



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

2023

ANNUAL RESULTS

CREATING
EXCELLENT VALUES



Result highlights





2023 Operation highlights

Key performance indicators have fully recovered

Revenue increased by 20.6%, and profit attributable to shareholder surged around 70% to RMB 765M, reflecting a rebound in key performance indicators

The new project has brought fresh vitality to the growth of the company

The Lanwei Expressway, which was acquired last year, has generated a toll revenue of RMB 309M, making up 8.0% of the total toll revenue; profit before tax was RMB 84M, accounting for 5.4% of the company's profit before tax, and continues to drive the company's growth and development.

Financial costs further reduced

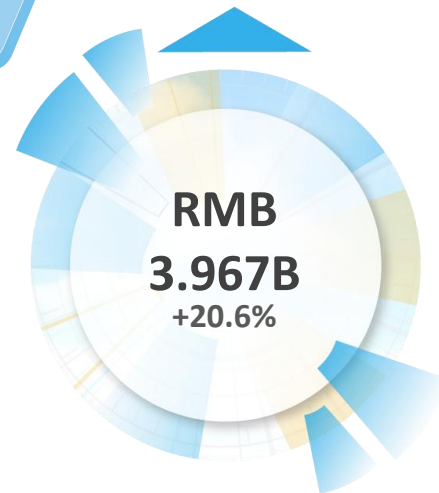
Efforts to decrease funding costs are ongoing and diverse, leading to a 32bps reduction in the weighted average interest rate in 2023.

Seize important investment opportunities in the Greater Bay Area

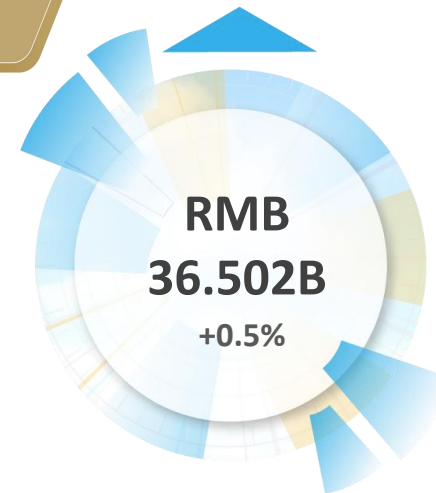
- Preliminary construction for the GNSR R&E project has started, with civil construction teams already on site. Preparations are underway for full construction
- The formal operation of Pazhou Port commenced on 4 May 2023.

2023 Performance highlights

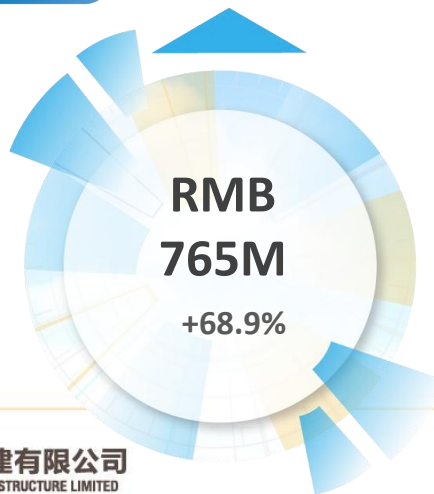
Revenue



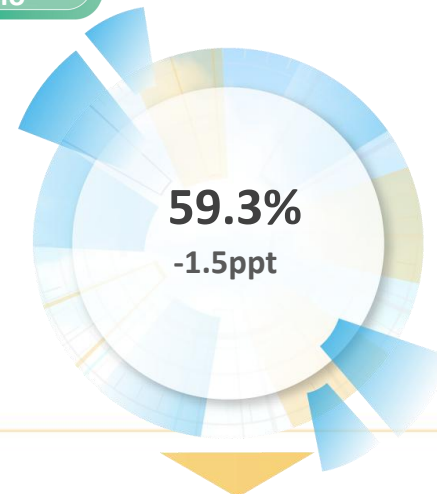
Total assets



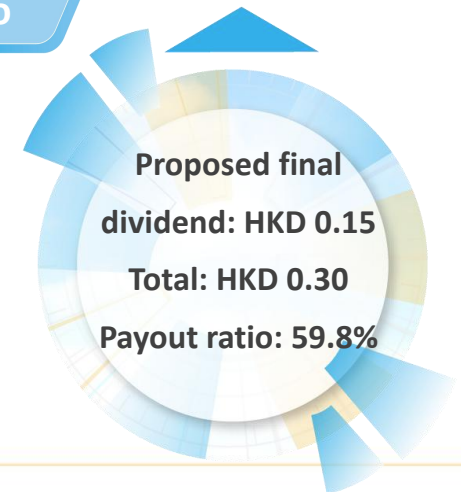
Profit attributable to shareholders



Total liabilities/ Total assets ratio



Payout ratio



Extract of consolidated statement of profit or loss

	2023	2022
RMB million		
Revenue	3,967	3,289
EBITDA	3,520	2,867
Gross profit	2,147	1,719
Attributable profit to shareholders	765	453
Earnings per share (RMB)	0.4574	0.2708
Dividend per share(HKD)	15	20
Payout ratio	59.8%	64.4%

Revenue

- 2023 increased RMB 678M or 20.6%
- Lanwei Expressway was consolidated in the second half of 2022, toll revenue increased RMB 277M
- GNSR's toll revenue increased RMB 124M
- SYN Expressway's toll revenue increased RMB 83M

EBITDA

- 2023 increased RMB 653M
- Increased 22.8%

Attributable profit

- RMB 765M, increased 68.9%

Dividend per share

Proposed final dividend for 2023 is HKD 0.15 per share; total dividend for 2023 is HKD 0.30 per share

2023 Operating analysis of controlled toll projects

Note:

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

2. The average daily toll revenue and average traffic volume of the Group of 2023 were calculated based on the calendar days in 2023 (365 days)

3. The group completed the acquisition of Henan Lanwei Expressway in November 2022

Toll projects	Toll revenue		Average toll revenue		Average traffic volume		Attributable profit ⁽¹⁾	
	RMB million	Change %	2023 daily RMB '000/day ⁽²⁾	Change %	2023 daily vehicle/day ⁽²⁾	Change %	RMB million	Change %
GNSR Expressway	1,105	12.7%	3,029	12.7%	298,196	22.6%	358	12.2%
Cangyu Expressway	101	13.6%	277	13.6%	18,676	20.9%	46	38.7%
Jinxiong Expressway	85	18.3%	234	18.3%	37,101	26.1%	10	82.5%
Changzhu Expressway	257	11.1%	704	11.1%	72,129	11.9%	51	11.8%
Weixu Expressway	377	-3.2%	1,033	-3.2%	26,520	23.4%	166	-4.9%
Lanwei Expressway	309	N/A ⁽³⁾	846	-6.3%	33,204	28.7%	63	N/A ⁽³⁾
Suiyuan Expressway	715	13.1%	1,959	13.1%	33,544	19.0%	230	19.7%
Hancai Expressway	272	20.6%	744	20.6%	59,294	38.3%	29	Turned profit
Han'e Expressway	163	7.8%	447	7.8%	36,964	26.8%	-24	Loss decreased
Daguangnan Expressway	457	17.4%	1,253	17.4%	28,518	22.1%	29	Turned profit

2023 Operating analysis of non-controlled toll projects

Toll projects	Toll/Port revenue		Average toll revenue		Average traffic volume		Attributable profit	
	RMB million	Change %	2023 daily RMB '000/day ⁽²⁾	Change %	2023 daily vehicle/day ⁽²⁾	Change %	RMB million	Change %
Northern Ring Road	720	12.2%	1,973	12.2%	387,106	12.5%	86	64.0%
Humen Bridge	1,031	48.1%	2,826	48.1%	103,620	43.6%	88	41.5%
GWSR Expressway	498	23.1%	1,366	23.1%	92,687	28.6%	76	42.2%
Qinglian Expressway	680	10.4%	1,862	10.4%	51,855	15.4%	20	Turned profit
Shantou Bay Bridge	106	-24.9%	292	-24.9%	18,558	-24.3%	-89 ⁽⁵⁾	Turned loss
REIT ⁽¹⁾	237	19.2%	649	19.2%	32,560	20.4%	15	59.8%
Pazhou Port ⁽³⁾	22	N/A	85 ⁽⁴⁾	N/A	281 ⁽⁴⁾	N/A	-19	Loss increased

Note:

1. The underlying asset of REIT is Hubei Hanxiao Expressway. In 2023, the Group will receive a distribution amount of RMB 46.17M from the REIT.

2. The average daily toll revenue and average traffic volume of the Group of 2023 were calculated based on the calendar days in 2023 (365 days)

3. The trial operation of Pazhou Port commenced on 14 April 2023, and formal operation commenced on 4 May 2023.

4: It is the average daily ticket revenue and average daily passenger volume from 14 Apr to 31 Dec.

5. Attributable profit was decreased by around RMB100M due to impairment loss was recognized against investment in Shantou Bay Bridge in 2023.

Financial analysis



Extract of consolidated statement of financial position

<i>RMB million</i>	As at 31 Dec 2023	As at 31 Dec 2022
Total assets	36,502	36,337
Total liabilities	21,652	22,102
Total equity	14,850	14,235

Mainly including:

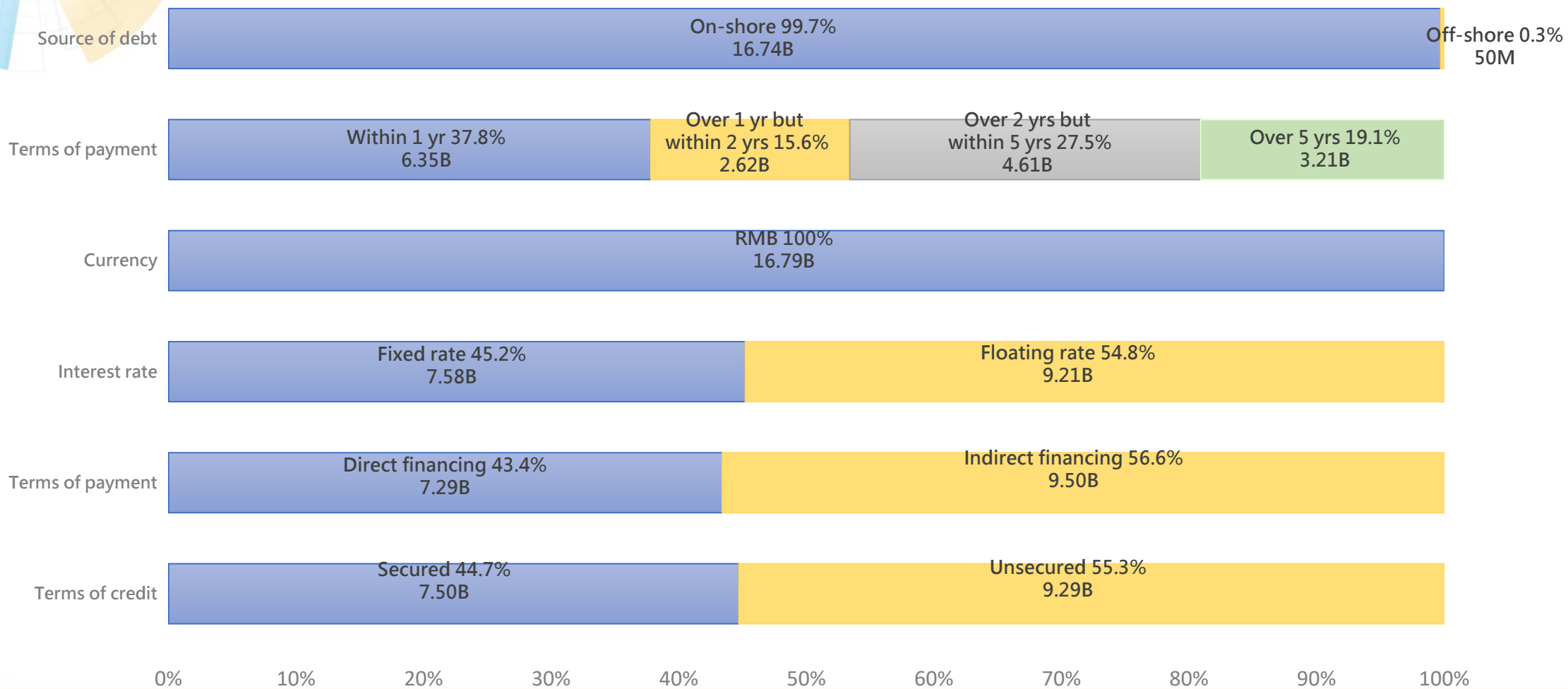
- **82.9% intangible operation rights**
As at 31 Dec 2023, net book value of intangible operating rights amounted to RMB 30.25B, decreased by RMB 394M or 1.3%, mainly due to the amortization.
- **6.5% Cash and cash equivalent**
As at 31 Dec 2023, the closing balance of cash and cash equivalent was RMB 2.38B
- **5.7% Investment in a joint venture/ associates**
As at 31 Dec 2023, investment in a joint venture/ associates amounted to RMB 2.08B, decreased by RMB 208M or 9.1%, mainly due to the impairment of Shantou Bay Bridge and the dividend received.

	As at 31 Dec 2023	As at 31 Dec 2022
Gearing ratio (=net debt/(total equity + net debt))	49.5%	51.4%
Total liabilities/total assets ratio (=total liabilities/total assets)	59.3%	60.8%
Debt to equity ratio (=net debt/total equity)	97.9%	105.9%

Mainly including:

- External debt of RMB 16.79B
- Deferred income tax liabilities of RMB 3.07B

External debts structure



Cash flow

Operating activities

- Increased 587M
- Increased 26.5%

Financing activities

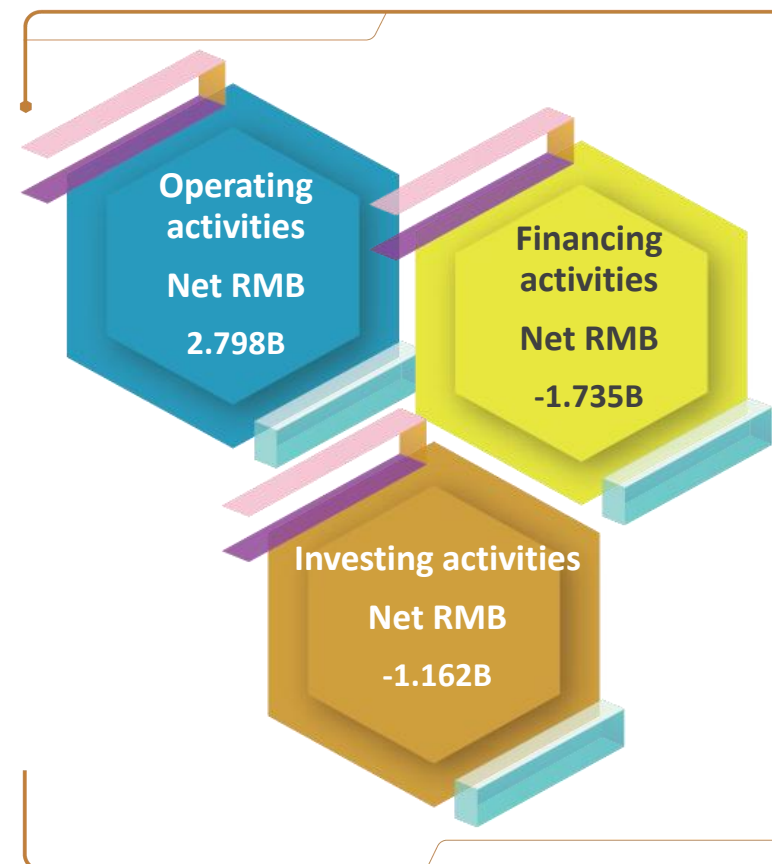
- Drawdown of bank borrowings and other borrowings of RMB 7.010B
- Repayment of bank borrowings and other borrowings of RMB 7.644B
- Payment of interest of RMB 580M
- Dividends paid to the shareholders of the Company of RMB 383M
- Dividends paid to non-controlling interests of RMB 284M

Investing activities

- Dividends from associates and a joint ventures amounted to RMB 358M
- Capital expenditure in construction and prepayment of construction of RMB 1.523B



Opening balance
RMB 2.480B



Closing balance
RMB 2.381B

Future Prospects



Future prospects—Business environment analysis

China's economic growth has surpassed expectations and demonstrating its resilience. The global economy is expected to maintain its upward momentum.

Marco economy



Sector environment



- In 2023, China's economy surpassed expectations by achieving a growth rate of 5.2%, placing it among the leaders of the world's major economies. Demonstrating an upward has a significant role in stimulating the global economy.
- The IMF has updated its 2024 economic growth forecasts. 2024 China's growth rate is now expected to be 4.6%, up by 0.4ppt, and the global rate is projected at 3.1%, a 0.2 ppt increase.
- In the spring of 2024, consumption in travel, movies, and other sectors as well as the social financing data in January all performed better than expected. The regulatory authorities have expressed that they will introduce policies that are beneficial to boosting confidence and expectations. The Chinese economy has had a good start in 2024.

As vehicle ownership expands and travel popularity continues to rise, it fosters the sustainable growth of toll roads.

- Nationwide, the number of motor vehicles has hit 435M, including 336M cars and 20.41M new energy vehicles. The number of motor vehicles increased by 25%, up from 348M before the epidemic.
- In the 32 days before the Spring Festival in 2024 (January 26 to February 27), the total number of people moving across regions reached 7.025B times, with a daily average of 220M times, an increase of 11% compared to the same period in 2023, and an increase of 10% compared to the same period in 2019, a record high for the same period.
- During the spring travel rush of 2024, *there was a significant YOY increase of about 33% in self-driving travel, which made up roughly 80% of all travel data.* This clearly shows that self-driving has become a new trend in travel. It provides a stable and sustainable source of income for the toll highway industry and adds new momentum to the industry's development.

Overall judgment: In 2024, China's economy is expected to continue its upward trend. The rise of self-driving travel as a new preference is predicted to stimulate the revenue growth of toll roads. This change in travel habits brings a positive effect on the performance of expressway assets.

Future prospects—Development strategies

Continue to deepen the interaction of the three platforms:

- Continue to deepen the role of the incubation platform to secure high-quality assets in advance, use the back-end public offering REITs to revitalize stock assets, manage asset-liability ratios, and smooth profit fluctuations. Through the interaction of the three platforms, asset recycling drive capital recycling and enlarges the scale of asset management.

Seize investment opportunities and optimize asset portfolio

Based on the Guangdong-Hong Kong-Macao Greater Bay Area and the central region, promote the lane expansion of GNSR Expressway to extend the concession period. Actively explore high-quality asset investment opportunities; adopting a two-pronged approach to build an asset portfolio that is both offensive and defensive, portfolio with both long and short asset cycles.

Complete asset reconstruction and expansion with high quality and extend the concession period of high-quality assets

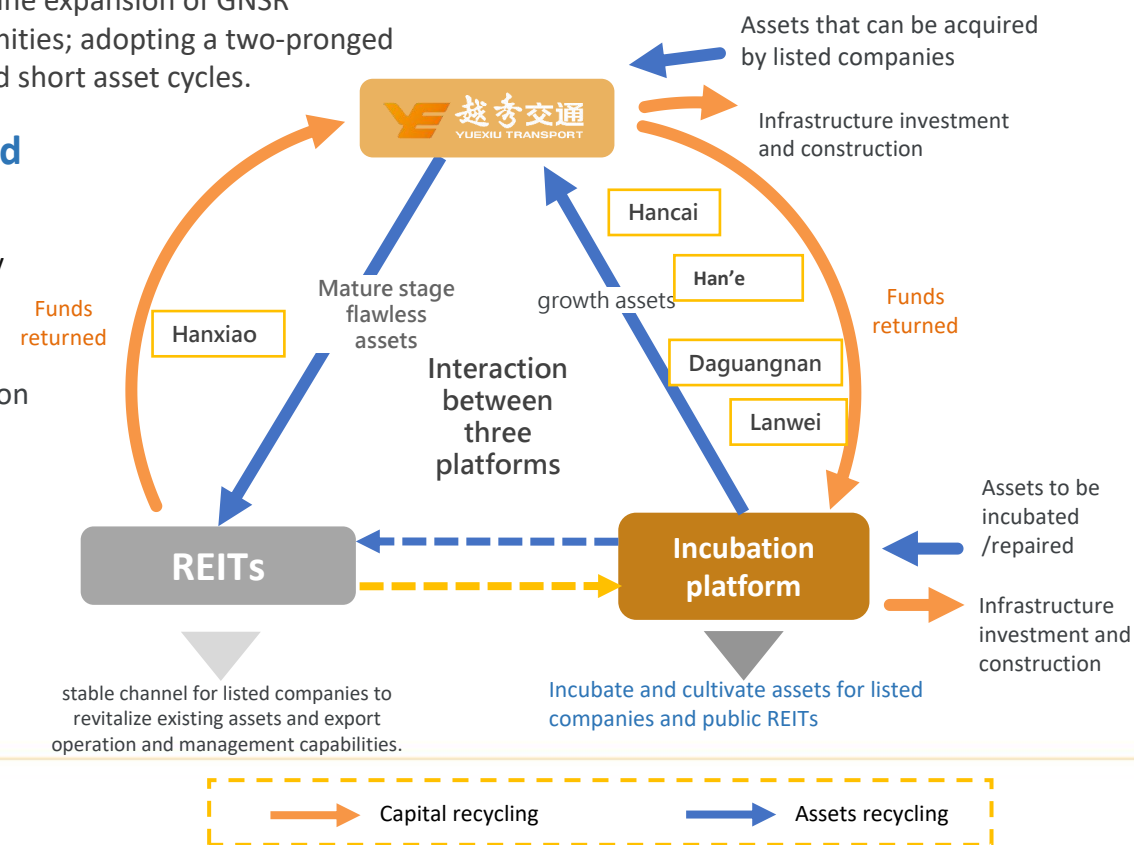
- Promote the reconstruction and expansion of the North Second Ring Expressway with high quality to achieve excellent project quality, good construction schedule control, and good cost management..
- On the premise of satisfying investment returns, explore investment opportunities in the renovation and expansion of other high-quality assets and extend the asset concession period.

Vigorously develop the “road derivative economy”

Realize the transformation and upgrading of service areas and improve the quality of operations. Expand the construction of photovoltaic and charging piles, and achieve energy saving, emission reduction and efficiency improvement

Continue to adhere to prudent financial strategies to support the company's sustainable development

Effectively balance the relationship between scale expansion, financial security and shareholder returns.



Appendix



Extract of consolidated statement of profit or loss

RMB '000	2023	2022	Increase/decrease	Change%
Revenue	3,966,726	3,288,923	677,803	20.6%
Cost of services	1,819,383	1,569,535	249,848	15.9%
Gross profit	2,147,343	1,719,388	427,955	24.9%
Other income, gains(losses)-net	(75,163)	45,973	(121,136)	-263.5%
General and administrative expenses	267,776	310,419	(42,643)	-13.7%
Net finance costs	532,204	561,866	(29,662)	-5.3%
Share of results of a joint venture/ associates	276,706	172,264	104,442	60.6%
Profit before tax	1,548,906	1,065,340	483,566	45.4%
Income tax	427,263	327,529	99,734	30.5%
Profit after tax	1,121,643	737,811	383,832	52.0%
Profit attributable to shareholders	765,309	453,114	312,195	68.9%
Basic earnings per share (RMB)	0.4574	0.2708	0.1866	68.9%
Diluted earnings per share (RMB)	0.4574	0.2708	0.1866	68.9%
Dividend per share (HKD)	0.30	0.20		
Payout ratio	59.8%	64.4%		


RMB' 000

Total assets

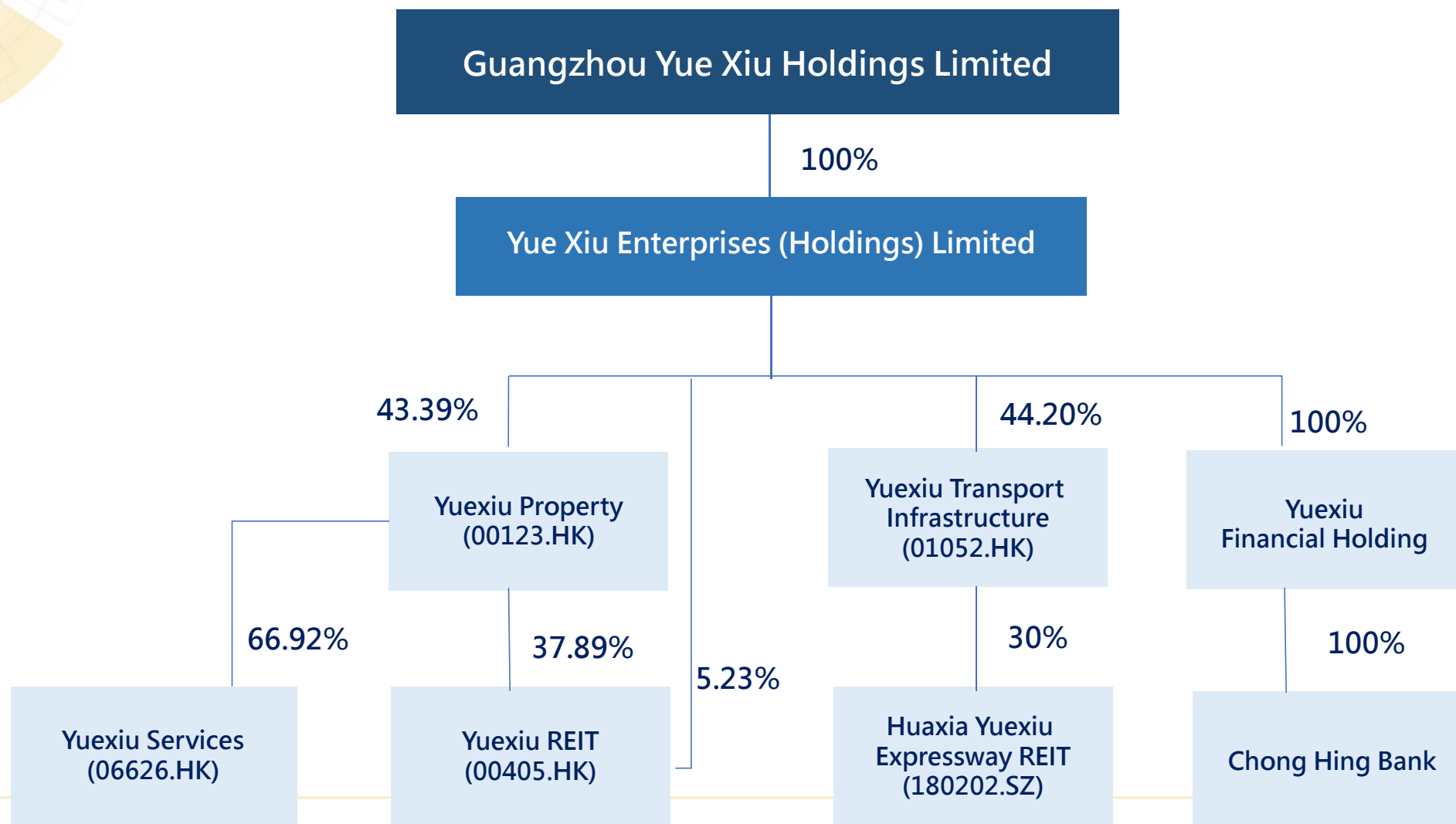
Mainly including

Intangible assets



	Total liabilities/total assets ratio (=total liabilities/total assets)	59.3%	60.8%	-1.5ppt
	Debt to equity ratio (=net debt/total equity)	97.9%	105.9%	-8.0ppt
*not including interest payable				

Shareholders structure



History

Listed

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

1997

1998

Acquired Northern Ring Road, Qinglian Expressway and Xian Expressway

1999

Acquired Xiang Jiang Bridge II in Hunan Province

2002

Invested Shantou Bay Bridge

2006

Increased additional 20% interest in GNSR Expressway to 60%

2007

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

2009

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

2004

Invested in GWSR Expressway

2011

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

2010

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

2013

Disposed the entire interest in Guangzhou Securities with a disposal gain of RMB103M

2012

Acquired 100% ownership of the Weixu Expressway

2014

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

2015

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

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

2016

2019

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

2021

- Completed the initial grant proposal of share options
- Huaxia Yuexiu Expressway REIT was successfully listed on the Shenzhen Stock Exchange

2022

- Acquired 100% interest in Lanwei Expressway
- Land expropriation in connection with the GNSR Expressway R&E project

Company Structure

Yuexiu Transport Infrastructure Limited

Expressway/ Bridge/ Port



Controlled Projects

- GNSR Expressway /60%/ concession period until : 2032/01/10
- Cangyu Expressway /100%/ concession period until :2030/12/28
- Jinxiong Expressway /60%/ concession period until : 2030/03/17
- Changzhu Expressway /100%/ concession period until :2040/08/30
- Weixu Expressway /100%/ concession period until : 2035/11/18
- Lanwei Expressway/ 100%/ concession period until: 2034/07/01
- SYN Expressway /70%/ concession period until : 2040/03/09
- Hancui Expressway /67%/ concession period until : 2038/08/27
- Han'e Expressway /100%/ concession period until : 2042/06/30
- Daguanngnan Expressway /90%/ concession period until : 2042/04/29



Non-controlled Projects

- Han-xiao Expressway /30%/ concession period until : 2036/12/09
- GWSR Expressway /35%/ concession period until :2030/12/19
- Humen Bridge /27.78%/ concession period until : 2029/05/08
- Northern Ring Road /24.3%/ concession period until : 2024/3/22
- Shantou Bay Bridge /30%/ concession period until :2028/12/23
- Qinglian Expressway /23.63%/ concession period until : 2034/06/30
- Pazhou Port /45%

Note :

1. After the R&E project of the GNSR Expressway, it is expected that the toll operation period will be extended by a maximum of 25 years from the date of completion of the R&E.
2. The profit-sharing ratio of Humen Bridge has been adjusted to 18.446% since 2010.
3. Projects within Guangdong Province: Pursuant to the supporting and protective policies from the relevant authorities in the Guangdong Province regarding waiver of tolls on toll roads during the COVID-19 pandemic, the operators of toll roads for the Group's projects within Guangdong Province shall submit compensation applications one year before the original toll collection deadline of the project. In which: Northern Ring Road has met the above requirements and has completed the relevant application process, and the adjusted and approved toll collection deadline is 22 March 2024.
4. Other than Northern Ring Road, the above-terminating dates of toll collection do not consolidate the extensions by compensations due to COVID-19.

Traffic Mix

120.0%

100.0%

80.0%

60.0%

40.0%

20.0%

0.0%

GN5R Expressway
Cangyu Expressway
Jinxiong Expressway
Changzhu Expressway
Weixu Expressway
Lanwei Expressway
SYN Expressway
Hancal Expressway
Han'e Expressway
Daguanan Expressway
Han-xiao Expressway
GWSR Expressway
Humen Bridge
Northern Ring Road
Shantou Bay Bridge
Qinglian Expressway

■ Passenger cars ■ Trucks ■ Special purpose vehicles



免責聲明

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