlling shareholder (namely, the Company) have complied with the relevant compliance requirements under relevant law and regulations and the Listing Rules, including the relevant announcement, circular and Shareholders' approval requirements (as applicable). The Company will comply with the requirements under the Listing Rules (as applicable) if there are any material upward adjustments to the total contract amount under the Section TJ7 Main Works Agreement.

GNSR Company intends to finance the total contract amount by way of external bank financing and/or capital contribution by its shareholders.

**Basis of Determination
of Project Price**

The total contract amount represents the sum of (i) the bidding price offered by CR MBE under the tender exercise, which was determined based on the prevailing market price for a project of similar nature and complexity and (ii) the premium quality award, with the premium quality award under the Section TJ7 Main Works Agreement amounting to 1.5% of a designated portion of the bidding price in accordance with the requirements published by the Department of Transport of Guangdong Province. The contract was awarded to CR MBE through an open tender and bidding process after GNSR Company considered comprehensively a number of factors such as the bidding price, construction organization and design, historical performance and contract performance reputation of the bidders.

Prepayment

Construction prepayment in the aggregate amount of 10% of the total contract amount shall be payable by GNSR Company to CR MBE in instalments in accordance with CR MBE's construction preparation status after CR MBE has delivered the performance bond.

The construction prepayment shall be set off against the incurred contract amount pursuant to the current progress payment certificate at an agreed ratio upon the incurred contract amount reaching 30% of the total contract amount.

Payment Arrangement

Contract amount incurred shall be paid by GNSR Company to CR MBE in instalments of not less than RMB500,000 based on the construction progress of CR MBE. During the construction period, once CR MBE has provided a progress payment request and supporting documentations to the supervisor appointed by GNSR Company, the supervisor shall complete review of such progress payment request within 14 days and pass the same to GNSR Company for approval. GNSR Company shall then complete the approval procedure and settle such amount within 28 days after the supervisor receives the progress payment request and CR MBE provides the valid VAT invoice.

CR MBE may, within 42 days after issuance of the delivery inspection certificate, provide the delivery payment request (together with the relevant supporting materials) to the supervisor, who shall then review the request within 14 days and issue a delivery payment certificate to GNSR Company. GNSR Company shall thereafter settle the amount payable within 14 days after the supervisor issues the delivery payment certificate and CR MBE provides the valid VAT invoice.

Performance Bond

CR MBE shall provide a performance bond amounting to 10% of the total contract amount of the Section TJ7 Main Works Agreement to GNSR Company, which shall remain effective until the payment of the quality guarantee deposit by CR MBE, and may be in the form of cash, cheque, bank guarantee or other legal means. GNSR Company shall return the performance bond to CR MBE upon payment of the quality guarantee deposit by CR MBE to GNSR Company.

**Quality Guarantee
Deposit**

Within 14 days after the passing of the construction delivery inspection and issuance of the delivery inspection certificate, CR MBE shall pay a quality guarantee deposit to GNSR Company. The quality guarantee deposit may be made in the form of bank guarantee or by cash and shall represent 3% of the total contract amount. The quality guarantee deposit paid shall bear no interest.

Provided that CR MBE has fulfilled its obligations during the defect responsibility period as set out below and the quality inspection has been passed after 2 years of trial operation of the reconstructed and expanded GNSR Expressway:

- (i) 50% of the quality guarantee deposit shall be returned by GNSR Company to CR MBE; and
- (ii) The remaining 50% of the quality guarantee deposit shall be treated as and used to settle the final instalment of the contract amount and shall be returned by GNSR Company to CR MBE within one month after the completion inspection and final audit and settlement amount adjustment based on such audit.

If CR MBE fails to achieve the standard of good level for the completion inspection, GNSR Company shall deduct 10% of the quality guarantee deposit or an equivalent amount from the final instalment of the contract amount as damages. In such scenario, GNSR Company shall also be entitled to claw back all premium quality award paid during the construction period.

**Defect Responsibility
Period**

During the defect responsibility period, being the 2 years after the overall delivery inspection of the section, CR MBE shall be responsible for handling and rectifying any new and re-occurring defects. If the defects are found to be attributable to the reasons of CR MBE, the expenses for rectifying and inspecting the defects shall be borne by CR MBE.

Effective Date

The Section TJ7 Main Works Agreement shall be concluded upon the date on which it is signed and sealed by the parties thereto after the provision of the performance bond by CR MBE, and shall become effective on the date of completion of the approval procedure by GNSR Company and its controlling shareholder (including the Company) as required by relevant law and regulations and the Listing Rules, including the relevant announcement, circular and/or Shareholders' approval requirements.

(7) Section TJ8 Main Works Agreement

The principal terms of the Section TJ8 Main Works Agreement are set out below:

Parties

(i) GNSR Company

(ii) CR 25th Bureau

Subject Matter

CR 25th Bureau (as the contractor) shall undertake the construction works in connection with the main construction section TJ8 of the GNSR Expressway R&E Project, which comprises the highway road sections starting from K3020+200 and ending at K3025+500 with a total length of approximately 5.3km, and the main structures under construction include but are not limited to 2 interchange sections, 1 grand bridge of 1,465.6 metres and 6 small, medium and large sized bridges of 211.9 metres.

In connection with the construction works, CR 25th Bureau shall be responsible for arranging, among others, all necessary labour and management personnel, materials and construction equipment.

Construction Period

60 months commencing from the date on which the supervisor for the construction project has issued the works commencement notice.

CR 25th Bureau will be subject to a daily delay fee of RMB20,000 if there are any delays to the expected construction timetable and such delay is attributable to CR 25th Bureau, subject to a maximum cap of 10% of the total contract amount.

Project Price

The total contract amount shall be approximately RMB547,151,243 (inclusive of VAT), which may be subject to the adjustments based on changes in the actual work to be taken by CR 25th Bureau as instructed by GNSR Company through the supervisor and certain adjustment mechanism based on (i) the price fluctuation of certain construction materials (including but not limited to gravel, sand, cement, steel reinforcement, wire strand, steel materials, concrete pile and diesel) and (ii) change in the relevant PRC laws, regulations and tax policies.

Notwithstanding the above, GNSR Company shall not be required to bear any costs which exceed the total contract amount as set out above unless (i) GNSR Company and CR 25th Bureau have entered into separate agreement for such amount exceeding the total contract amount and (ii) GNSR Company and its controlling shareholder (namely, the Company) have complied with the relevant compliance requirements under relevant law and regulations and the Listing Rules, including the relevant announcement, circular and Shareholders' approval requirements (as applicable). The Company will comply with the requirements under the Listing Rules (as applicable) if there are any material upward adjustments to the total contract amount under the Section TJ8 Main Works Agreement.

GNSR Company intends to finance the total contract amount by way of external bank financing and/or capital contribution by its shareholders.

**Basis of Determination
of Project Price**

The total contract amount represents the sum of (i) the bidding price offered by CR 25th Bureau under the tender exercise, which was determined based on the prevailing market price for a project of similar nature and complexity and (ii) the premium quality award, with the premium quality award under the Section TJ8 Main Works Agreement amounting to 1.5% of a designated portion of the bidding price in accordance with the requirements published by the Department of Transport of Guangdong Province. The contract was awarded to CR 25th Bureau through an open tender and bidding process after GNSR Company considered comprehensively a number of factors such as the bidding price, construction organisation and design, historical performance and contract performance reputation of the bidders.

Prepayment

Construction prepayment in the aggregate amount of 10% of the total contract amount shall be payable by GNSR Company to CR 25th Bureau in instalments in accordance with CR 25th Bureau's construction preparation status after CR 25th Bureau has delivered the performance bond.

The construction prepayment shall be set off against the incurred contract amount pursuant to the current progress payment certificate at an agreed ratio upon the incurred contract amount reaching 30% of the total contract amount.

Payment Arrangement

Contract amount incurred shall be paid by GNSR Company to CR 25th Bureau in instalments of not less than RMB500,000 based on the construction progress of CR 25th Bureau. During the construction period, once CR 25th Bureau has provided a progress payment request and supporting documentations to the supervisor appointed by GNSR Company, the supervisor shall complete review of such progress payment request within 14 days and pass the same to GNSR Company for approval. GNSR Company shall then complete the approval procedure and settle such amount within 28 days after the supervisor receives the progress payment request and CR 25th Bureau provides the valid VAT invoice.

CR 25th Bureau may, within 42 days after issuance of the delivery inspection certificate, provide the delivery payment request (together with the relevant supporting materials) to the supervisor, who shall then review the request within 14 days and issue a delivery payment certificate to GNSR Company. GNSR Company shall thereafter settle the amount within 14 days after the supervisor issues the delivery payment certificate and CR 25th Bureau provides the valid VAT invoice.

Performance Bond

CR 25th Bureau shall provide a performance bond amounting to 10% of the total contract amount of the Section TJ8 Main Works Agreement to GNSR Company, which shall remain effective until the payment of the quality guarantee deposit by CR 25th Bureau, and may be in the form of cash, cheque, bank guarantee or other legal means. GNSR Company shall return the performance bond to CR 25th Bureau upon payment of the quality guarantee deposit by CR 25th Bureau to GNSR Company.

**Quality Guarantee
Deposit**

Within 14 days after the passing of the construction delivery inspection and issuance of delivery inspection certificate, CR 25th Bureau shall pay a quality guarantee deposit to GNSR Company. The quality guarantee deposit may be made in the form of bank guarantee or by cash and shall represent 3% of the total contract amount. The quality guarantee deposit paid shall bear no interest.

Provided that CR 25th Bureau has fulfilled its obligations during the defect responsibility period as set out below and the quality inspection has been passed after 2 years of trial operation of the reconstructed and expanded GNSR Expressway:

- (i) 50% of the quality guarantee deposit shall be returned by GNSR Company to CR 25th Bureau; and

(ii) the remaining 50% of the quality guarantee deposit shall be treated as and used to settle the final instalment of the contract amount and shall be returned by GNSR Company to CR 25th Bureau within one month after the completion inspection and final audit and the settlement amount adjustment based on such audit.

If CR 25th Bureau fails to achieve the standard of good level for the completion inspection, GNSR Company shall deduct 10% of the quality guarantee deposit or an equivalent amount from the final instalment of the contract amount as damages. In such scenario, GNSR Company shall also be entitled to claw back all premium quality award paid during the construction period.

**Defect Responsibility
Period**

During the defect responsibility period, being the 2 years after the overall delivery inspection of the section, CR 25th Bureau shall be responsible for handling and rectifying any new and re-occurring defects. If the defects are found to be attributable to the reasons of CR 25th Bureau, the expenses for rectifying and inspecting the defects shall be borne by CR 25th Bureau.

Effective Date

The Section TJ8 Main Works Agreement shall be concluded upon the date on which it is signed and sealed by the parties thereto after the provision of the performance bond by CR 25th Bureau, and shall become effective on the date of completion of the approval procedure by GNSR Company and its controlling shareholder (including the Company) as required by relevant law and regulations and the Listing Rules, including the relevant announcement, circular and/or Shareholders' approval requirements.

(8) Proposed Construction Supervision Agreement

The principal terms of the Proposed Construction Supervision Agreement are set out below:

Parties	(i) GNSR Company (ii) Chengxin S&C
Subject Matter	Chengxin S&C (as the supervisor) shall undertake the construction supervisory works in connection with the highway road sections of the GNSR Expressway R&E Project starting from K3005+866.35 and ending at K3025+500 with a total length of approximately 19.639km, which covers, among others, construction supervision of expressway, roads and bridges, transport safety equipment, construction safety supervision, supervision of traffic organisation and supervision of environmental protection and water and soil resources conservation and provision of assistance for the settlement works at construction completion.
Service Period	86 months commencing from the issuance of the commencement notice by GNSR Company to Chengxin S&C, which comprise of 62 months of supervisory works for construction and construction preparation stages and 24 months of supervisory works for delivery inspection and defect responsibility period.
Project Price	<p>The total service amount shall be approximately RMB29,634,638 (inclusive of VAT), which may be subject to the adjustments based on change in the relevant PRC tax policies. The service amount will not be adjusted based on market price fluctuation including labour, raw materials or equipment costs.</p> <p>GNSR Company intends to finance the total service amount by way of external bank financing and/or capital contribution by its shareholders.</p>

**Basis of Determination
of Project Price**

The total service amount represents the sum of (i) the bidding price offered by Chengxin S&C under the tender exercise, which was determined based on the prevailing market price for a project of similar nature and complexity and (ii) the premium quality award, which amounts to 1.5% of the bidding price. The contract was awarded to Chengxin S&C through an open tender and bidding process after GNSR Company considered comprehensively a number of factors such as the bidding price, technical proposal prepared by Chengxin S&C and the other bidders, key personnel, historical performance and contract performance reputation of the bidders.

Prepayment

Prepayment in the aggregate amount of 10% of the total service amount (less premium quality award) shall be payable by GNSR Company to Chengxin S&C within 14 days of the signing of the Proposed Construction Supervision Agreement and the issuance of the commencement notice.

The prepayment shall be set off against the incurred service amount at an agreed ratio upon the aggregated service amount payable reaching 30% of the total service amount (less premium quality award).

Payment Arrangement

Service amount shall be paid in instalments of not less than RMB500,000. During the service period, service amount for each quarter shall be paid by mid-month of the first month following the end of the quarter provided that the supervisor shall provide a payment request no later than the 28th day of the last month of such quarter. Payment request provided by the supervisor shall be accompanied by supporting materials.

The premium quality award, which amounts to 1.5% of the bidding price, shall be paid in the following manner: (i) 80% shall be paid to the supervisor during the construction period; and (ii) 20% shall be paid to the supervisor only if all constructions under supervision by the supervisor achieved good level at their respective completion inspections.

**Performance Bond
and Quality
Guarantee Deposit**

Chengxin S&C shall provide a performance bond amounting to 10% of the total service amount of the Proposed Construction Supervision Agreement to GNSR Company, which shall remain effective until the payment of the quality guarantee deposit by Chengxin S&C, and may be in the form of cash, bank guarantee or such other legal means as determined by Chengxin S&C. GNSR Company shall return the performance bond to Chengxin S&C within 7 days after payment of the quality guarantee deposit by Chengxin S&C to GNSR Company.

The quality guarantee deposit amounting to 3% of the total service amount in the form of bank guarantee or by cash upon delivery of the construction delivery certificate shall be provided by Chengxin S&C to GNSR Company. The quality guarantee deposit shall be returned to Chengxin S&C within 14 days after the delivery of the notice of the completion of the construction defect responsibility period.

**Defect Responsibility
Period**

During the defect responsibility period, the supervisor shall be responsible for supervising the contractors in rectifying the construction defects.

Effective Date

The Proposed Construction Supervision Agreement shall become effective after the provision of the performance bond by the supervisor and the Proposed Construction Supervision Agreement being signed and sealed by the parties thereto.

III. INFORMATION OF THE PARTIES IN CONNECTION WITH THE PROPOSED MAIN CONSTRUCTION WORKS AGREEMENTS AND THE PROPOSED CONSTRUCTION SUPERVISION AGREEMENT

The Company and the Group

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 the construction, investment, operation and management of toll expressways and bridges in Guangdong Province and other high growth provinces in the PRC.

GNSR Company

GNSR Company is a limited liability company established in the PRC and an indirect subsidiary of and owned as to 60% by the Company, with the remaining interests of GNSR Company owned as to (i) 30% by Guangzhou Expressway Co., Ltd.* (廣州市高速公路有限公司), which is directly wholly-owned by GCIG, which in turn is wholly owned by the State-owned Assets Supervision and Administration Commission of Guangzhou Municipal Government (廣州市人民政府國有資產監督管理委員會); and (ii) 10% by Guangdong Provincial Highway Construction Co., Ltd.* (廣東省公路建設有限公司), which is majority owned by Guangdong Provincial Communication Group Company Limited* (廣東省交通集團有限公司). Guangdong Provincial Communication Group Company Limited is in turn owned as to 90% by the People's Government of the Guangdong Province and 10% by the Department of Finance of Guangdong Province (廣東省財政廳). GNSR Company is primarily engaged in the development and management of the GNSR Expressway in Guangzhou.

CCCC Second Harbour

CCCC Second Harbour is a limited liability company established in the PRC and is directly owned as to (i) approximately 71.5% by China Communications, a company established in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601800) and the Stock Exchange (stock code: 1800); and (ii) approximately 28.5% by other independent third parties. CCCC Second Harbour is principally engaged in business related to the construction of transportation infrastructure.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, CCCC Second Harbour and its ultimate beneficial owners are third parties independent from the Company and its connected persons.

CR 14th Bureau

CR 14th Bureau is a limited liability company established in the PRC and is directly wholly owned by CRCC, a company established in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601186) and the Stock Exchange (stock code: 1186). CR 14th Bureau is principally engaged in construction contracting, including railway, highway, urban rail, housing construction, municipal engineering, water conservancy and hydropower and other large-scale projects, and other business including real estate, materials and logistics, franchise, mineral resources, surveying and mapping, foreign business, etc.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, CR 14th Bureau and its ultimate beneficial owners are third parties independent from the Company and its connected persons.

GHEG

GHEG is a limited liability company established in the PRC and is directly wholly owned by GCIG, which in turn is wholly owned by the State-owned Assets Supervision and Administration Commission of Guangzhou Municipal Government (廣州市人民政府國有資產監督管理委員會). GHEG is principally engaged in construction general contracting and engineering general contracting of highway construction projects of various levels and municipal construction projects, highway and municipal infrastructure maintenance and cleaning and engineering testing.

CCCC R&B

CCCC R&B is a limited liability company established in the PRC and is directly owned as to (i) approximately 74.28% by China Communications, a company established in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601800) and the Stock Exchange (stock code: 1800); and (ii) approximately 25.72% by other independent third parties. CCCC R&B is primarily engaged in the construction of highway, grand bridges, municipal constructions, railway, tunnels, airports, ports and other infrastructure, and BOT projects and investments and intelligent electronics.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, CCCC R&B and its ultimate beneficial owners are third parties independent from the Company and its connected persons.

CR 11th Bureau

CR 11th Bureau is a limited liability company established in the PRC and is directly owned as to (i) approximately 81.62% by CRCC, a company established in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601186) and the Stock Exchange (stock code: 1186); and (ii) approximately 18.38% by other independent third parties. CR 11th Bureau is principally engaged in the construction industry including track laying, complex bridges, big and long tunnels, new railways and bridges, subways and light railways, E&M system project construction and manufacturing of equipment, etc.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, CR 11th Bureau and its ultimate beneficial owners are third parties independent from the Company and its connected persons.

CR MBE

CR MBE is a limited liability company established in the PRC and is directly wholly owned by China Railway Group Limited (中國中鐵股份有限公司), a company established in the PRC with limited liability and whose shares are listed on the Shanghai Stock Exchange (stock code: 601390) and the Stock Exchange (stock code: 390). China Railway Group Limited and its subsidiaries are principally engaged in infrastructure construction, survey, design and consulting services, engineering equipment and component manufacturing, property development, mining and merchandise trading, financial trust management, comprehensive financial services and insurance agent. CR MBE is a full industry chain enterprise group which is principally engaged in scientific researches, construction design, construction and engineering, equipment research and development and operations and maintenance of bridges.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, CR MBE and its ultimate beneficial owners are third parties independent from the Company and its connected persons.

CR 25th Bureau

CR 25th Bureau is a limited liability company established in the PRC and is directly wholly owned by CRCC, a company established in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601186) and the Stock Exchange (stock code: 1186). CR 25th Bureau is primarily engaged in the engineering, construction and project management of buildings and real estate, highway, municipal and utilities projects, harbours and water and hydropower engineering.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, CR 25th Bureau and its ultimate beneficial owners are third parties independent from the Company and its connected persons.

Chengxin S&C

Chengxin S&C is a limited liability company established in the PRC and is directly owned as to (i) approximately 96.67% by Guangzhou City Road Research Centre Co., Ltd.*(廣州市道路研究院有限公司), which in turn is wholly owned by GCIG; and (ii) approximately 3.33% by Department of Finance of Guangdong Province (廣東省財政廳). GCIG is wholly owned by the State-owned Assets Supervision and Administration Commission of Guangzhou Municipal Government (廣州市人民政府國有資產監督管理委員會). Chengxin S&C is primarily engaged in project supervision, bidding agency and pricing consulting services.

IV. INFORMATION ON THE GNSR EXPRESSWAY AND THE GNSR EXPRESSWAY R&E PROJECT

The GNSR Expressway, also known as the Huocun to Longshan section of the Shenyang-Haikou Expressway, is situated at the north of the Guangzhou city centre and runs through Baiyun District and Huangpu District of Guangzhou. It forms part of the Shenyang-Haikou Expressway (G15) and Beijing-Hong Kong and Macao Expressway (G4), as well as a key component of Guangzhou Ring Expressway (G1508). The GNSR Expressway commenced construction in November 1998 and opened for traffic in January 2002. Other than the Huocun to Luogang section which is a two-way, eight-lane expressway as a result of the expansion as part of the construction of the Xiangxue Interchange in 2019, the GNSR Expressway is a two-way, six-lane expressway with a total toll length of approximately 42.5km and a design speed of 80km/h. The toll period of the GNSR Expressway is currently scheduled to expire in January 2032.

Being a part of the expressway network that links two of the core tier 1 cities of the Greater Bay Area, Guangzhou and Shenzhen, as well as other key cities such as Foshan and Dongguan, the GNSR Expressway acts as a key component of the extensive traffic network in the Greater Bay Area. However, as the traffic volume of the GNSR Expressway has become substantially saturated, with the actual traffic volume already exceeded the designed capacity of the GNSR Expressway, there is an apparent urgency for the reconstruction and expansion of the GNSR Expressway.

Based on the construction plan and design for the main construction works as approved by the Department of Transport of Guangdong Province in September 2023, the total length of the GNSR Expressway R&E Project is approximately 38.3km, with construction standards set at a two-way, ten- to twelve-lane expressway with a design speed of 100km/h. The length of the two-way twelve-lane is approximately 14.4km and the length of the two-way ten-lane is approximately 23.9km. The total length of the bridges reaches approximately 15.6km for an aggregate of 46 bridges under the GNSR Expressway R&E Project, including 20 large and grand bridges (of approximately 14.9km in length), and 26 small-to-medium sized bridges (of approximately 0.6km in length). 2 short tunnels (of approximately 0.6km in length) are also included in the GNSR Expressway R&E Project. The bridges-and-tunnels ratio, being ratio of the total length of bridges and tunnels to the total length of the GNSR Expressway R&E Project, is approximately 42%. There are also 12 interchanges, 1 service area and 1 management centre.

Please refer to the announcements of the Company dated 17 October 2022 and 28 November 2022 and the circular of the Company dated 22 December 2022 for further information on the GNSR Expressway and the GNSR Expressway R&E Project.

V. REASONS FOR AND BENEFITS OF ENTERING INTO OF THE PROPOSED MAIN CONSTRUCTION WORKS AGREEMENTS AND THE PROPOSED CONSTRUCTION SUPERVISION AGREEMENT

As set out in the announcements of the Company dated 17 October 2022 and 28 November 2022 and the circular of the Company dated 22 December 2022 in connection with, among others, the Land Expropriation Agreements for the GNSR Expressway R&E Project, the traffic volume of the GNSR Expressway, an

essential component in the expressway network of the Greater Bay Area, has been substantially saturated as a result of the continuous growth of traffic volume in Guangzhou. By undertaking the GNSR Expressway R&E Project, it is expected that the asset quality of GNSR Expressway will be effectively improved, the remaining concession period may be extended, the scale of the Company's expressway assets will be expanded, the Company's future development capacity of its principal toll road business will be enhanced, and the Company's core advantages in the investment, construction, operation and management of toll roads may be strengthened.

Upon execution of the Preliminary Construction Works Agreement in November 2022, the construction works for the preliminary works portion of the GNSR Expressway R&E Project has commenced. Furthermore, upon the execution of the Land Expropriation Agreements in early 2023, land expropriation works for the GNSR Expressway R&E Project have been under way and certain land has been expropriated and are expected to be delivered shortly after the land use approval of the Ministry of Natural Resources (which is expected to be obtained within 2023), and such land will be used for the reconstruction and expansion works. Furthermore, the GNSR Expressway R&E Project would be in a position to commence the major construction works as (i) the approval of the environmental impact appraisal for GNSR Expressway R&E Project has been obtained from the Guangzhou Municipal Ecological Environment Bureau (廣州市生態環境局) in August 2023; (ii) the approval of the construction plan and design for the main construction works has been obtained from the Department of Transport of Guangdong Province in September 2023; and (iii) the tender and bidding process of the main construction works has completed. As such, the GNSR Company intends to commence the major construction works, which are necessary and integral to the GNSR Expressway R&E Project. In anticipation of the major construction works, GNSR Company would also have to ensure that supervisors of the major works are engaged to monitor and supervise the major construction works. Based on the latest plan, the major works of the GNSR Expressway R&E Project are expected to complete, and therefore the GNSR Expressway R&E Project is expected to open to traffic, within 2028.

Each of the winning bidders for the Proposed Main Construction Works Agreements and the Proposed Construction Supervision Agreement was selected as they ranked first among the bidders in the tenders for each of the Main Works Sections through a standardized tender and bidding process which is regulated by the bidding laws and regulations in the PRC, including but not limited to the Bidding Law, the Implementing Regulations on the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法實施條例》), the Measures for the Administration of the Bidding for Highway Construction Projects (《公路工程建設項目招標投標管理辦法》) and the Notice by the Department of Transport of Guangdong Province on Strengthening Management of Tendering and Bidding

for Expressway and Water Transportation Construction Projects (廣東省交通運輸廳關於加強公路水運工程建設項目招標投標管理工作的通知). In particular, pursuant to the abovementioned requirements, the bidder ranking first shall be confirmed as the winning bidder, with the ranking determined by an independent tender committee (with the majority of candidates randomly selected from the Database on National Key Expressway Works Project Bidding Experts managed by the Ministry of Transport of the PRC) based on a rating scale which has been reviewed and approved by the Department of Transport of the Guangdong Province, with the rating scale taking into account a standard set of factors as set out in the respective bidding documents, which may include but are not limited to the bidding price, construction organisation and design, historical performance, technical proposal, key personnel and/or contract performance reputation of the bidders.

In light of the above, the Board (including the independent non-executive Directors) is of the view that the entering into of and the transactions contemplated under the Proposed Main Construction Works Agreements and the Proposed Construction Supervision Agreement are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

VI. LISTING RULES IMPLICATIONS

Proposed Related Construction Works Agreements

Whilst the highest applicable percentage ratio in respect of the transactions contemplated under each of the Proposed China Communications Agreements exceeds 5% but is less than 25% on a standalone basis, given the Proposed China Communications Agreements will be entered into with parties connected with each other, the highest applicable percentage ratio in respect of the transactions contemplated under the Proposed China Communications Agreements on an aggregate basis, pursuant to Rules 14.22 and 14.23(1) of the Listing Rules, exceeds 25% but is less than 100%.

Whilst the highest applicable percentage ratio in respect of the transactions contemplated under each of the Proposed CRCC Agreements exceeds 5% but is less than 25% on a standalone basis, given the Proposed CRCC Agreements will be entered into with parties connected with each other, the highest applicable percentage ratio in respect of the transactions contemplated under the Proposed CRCC Agreements on an aggregate basis, pursuant to Rules 14.22 and 14.23(1) of the Listing Rules, exceeds 25% but is less than 100%.

In light of the above, the entering into of and the transactions contemplated under each of the Proposed Related Construction Works Agreements constitute major transactions of the Company and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Section TJ7 Main Works Agreement

As the highest applicable percentage ratio in respect of the transactions contemplated under the Section TJ7 Main Works Agreement exceeds 5% but is less than 25%, the entering into of and the transactions contemplated under the Section TJ7 Main Works Agreement constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements but are exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

Proposed GCIG Agreements

Whilst on a standalone basis (i) the highest applicable percentage ratio in respect of the transactions contemplated under the Section TJ4 Main Works Agreement exceeds 5% but is less than 25% and (ii) the highest applicable percentage ratio in respect of the transactions contemplated under the Proposed Construction Supervision Agreement is less than 5%, given the Proposed GCIG Agreements will be entered into with parties connected with each other, the highest applicable percentage ratio in respect of the transactions contemplated under the Proposed GCIG Agreements on an aggregate basis, pursuant to Rules 14.22 and 14.23(1) of the Listing Rules, exceeds 5% but is less than 25%, and therefore the entering into of and the transactions contemplated under the Proposed GCIG Agreements constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements but are exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

As GCIG indirectly owns 30% shareholding in GNSR Company, a subsidiary of the Company, GCIG is a substantial shareholder of a subsidiary of the Company and a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Furthermore, GHEG is a wholly-owned subsidiary of GCIG and Chengxin S&C is also a subsidiary indirectly owned by GCIG as to approximately 96.67%. As such, GHEG and Chengxin S&C are associates of GCIG and therefore also are connected persons of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Section TJ4 Main Works Agreement and the Proposed Construction Supervision Agreement constitute connected transactions for the Company under Chapter 14A of the Listing Rules. As (i) GCIG, GHEG and Chengxin S&C are connected persons of the Company at the subsidiary level; (ii) the Board has approved the Proposed GCIG Agreements and the respective transactions contemplated thereunder; and (iii) all the independent non-executive Directors have confirmed that the respective terms of the Proposed GCIG Agreements are fair and reasonable and the transactions

contemplated under the Proposed GCIG Agreements are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the transactions contemplated under the Proposed GCIG Agreements are subject to the reporting and announcement requirements but are exempt from circular, independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

VII. GENERAL

In accordance with the requirements under the Bidding Law, GNSR Company shall enter into the Proposed Main Construction Works Agreements and Proposed Construction Supervision Agreement with each of the Contractors and Chengxin S&C within 30 days of the date of issuance of letters of award (i.e. no later than 16 November 2023). A separate announcement will be made by the Company when the Proposed Main Construction Works Agreements and the Proposed Construction Supervision Agreement are executed.

None of the Directors has material interests in the Proposed Main Construction Works Agreements and the Proposed Construction Supervision Agreement and the transactions contemplated thereunder and thus no Director was required to abstain from voting on the relevant resolution(s) at the board meeting.

The SGM will be convened and held by the Company to consider, and if thought fit, approve the entering into of and the transactions contemplated under the Proposed Related Construction Works Agreements.

As additional time is required to prepare the financial and other information to be included in the circular, a circular containing, among other things, (i) further details of the Proposed Related Construction Works Agreements and (ii) a notice of the SGM, is expected to be despatched to the Shareholders on or before 11 November 2023.

It is anticipated that the Group may enter into further transactions contemplated under the GNSR Expressway R&E Project with different parties. In the event these transactions materialize, depending on the scale and nature of such transactions, they may or may not constitute notifiable transactions and/or connected transactions under Chapters 14 and 14A of the Listing Rules. The Company will comply with the relevant requirements of the Listing Rules in respect of these transactions accordingly. Investors are advised to pay attention to the investment risks.

VIII. DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Baiyun Land Acquisition Office”	the Land Acquisition Office of the People’s Government of Baiyun District of Guangzhou City* (廣州市白雲區人民政府徵地辦公室)
“Bidding Law”	the Bidding Law of the People’s Republic of China (《中華人民共和國招標投標法》)
“Board”	the board of Directors
“CCCC R&B”	CCCC Road & Bridge International Co., Ltd.* (中交路橋建設有限公司), a limited liability company established in the PRC
“CCCC Second Harbour”	CCCC Second Harbour Engineering Co., Ltd.* (中交第二航務工程局有限公司), a limited liability company established in the PRC
“Chengxin S&C”	Guangzhou Chengxin Highway Supervision & Consulting Co., Ltd.* (廣州誠信公路建設監理諮詢有限公司), a limited liability company established in the PRC
“China Communications”	China Communications Construction Company Limited* (中國交通建設股份有限公司), a company established in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601800) and the Stock Exchange (stock code: 1800) and primarily engaged in the investment, design, construction, operation and management of port, waterway, road and bridge, railway, urban rail transit, municipal infrastructure, land reclamation, river basin management, water conservancy and hydropower, construction and environmental protection and related projects

“Company”	Yuexiu Transport Infrastructure Limited (越秀交通基建有限公司), an exempted company incorporated in Bermuda, the shares of which are listed on the Main Board of the Stock Exchange
“Contractors”	collectively, CCCC Second Harbour, CR 14th Bureau, GHEG, CCCC R&B, CR 11th Bureau, CR MBE and CR 25th Bureau
“connected persons”	has the meaning ascribed to it under the Listing Rules
“CR 11th Bureau”	China Railway 11th Bureau Group Co., Ltd.* (中鐵十一局集團有限公司), a limited liability company established in the PRC
“CR 14th Bureau”	China Railway 14th Bureau Group Co., Ltd.* (中鐵十四局集團有限公司), a limited liability company established in the PRC
“CR 25th Bureau”	China Railway 25th Bureau Group Co., Ltd.* (中鐵二十五局集團有限公司), a limited liability company established in the PRC
“CRCC”	China Railway Construction Corporation Limited* (中國鐵建股份有限公司), a company established in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601186) and the Stock Exchange (stock code: 1186) and primarily engaged in businesses which cover construction operations, planning, design and consultancy, investment operations, real estate development, manufacturing, materials and logistics, environmental protection, industrial finance and other emerging industries
“CR MBE”	China Railway Major Bridge Engineering Group Co., Ltd* (中鐵大橋局集團有限公司), a limited liability company established in the PRC
“Directors”	the directors of the Company

“GCIG”	Guangzhou Communications Investment Group Co., Ltd.* (廣州交通投資集團有限公司), a limited liability company established in the PRC and is wholly owned by the State-owned Assets Supervision and Administration Commission of Guangzhou Municipal Government (廣州市人民政府國有資產監督管理委員會) and principally engaged in the investment, construction and operation management of transport infrastructure such as expressways and urban highways
“GHEG”	Guangzhou Highway Engineering Group Co., Ltd* (廣州公路工程集團有限公司), a limited liability company established in the PRC
“GNSR Company”	Guangzhou City North Second Ring Transport Technology Company Limited* (廣州市北二環交通科技有限公司), a limited liability company established in the PRC and an indirect non-wholly subsidiary of and owned as to 60% by the Company
“GNSR Expressway”	Guangzhou City Northern Second Ring Expressway, also known as the Huocun to Longshan section of the Shenyang-Haikou Expressway
“GNSR Expressway R&E Project”	the reconstruction and expansion project of the GNSR Expressway, further details of which are set out in the section headed “IV. Information on the GNSR Expressway and the GNSR Expressway R&E Project” in this announcement
“Greater Bay Area”	Guangdong-Hong Kong-Macao Greater Bay Area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“km”	kilometre

“Land Expropriation Agreements”	<p>collectively:</p> <ul style="list-style-type: none"> (i) the Baiyun District Land Expropriation Works Entrustment Agreement for the Reconstruction and Expansion Construction Project of the Huocun to Longshan section of the Shenyang-Haikou National Expressway dated 17 October 2022 entered into between GNSR Company and Baiyun Land Acquisition Office; (ii) the Huangpu District Land Expropriation and Relocation Works Entrustment Agreement for the Reconstruction and Expansion Construction Project of the Huocun to Longshan section of the Shenyang-Haikou National Expressway dated 28 February 2023 entered into between GNSR Company and Guangzhou Development District Key Project Promotion Centre* (廣州開發區重點項目推進中心); and (iii) the Baiyun District Land Expropriation Works Implementation Agreement for the Reconstruction and Expansion Construction Project of the Huocun to Longshan section of the Shenyang-Haikou National Expressway dated 20 March 2023 entered into between GNSR Company and Baiyun Land Acquisition Office
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Works Sections”	the construction sections of the GNSR Expressway to be reconstructed and expanded under the Proposed Main Construction Works Agreements, being section TJ1, section TJ2, section TJ4, section TJ5, section TJ6 and section TJ7 and section TJ8 of the GNSR Expressway R&E Project
“PRC”	the People’s Republic of China

“Preliminary Construction Works Agreement”	the Preliminary Civil Engineering Construction Contract Document (Section X1) for the Reconstruction and Expansion Construction Project of the Huocun to Longshan section of the Shenyang-Haikou National Expressway entered into between GNSR Company and China Railway Tunnel Group Co., Limited* (中鐵隧道局集團有限公司) dated 28 November 2022
“Proposed China Communications Agreements”	collectively, Section TJ1 Main Works Agreement and Section TJ5 Main Works Agreement
“Proposed Construction Supervision Agreement”	the Second Batch Civil Engineering Construction Supervision and Centre Laboratory Testing Service JL2 Contract Document for the Reconstruction and Expansion Construction of the Huocun to Longshan section of the Shenyang-Haikou National Expressway proposed to be entered into between GNSR Company and Chengxin S&C
“Proposed CRCC Agreements”	collectively, Section TJ2 Main Works Agreement, Section TJ6 Main Works Agreement and Section TJ8 Main Works Agreement
“Proposed GCIG Agreements”	collectively, Section TJ4 Main Works Agreement and the Proposed Construction Supervision Agreement
“Proposed Related Construction Works Agreements”	collectively, the Proposed China Communications Agreements and the Proposed CRCC Agreements
“Proposed Main Construction Works Agreements”	collectively, Section TJ1 Main Works Agreement, Section TJ2 Main Works Agreement, Section TJ4 Main Works Agreement, Section TJ5 Main Works Agreement, Section TJ6 Main Works Agreement, Section TJ7 Main Works Agreement and Section TJ8 Main Works Agreement
“RMB”	Renminbi, the lawful currency of the PRC

“SGM”	the special general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, approve the entering into of and the transactions contemplated under the Proposed Related Construction Works Agreements (including any adjournment thereof)
“Section TJ1 Main Works Agreement”	the Construction Contract for Section TJ1 of the Reconstruction and Expansion Construction of the Huocun to Longshan section of the Shenyang-Haikou National Expressway proposed to be entered into between GNSR Company and CCCC Second Harbour
“Section TJ2 Main Works Agreement”	the Construction Contract for Section TJ2 of the Reconstruction and Expansion Construction of the Huocun to Longshan section of the Shenyang-Haikou National Expressway proposed to be entered into between GNSR Company and CR 14th Bureau
“Section TJ4 Main Works Agreement”	the Construction Contract for Section TJ4 of the Reconstruction and Expansion Construction of the Huocun to Longshan section of the Shenyang-Haikou National Expressway proposed to be entered into between GNSR Company and GHEG
“Section TJ5 Main Works Agreement”	the Construction Contract for Section TJ5 of the Reconstruction and Expansion Construction of the Huocun to Longshan section of the Shenyang-Haikou National Expressway proposed to be entered into between GNSR Company and CCCC R&B
“Section TJ6 Main Works Agreement”	the Construction Contract for Section TJ6 of the Reconstruction and Expansion Construction of the Huocun to Longshan section of the Shenyang-Haikou National Expressway proposed to be entered into between GNSR Company and CR 11th Bureau

“Section TJ7 Main Works Agreement”	the Construction Contract for Section TJ7 of the Reconstruction and Expansion Construction of the Huocun to Longshan section of the Shenyang-Haikou National Expressway proposed to be entered into between GNSR Company and CR MBE
“Section TJ8 Main Works Agreement”	the Construction Contract for Section TJ8 of the Reconstruction and Expansion Construction of the Huocun to Longshan section of the Shenyang-Haikou National Expressway proposed to be entered into between GNSR Company and CR 25th Bureau
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“VAT”	value-added tax of the PRC
“%”	per cent

* *For identification purposes only*

By order of the Board
Yuexiu Transport Infrastructure Limited
Yu Tat Fung
Company Secretary

Hong Kong, 17 October 2023

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

Executive Directors: LI Feng (Chairman), HE Baiqing, CHEN Jing, CAI Minghua and PAN Yongqiang

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