



越秀交通基建有限公司

YUEXIU TRANSPORT INFRASTRUCTURE LIMITED

(Stock Code: 01052)

**CREATING
EXCELLENT
VALUES**

**INTERIM REPORT
2019**

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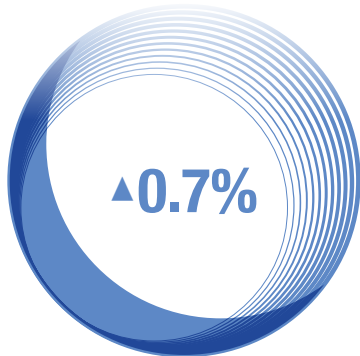


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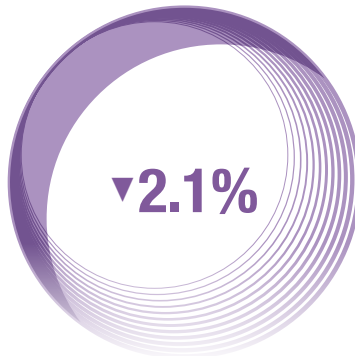
FINANCIAL HIGHLIGHTS

RESULTS HIGHLIGHTS FOR THE FIRST HALF OF 2019

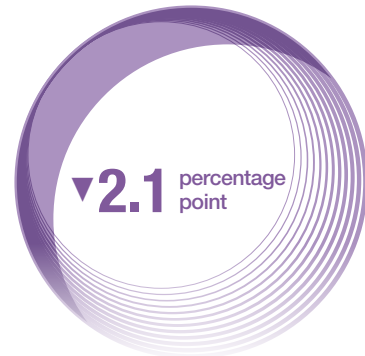
Revenue
RMB1,381 million



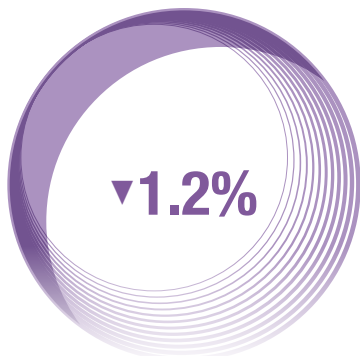
Gross Profit
RMB976 million



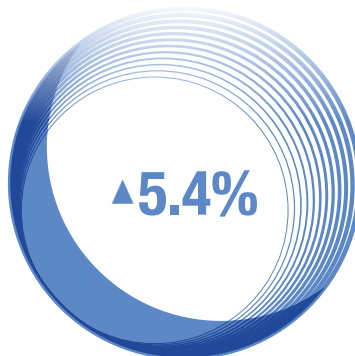
Gross Margin*
percentage point 70.7%



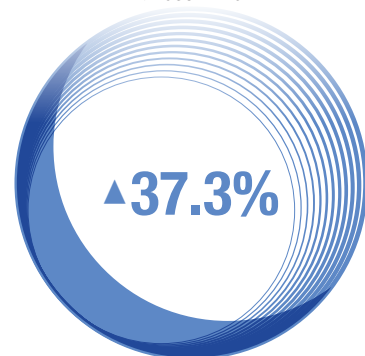
Operating Profit
RMB905 million



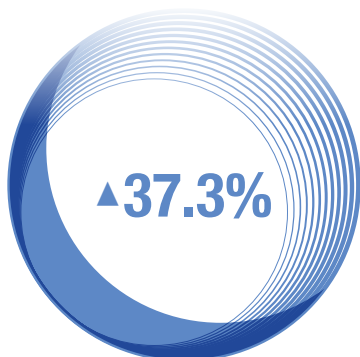
Profit before income tax
RMB975 million



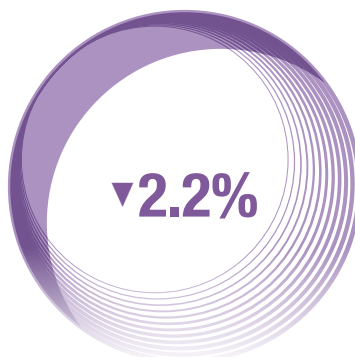
Profit attributable to shareholders of the company
RMB635 million



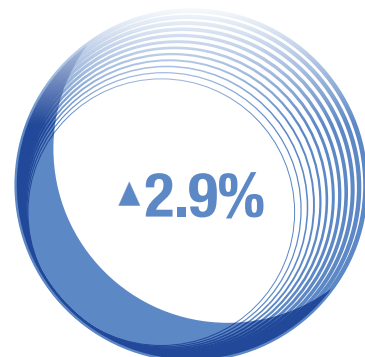
Earnings per share
RMB0.3796



Total Assets
RMB22.24 billion



Net assets per share
RMB6.19



* Gross margin = Gross profit / Revenue

FIVE YEARS FINANCIAL SUMMARY

INCOME STATEMENT

for six months ended 30 June

(RMB million)	2019	2018	2017	2016	2015
Income from operations	1,381	1,371	1,200	1,234	932
Profit attributable to shareholders of the Company	635	462	380	350	321
Earnings per share	RMB0.3796	RMB0.2764	RMB0.2272	RMB0.2090	RMB0.1918

BALANCE SHEET

(RMB billion)	30 June 2019	31 December 2018	31 December 2017	31 December 2016	31 December 2015
Total Assets	22.24	22.74	23.92	22.57	23.42
Total Liabilities	9.44	10.33	12.10	11.26	12.59
Total Equity	12.80	12.41	11.82	11.31	10.83
Equity attributable to:					
Shareholders of the Company	10.36	10.07	9.54	9.08	8.57
Non-controlling interests	2.44	2.34	2.27	2.23	2.26
Net assets per share to shareholders of the Company	RMB6.19	RMB6.02	RMB5.70	RMB5.43	RMB5.12

FINANCIAL RATIOS

	30 June 2019	31 December 2018	31 December 2017	31 December 2016	31 December 2015
Return on equity attributable to shareholders of the Company	12.26%	10.47%	9.93%	10.12%	6.21%
EBITDA Interest coverage ¹	9.8 times	8.2 times	8.4 times	5.8 times	5.8 times
Gearing ratio ²	26.6%	29.6%	36.0%	40.0%	43.9%
Total liabilities/Total assets ratio ³	42.5%	45.4%	50.6%	49.9%	53.8%

1 EBITDA includes profit from associates and joint venture and excludes non-cash gains and losses

2 net debt ÷ total capitalization

3 total liabilities ÷ total assets

CORPORATE PROFILE

廣州越秀集團有限公司
 GUANGZHOU YUE XIU HOLDINGS LIMITED
100%

YUE XIU ENTERPRISES (HOLDINGS) LIMITED PUBLIC
44.20%⁽²⁾ 55.80%

YUEXIU TRANSPORT
 INFRASTRUCTURE LIMITED

EXPRESSWAY / BRIDGE

■ GNSR Expressway	60%	● Northern Ring Road	24.3%
■ Cangyu Expressway	100%	● Humen Bridge	27.78% ⁽¹⁾
■ Jinxiang Expressway	60%*	● Shantou Bay Bridge	30%
■ Han-Xiao Expressway	100%	● GWSR Expressway	35%
■ Changzhu Expressway	100%	● Qinglian Expresswa	23.63%
■ Weixu Expressway	100%		
■ Suiyuenan Expressway	70%		

⁽¹⁾ The Group's profit sharing ratio in Humen Bridge and Jinbao Expressway could be referred to notes of 'Business Review' in page 15.

⁽²⁾ 44.20% is the shareholding held by Yue Xiu Enterprises (Holdings) Limited in the Company as at the date of publication of this report on HKEx website, while as at 30 June 2019, the shareholding held by Yue Xiu Enterprises (Holdings) Limited in the Company was 45.82%.

■ subsidiaries ● associates and joint venture

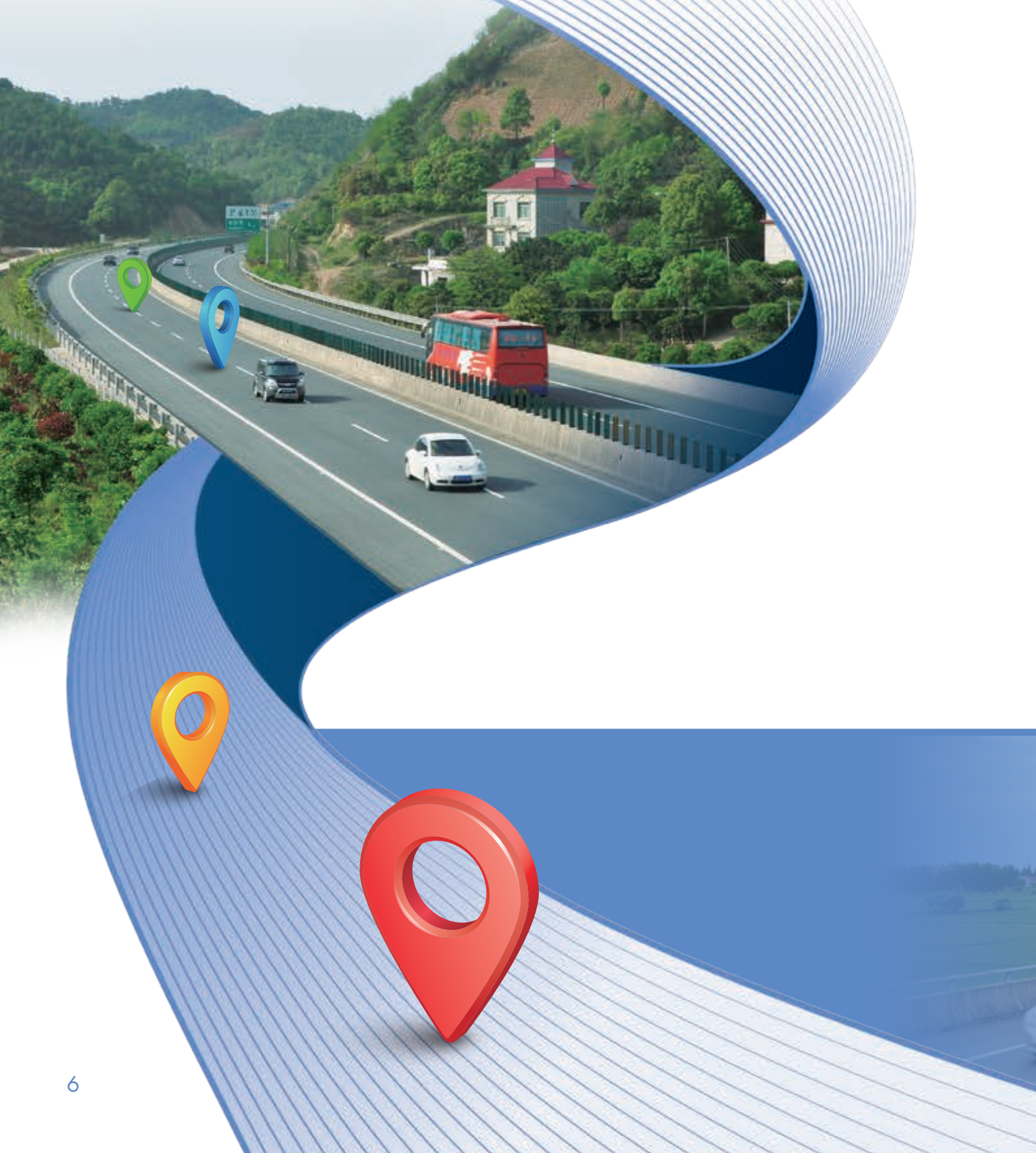
CORPORATE PROFILE

Yuesiu Transport Infrastructure Limited ("Company") and its subsidiaries (collectively, "Group") are principally engaged in investment, operation and management of toll expressways and bridges in Guangdong Province and other high growth provinces in the People's Republic of China ("PRC"). The Company's substantial shareholder, Guangzhou Yue Xiu Holding Limited is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission ("SASAC") of the Guangzhou Municipal People's Government.

As at 30 June 2019, the Group had a total of 12 investments in its operating expressways and bridge projects which included Guangzhou Northern Second Ring Expressway ("GNSR Expressway"), Guangzhou Western Second Ring Expressway ("GWSR Expressway"), Guangzhou Northern Ring Road ("Northern Ring Road"), Guangdong Humen Bridge ("Humen Bridge"), Shantou Bay Bridge and Qinglian Expressway, all of which are located within Guangdong Province; Cangyu Expressway in Guangxi Zhuang Autonomous Region ("Cangyu Expressway"); Jinxiong Expressway in Tianjin Municipality; Han-Xiao Expressway and Suiyuan Expressway in Hubei Province; Changzhu Expressway in Hunan Province; Weixu Expressway in Henan Province. As at 30 June 2019, the attributable toll length of the Group's subsidiaries is approximately 281.1 km (total toll length is approximately 337.1 km), the attributable toll length of the Group's associates and joint venture is approximately 77.3 km, the total attributable toll length of expressways and bridges is approximately 358.4 km.



LOCATION MAPS OF PROJECTS



LOCATION MAPS OF PROJECTS

	LOCATION	PROJECTS NAME
GUANGDONG	Dongguan City Guangzhou City Guangzhou City Guangzhou City Qingyuan City Shantou City	<ul style="list-style-type: none">• Humen Bridge• GNSR Expressway• Northern Ring Road• GWSR Expressway• Qinglian Expressway• Shantou Bay Bridge
GUANGXI	Wuzhou City	<ul style="list-style-type: none">• Cangyu Expressway
TIANJIN	Tianjin City	<ul style="list-style-type: none">• Jinxiong Expressway
HUBEI	Wuhan City Wuhan City	<ul style="list-style-type: none">• Han-Xiao Expressway• Suiyuan Expressway
HUNAN	Changsha City	<ul style="list-style-type: none">• Changzhu Expressway
HENAN	Xuchang City	<ul style="list-style-type: none">• Weixu Expressway



LOCATION MAPS OF PROJECTS



HUMEN BRIDGE

It is a six-lane suspension highway bridge with a toll length of approximately 15.8 km linking Nansha District of Guangzhou City and Humen District of Dongguan City. Its two ends are connected to the Guangzhou Macau Expressway, Guangshen Yanjiang Expressway and GS Superhighway.

GNSR EXPRESSWAY

It is a six-lane expressway of approximately 42.5 km for toll length, with 10 flyovers in total. GNSR Expressway also connects with GWSR Expressway, Guangqing Expressway, Airport Expressway, G4 Expressway, Huanan Expressway, Guanghe Expressway, Guanghui Expressway, GS Superhighway, GESR Expressway and Fenghuangshan Tunnel, National Highway 105, 106, 324 and Provincial Highway 114 and so on.



NORTHERN RING ROAD

It is located within Guangzhou City with a toll length of approximately 22.0 km with six lanes. It is a part of Guangzhou Second Ring Expressway, Guangzhou section of Shenhai Expressway and Fukun section of National Highway, linking with GS Superhighway and Guangzhou Foshan Expressway.

QINGLIAN EXPRESSWAY

It is located in the northwestern part of Guangdong as a significant linkage between Guangdong and Hunan. The toll length is approximately 215.2 km with four lanes.



GWSR EXPRESSWAY

The toll length is approximately 42.1 km with six lanes which are connected to GNSR Expressway, Guangqing Expressway, southern part of GWSR Expressway and Guangsan Expressway.

SHANTOU BAY BRIDGE

It is located in the eastern entrance of Shantou Harbour which connects Shenshan Expressway in the south, stretches over Shantou Harbour Huangsha Bay Sea and connects with Shanfen Expressway. The project's toll length is approximately 6.5 km with six lanes.



GUANGDONG

HUMEN BRIDGE



GNSR EXPRESSWAY



NORTHERN RING ROAD



QINGLIAN EXPRESSWAY



GWSR EXPRESSWAY



SHANTOU BAY BRIDGE



LOCATION MAPS OF PROJECTS

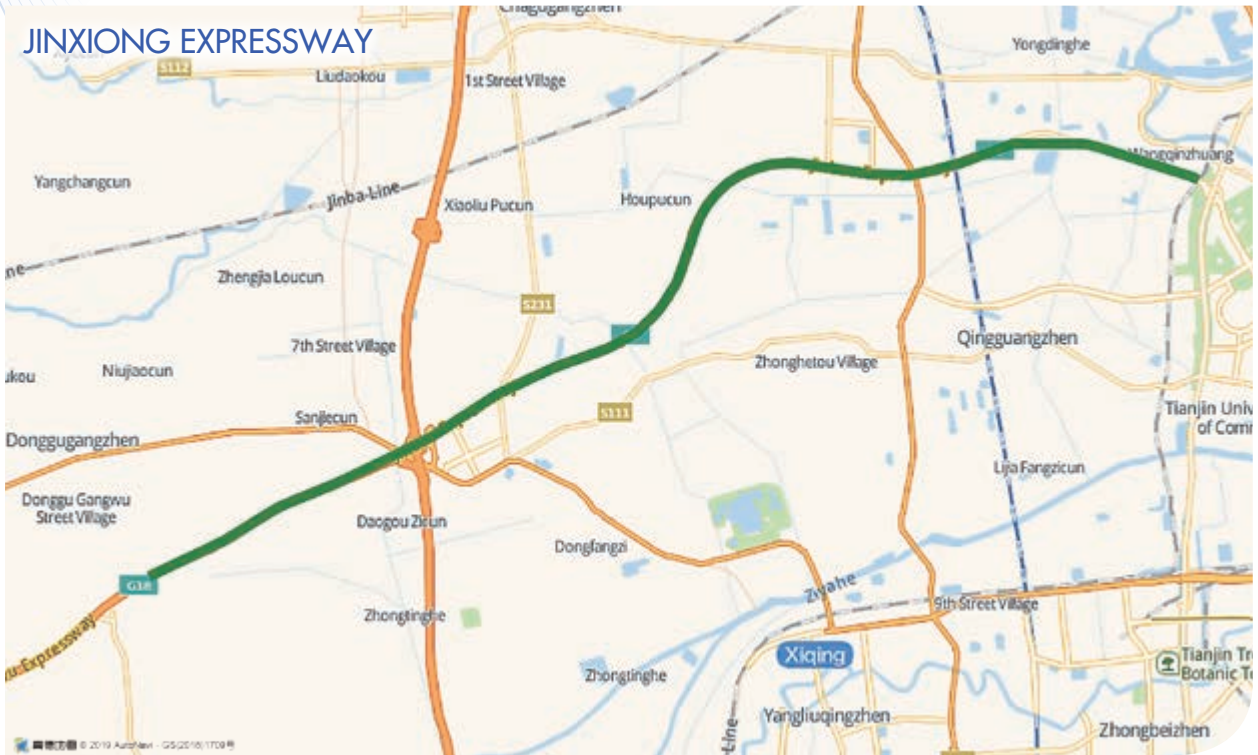
GUANGXI



CANGYU EXPRESSWAY

It is located in Longxun District, which was originally in Cangwu County, of Wuzhou City in Guangxi Zhuang Autonomous Region, linking Longxun District of Guangxi with the Yun County of Guangdong Province. The toll length is approximately 23.3 km with four lanes, forming a part of Guangkun Expressway (G80).

TIANJIN



JINXIANG EXPRESSWAY

It is located in the west of Tianjin Municipality, and Hebei Province at the junction, and linking the Jinxiang Expressway (Hebei section), Jinghu Expressway and Tianjin Waihuan Lane etc. with a toll length of approximately 23.9 km with four lanes.

LOCATION MAPS OF PROJECTS

HUBEI



HAN-XIAO EXPRESSWAY

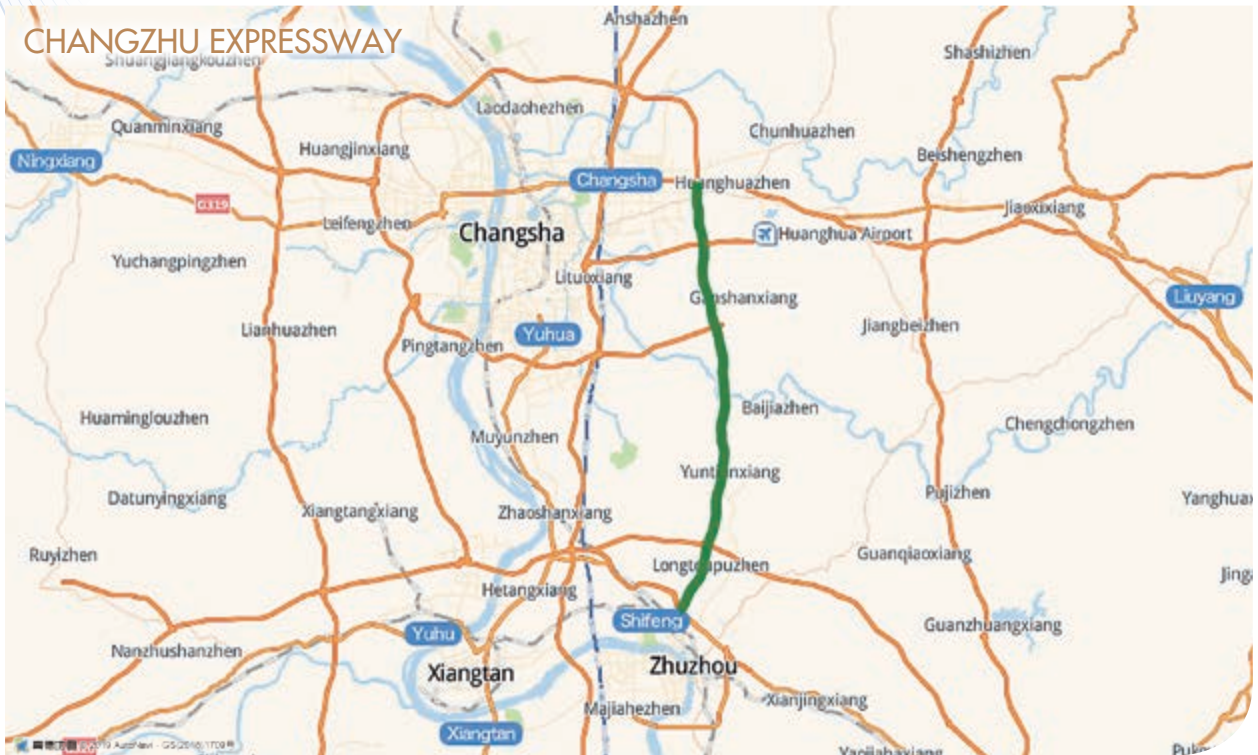
It starts from Huangpi District, Wuhan city and ended at Xiaonan District, Xiaogan City. The toll length is approximately 38.5 km with four lanes. Han-Xiao Expressway also connects with Wuhan Airport Expressway, G4 Expressway, Wuhan Ring Road, Daijiashan-Huangpi Expressway and Xiaoxiang Expressway.

SUIYUENAN EXPRESSWAY

It starts from Hanyi Expressway Zhuji Interchange and ended at north shore of Jinyue Yangtze River Highway Bridge. It is an important expressway in the central region of Hubei for connecting passenger and freight transportation among regions such as Henan and Hunan. The toll length is approximately 98.1 km with four lanes.



HUNAN



CHANGZHU EXPRESSWAY

It starts from Huanghua Village in the Changsha County, Changsha City, while ending at northwest of Zhuzhou Electric Factory. Changzhu Expressway has a toll length of approximately 46.5 km with four lanes. It connects with Changsha City Ring Road, Chang-Liu Expressway, Airport Expressway and Hukun Expressway.

LOCATION MAPS OF PROJECTS

HENAN



WEIXU EXPRESSWAY

Located in Henan Province, Weixu Expressway is an important part of Lan-nan Expressway as well as the significant linkage between G4 Expressway, Daguang Expressway (G45), Xuguang Expressway (G0421), Er'guang Expressway (G55), Ningluo Expressway (G36) and Lianhuo Expressway (G30). The toll length is approximately 64.3 km with four lanes.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

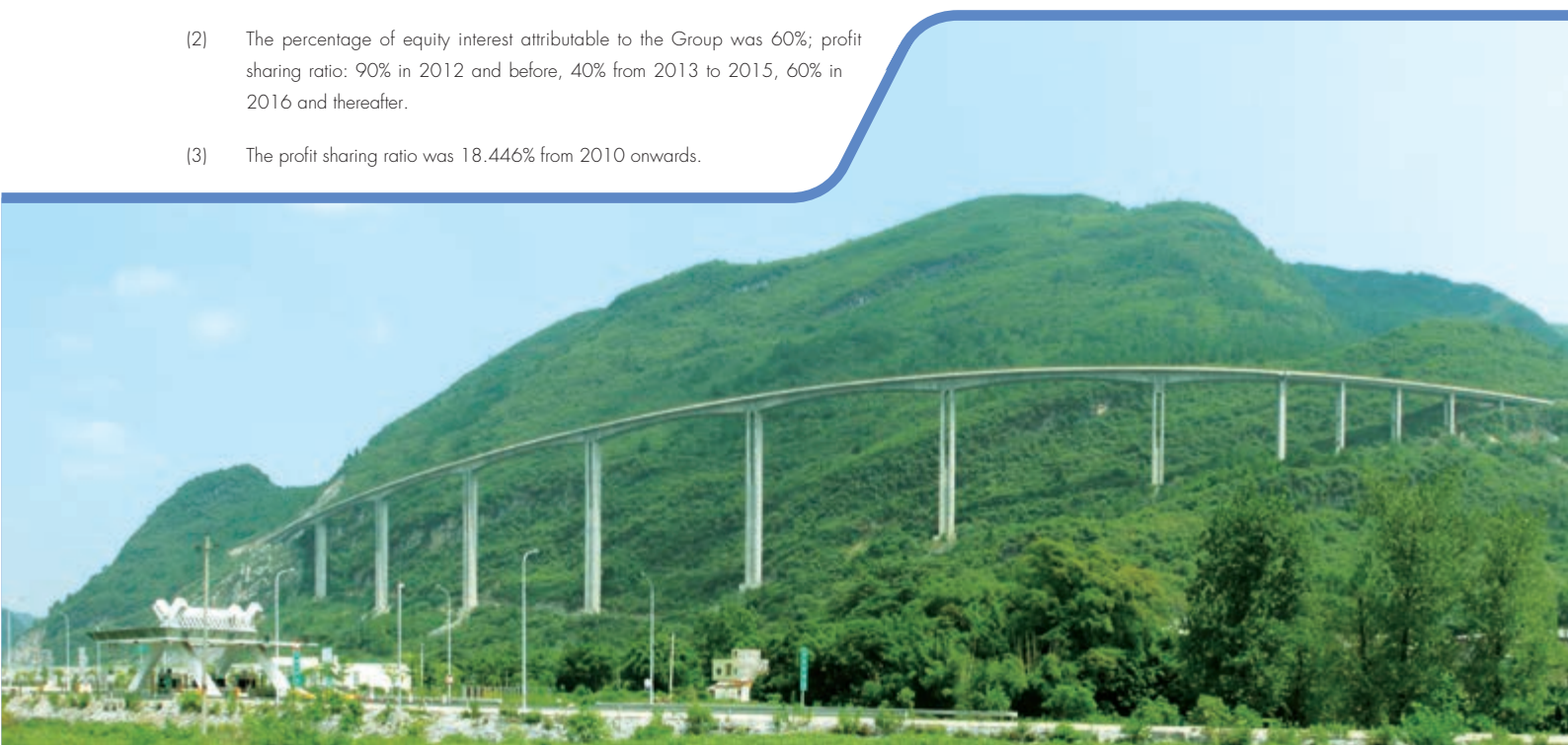
Summary Information of Operating Toll Roads and Bridges

	Toll Mileage	Width (Lanes)	Toll Station(s)	Road Type	Attributable Interest (%)	Remaining Operating Term (years)
Subsidiaries						
GNSR Expressway	42.5	6	5	Expressway	60.00	13
Cangyu Expressway	23.3	4	1	Expressway	100.00	11
Jinxiong Expressway ⁽¹⁾	23.9	4	3	Expressway	60.00 ⁽²⁾	11
Han-Xiao Expressway	38.5	4	2	Expressway	100.00	17
Changzhu Expressway	46.5	4	5	Expressway	100.00	21
Weixu Expressway	64.3	6	2	Expressway	100.00	16
Suiyuan Expressway	98.1	4	4	Expressway	70.00	21
Associates and Joint Venture						
GWSR Expressway	42.1	6	4	Expressway	35.00	11
Humen Bridge	15.8	6	4	Suspension Bridge	27.78 ⁽³⁾	10
Northern Ring Road	22.0	6	8	Expressway	24.30	4
Shantou Bay Bridge	6.5	6	3	Suspension Bridge	30.00	9
Qinglian Expressway	215.2	4	16	Expressway	23.63	15

(1) According to the overall development plan (2018-2035) approved by the State Council for Hebei Xiong'an New Area (Letter No. 159 2018 of the State Council) 《國務院關於河北雄安新區總體規劃 (2018-2035年)的批覆》 (國函[2018] 159號) and Notice of Tianjin Expressway Management Office on Adjusting the Name and Number of Route of Jinxiong Expressway (Jin Gao Su Chu Gui Hua 2019 No. 7) (《天津市高速公路管理處關於調整津雄高速公路路線命名和編號的通知》 (津高速處規劃[2019] 7號)), the name of Jinbao Expressway was adjusted as Jinxiong Expressway, and the number (S7) remained unchanged.

(2) The percentage of equity interest attributable to the Group was 60%; profit sharing ratio: 90% in 2012 and before, 40% from 2013 to 2015, 60% in 2016 and thereafter.

(3) The profit sharing ratio was 18.446% from 2010 onwards.



MANAGEMENT DISCUSSION AND ANALYSIS

Toll Summary of Toll Roads and Bridges

For the six months ended 30 June 2019

	Average daily toll traffic volume		Average daily toll revenue	
	First half of 2019 (vehicles/day)	Y-O-Y Change %	First half of 2019 (RMB/day)	Y-O-Y Change %
Subsidiaries				
GNSR Expressway	231,453	0.7%	3,164,108	3.1%
Cangyu Expressway	9,724	-18.8%	185,357	-17.9%
Jinxiong Expressway	35,954 ⁽¹⁾	-3.5%	248,952	-5.6%
Han-Xiao Expressway	28,225	4.2%	469,270	-0.6%
Changzhu Expressway	59,028 ⁽¹⁾	-1.0%	643,665	-4.9%
Weixu Expressway	31,301	6.1%	1,108,869	-5.4%
Suiyuanan Expressway	26,135	13.0%	1,809,117	6.7%
Associates and Joint Venture				
GWSR Expressway	78,558	4.0%	1,517,521	2.2%
Humen Bridge	103,767	-14.0%	3,640,485	-19.1%
Northern Ring Road	347,728	1.6%	2,068,710	-2.0%
Shantou Bay Bridge	26,157	4.6%	540,396	-4.8%
Qinglian Expressway	47,734	9.8%	2,331,526	9.0%

(1) According to the upgrade of traffic data collection technology and related work arrangements of the local network centers in Hunan Province and Tianjin City, the statistical calibers for the toll traffic volumes of Changzhu Expressway and Jinxiong Expressway have been adjusted from May 2018. The statistical caliber for the toll traffic volume of Changzhu Expressway has been changed from the entrance and exit traffic volume to the sum of the entrance and exit traffic volume and the passing through traffic volume, while that of Jinxiong Expressway has been changed from MTC (Manual Toll Collection) traffic volume to the sum of MTC (Manual Toll Collection) and ETC (Electronic Toll Collection) traffic volume. The aforesaid adjustment to the statistical calibers for the toll traffic volumes of Changzhu Expressway and Jinxiong Expressway has no influence on the toll revenues as the previous statistical calibers for toll revenues have included the entrance and exit traffic volume and the passing through traffic volume (including MTC (Manual Toll Collection) and ETC (Electronic Toll Collection)). By now the statistical calibers of toll traffic volumes for all projects of the Group's subsidiaries, associates and joint ventures are the entrance and exit traffic volume and the passing through traffic volume (including MTC (Manual Toll Collection) and ETC (Electronic Toll Collection)).

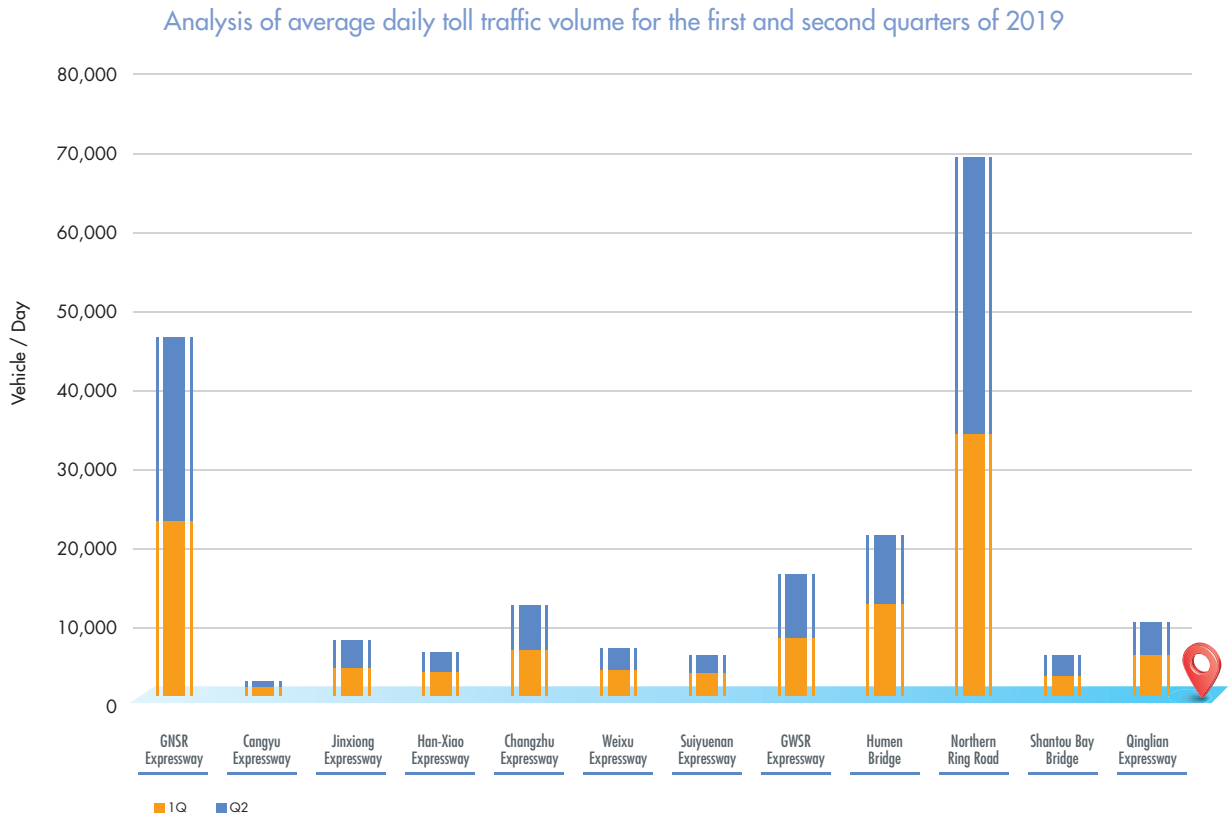
MANAGEMENT DISCUSSION AND ANALYSIS

Toll Roads and Bridges

Quarterly analysis of average daily toll traffic volume for the period from January to June 2019

	Average daily toll traffic volume for the first quarter (vehicles/day)	Average daily toll traffic volume for the second quarter (vehicles/day)
Subsidiaries		
GNSR Expressway	225,401	237,439
Cangyu Expressway	11,505	7,964
Jinxiong Expressway	35,520	36,382
Han-Xiao Expressway	30,348	26,126
Changzhu Expressway	59,013	59,043
Weixu Expressway	33,135	29,487
Suiyuan Expressway	30,064	22,250
Associates and Joint Venture		
GWSR Expressway	74,400	82,670
Humen Bridge	118,007	89,683
Northern Ring Road	337,070	358,270
Shantou Bay Bridge	26,150	26,164
Qinglian Expressway	52,972	42,553

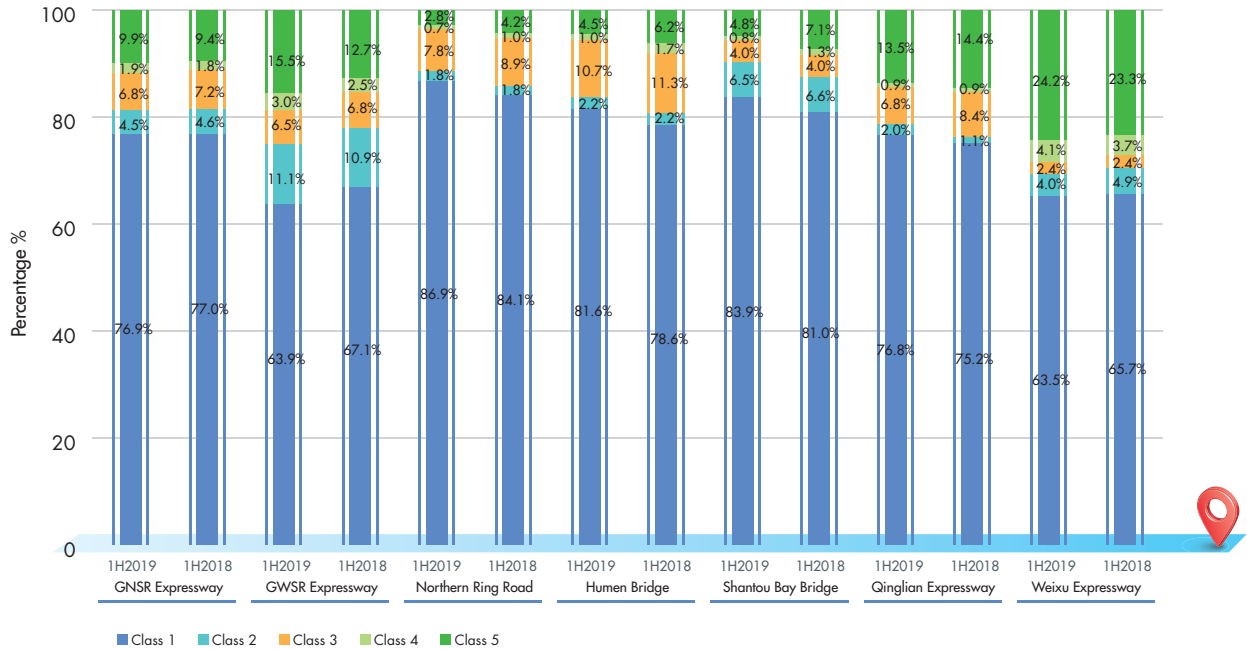
MANAGEMENT DISCUSSION AND ANALYSIS



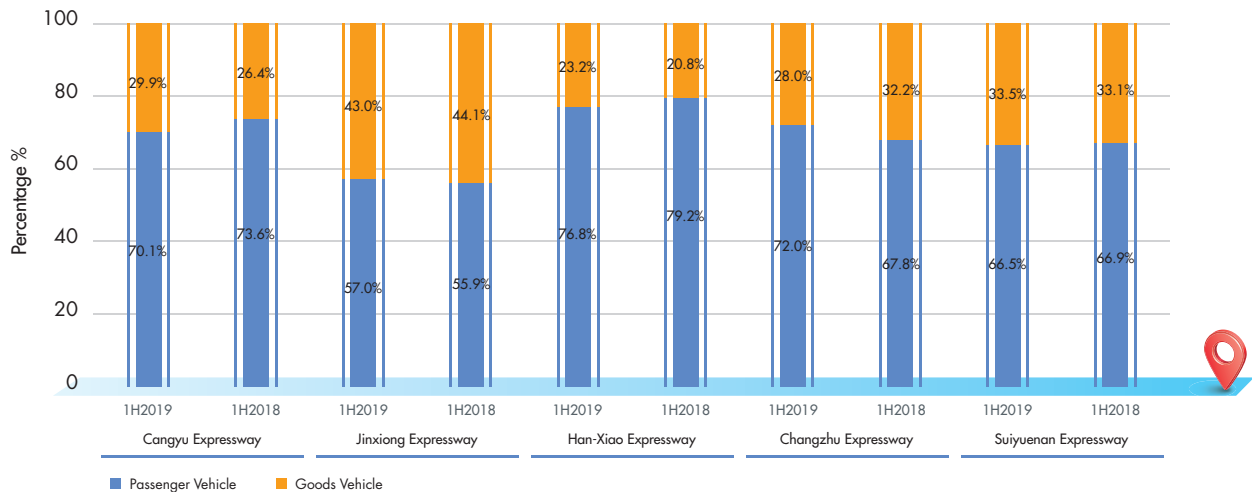
During the Reporting Period, the Group's operating projects were primarily distributed in six provinces/municipalities including Guangdong, Henan, Guangxi, Hunan, Hubei and Tianjin. Based on the locations of the Group where invested in and operated its projects, the vehicle types in the provinces of Guangdong and Henan were classified as class 1 to class 5, for projects operated in other areas, the vehicle types were classified into passenger (vehicle) and goods (vehicle).

MANAGEMENT DISCUSSION AND ANALYSIS

Vehicle type analysis on projects operated in Guangdong Province and Henan Province for the first half of 2019
(based on statistics of traffic volume)



Vehicle type analysis on projects operated in other regions for the first half of 2019
(based on statistics of traffic volume)



MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY OF OPERATING PERFORMANCE

Macroeconomic environment

During the Reporting Period, global economic growth remains subdued. Economic activities were weaker than expected. The International Monetary Fund (IMF) lowered its forecast for world economic growth this year by 0.1 percentage points to 3.2% in its "World Economic Outlook". Meanwhile, global trade and technology issues and geopolitical tensions have created protracted uncertainties.

During the Reporting Period, the PRC economy maintained an overall stable performance and recorded a steady growth. As indicated by data from the National Bureau of Statistics, GDP for the first half of 2019 amounted to RMB45.0933 trillion, representing a year-on-year increase of 6.3%. The economy continues to operate within a reasonable range, with continuing optimization and adjustment of economic structure.

During the Reporting Period, the performance of domestic transportation sector remained generally stable. Investment on fixed assets in highway construction amounted to RMB950 billion, representing a year-on-year increase of 4.8%. Highway passenger turnover decreased by 4.7% and cargo turnover increased by 5.5% year-on-year, respectively.

During the Reporting Period, domestic car ownership maintained a steady growth momentum. As at 30 June 2019, domestic car ownership reached 250 million vehicles, representing a year-on-year increase of 9.2%.

The projects invested and operated by the Group are distributed throughout Guangdong, Tianjin, Guangxi, Hunan, Hubei and Henan. The GDP growth of these regions for the first half of 2019 increased by 6.5%, 4.6%, 5.9%, 7.2%, 8.0% and 7.7%, respectively.

(unit: RMB100 million)

	National	Guangdong Province	Tianjin Municipality	Guangxi Autonomous Region	Hunan Province	Hubei Province	Henan Province
GDP for the first half of 2019	450,933	50,501	10,371	8,907	17,785	19,896	24,204
GDP Growth for the first half of 2019	6.3%	6.5%	4.6%	5.9%	7.2%	8.0%	7.7%
GDP Growth for the first half of 2018	6.8%	7.1%	3.4%	6.2%	7.8%	7.8%	7.8%

Source: National and Provincial Bureaus of Statistics, Ministry of Transport

Industry Regulations

During the Reporting Period, the transportation sector is set to further deepen the reform of the toll road system. According to the “notice on the deepened reform of the toll road system and implementation plan of removing provincial toll stations on expressways” issued by the General Office of the State Council of the PRC, nationwide highway toll stations on provincial boundaries will be removed earlier than scheduled to implement no-stop fast tolling and thus further improve road traffic efficiency. All highway toll stations on provincial boundaries across the country will be removed by the end of 2019 in order to accelerate the application of electronic no-stop charging system. Classification standard for vehicle tolls on toll roads will be revised and the calculation formula for truck tolls will also be adjusted. The Group is responding actively to the impact of the reform of the toll road system.

During the Reporting Period, the new “Green Passage Toll Free Policy” was enforced on the expressways and bridges of the Group in compliance with the relevant government requirements. The enforcement of this policy led to a decrease in the toll income of the Group by approximately RMB119.78 million (first half of 2018: approximately RMB150.94 million).

During the Reporting Period, the “Toll Free Policy for Passenger Cars with Seven Seats or Less during Major Holidays” was implemented on the expressways and bridges of the Group in compliance with the relevant government requirements. There were a total of 14 days of major holidays during the first half of the year that satisfies the requirements. Based on preliminary estimation, the implementation of this policy resulted in a decrease in the toll income of the Group by approximately RMB61.19 million⁽¹⁾ (first half of 2018: approximately RMB51.95 million⁽¹⁾).

Business Improvements and Innovations

During the Reporting Period, the Group continued to enhance the capability on ensuring smooth traffic flow, operational management and management of safety standardization. We strived to improve our traffic services capability, built up innovative systems, pushed for accreditation of high-tech enterprises and set up a high-level platform for innovation and development cooperation. We made great efforts to develop comprehensive maintenance and renovation as well as construction project management capabilities, and expand on our research and development efforts and the application of new technologies and materials. Improvements were made on the road condition and performance. Overall road maintenance management level was enhanced. We actively promote the adoption of information technologies, thus effectively enhance the information synergy capabilities. Efforts were made on promoting the application of intelligent monitoring scenarios to improve the efficiency of comprehensive management. Moreover, we shall continue to enhance our staff development system, implement the professional managers and key talent management system, and provide a solid foundation for the Company’s long-term development.

Note:

(1) The estimation result is based on simulated calculation of data available to subsidiaries of the Group and historical data and for reference purpose only.

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE OF EXPRESSWAYS AND BRIDGES

Subsidiaries

GNSR Expressway

During the Reporting Period, the average daily toll traffic volume was 231,453 vehicles and the average daily toll revenue was RMB3,164,000, representing an increase of 0.7% and 3.1%, respectively, when compared with the first half of 2018.

The average daily toll traffic volume and toll revenue recorded a year-on-year growth, mainly attributable to the measures of restricting passage of certain heavy trucks on the Huanan Expressway Phase I (section between Cencun Interchange and Tuhua Interchange) since September 2018.

Cangyu Expressway

During the Reporting Period, the average daily toll traffic volume was 9,724 vehicles and the average daily toll revenue was RMB185,000, representing a decrease of 18.8% and 17.9%, respectively, when compared with the first half of 2018.

The year-on-year decrease of average daily toll traffic volume and average daily toll was mainly due to the impact of diversion of trucks upon completion and commencement of operation of all sections of Wuzhou Ring Expressway since December 2018 and diversion of traffic since the completion of upgrading and transformation of the X184 County Road in July 2018.

Jinxiong Expressway

During the Reporting Period, the average daily toll traffic volume was 35,954 vehicles and the average daily toll revenue was RMB249,000, representing a decrease of 3.5% and 5.6%, respectively, when compared with the first half of 2018.

The year-on-year decrease of average daily toll traffic volume and average daily toll was mainly due to the decrease in truck traffic volume as well as the temporary closure of the entrance of Yangfenggang toll station due to construction works in April 2019. (Note: Please refer to the note in the paragraph headed "Toll Summary of Toll Roads and Bridges" for the changes in the statistical caliber for the toll traffic volume).

Han-Xiao Expressway

During the Reporting Period, the average daily toll traffic volume was 28,225 vehicles and the average daily toll revenue was RMB469,000, representing an increase of 4.2% and a decrease of 0.6%, respectively, when compared with the first half of 2018.

The year-on-year increase of average daily toll traffic volume and decrease of toll revenue was mainly due to the temporary closure of certain lanes of neighboring Fuhe Bridge since September 2018 and the diversion effect of the closure for construction of a route of Wuhan Tianhe International Airport since December 2018.

Changzhu Expressway

During the Reporting Period, the average daily toll traffic volume was 59,028 vehicles and the average daily toll revenue was RMB644,000, representing a decrease of 1.0% and 4.9%, respectively, when compared with the first half of 2018.

The year-on-year decrease of average daily toll traffic volume and average daily toll was mainly due to the implementation of differentiated toll road charges in nearby highways such as Wuhan-Shenzhen Expressway since February 2019 (Note: Please refer to the note in the paragraph headed "Toll Summary of Toll Roads and Bridges" for the changes in the statistical caliber for the toll traffic volume).

Weixu Expressway

During the Reporting Period, the average daily toll traffic volume was 31,301 vehicles and the average daily toll revenue was RMB1,109,000, representing an increase of 6.1% and a decrease of 5.4%, respectively, when compared with the first half of 2018.

The year-on-year increase of average daily toll traffic volume was mainly attributable to the growth of car ownership. The year-on-year decrease of toll revenue results from relaxation of controls on the loosening oversized and overloaded transport on local roads, with some of the trucks using local roads.

Suiyuanan Expressway

During the Reporting Period, the average daily toll traffic volume was 26,135 vehicles and the average daily toll revenue was RMB1,809,000, representing an increase of 13.0% and 6.7%, respectively, when compared with the first half of 2018.

Both the toll traffic volume and the toll revenue recorded a year-on-year increase mainly due to the network integration effect brought by commencement of operations in all sections of Xuguang Expressway in September 2018.

Associates and Joint Venture

GWSR Expressway

During the Reporting Period, the average daily toll traffic volume was 78,558 vehicles and the average daily toll revenue was RMB1,518,000, representing an increase of 4.0% and 2.2%, respectively, when compared with the first half of 2018.

Both the toll traffic volume and the toll revenue recorded a year-on-year increase mainly due to the implementation of measures restricting passage of certain heavy trucks on Northern Ring Road starting from August 2018.

Humen Bridge

During the Reporting Period, the average daily toll traffic volume was 103,767 vehicles and the average daily toll revenue was RMB3,640,000, representing a decrease of 14.0% and 19.1%, respectively, when compared with the first half of 2018.

Both the toll traffic volume and the toll revenue recorded a year-on-year decrease mainly due to diversion upon commencement of operation of Nansha Bridge since April 2019 and truck restrictions on Humen Bridge in certain time slots since March 2019.

Northern Ring Road

During the Reporting Period, the average daily toll traffic volume was 347,728 vehicles and the average daily toll revenue was RMB2,069,000, representing an increase of 1.6% and a decrease of 2.0%, respectively, when compared with the first half of 2018.

The average daily toll traffic volume recorded a year-on-year increase mainly due to the growth of car ownership, while the year-on-year drop in average daily toll revenue was mainly due to truck restrictions on Northern Ring Road since August 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

Shantou Bay Bridge

During the Reporting Period, the average daily toll traffic volume was 26,157 vehicles and the average daily toll revenue was RMB540,000, representing an increase of 4.6% and a decrease 4.8% respectively, when compared with the first half of 2018.

The average daily toll traffic volume recorded a year-on-year increase mainly due to the growth of car ownership, while the year-on-year drop in average daily toll revenue was mainly due to the diversion of trucks after the commencement of operation of Jiehui Expressway (Phase II) since October 2018.

Qinglian Expressway

During the Reporting Period, the average daily toll traffic volume was 47,734 vehicles and the average daily toll revenue was RMB2,332,000, representing an increase of 9.8% and 9.0%, respectively, when compared with the first half of 2018.

Both the toll traffic volume and toll revenue recorded a year-on-year increase mainly due to the network integration effect brought by the commencement of operation of Qingxi Bridge and its connection roads in September 2018.

FINANCIAL REVIEW

Key operating results figures

	Six months ended 30 June		
	2019 RMB'000	2018 RMB'000	Change %
Revenue	1,380,910	1,371,008	0.7
Gross profit	976,441	997,742	-2.1
Operating profit	904,500	915,301	-1.2
Earnings before interests, tax, depreciation and amortisation ("EBITDA") ⁽¹⁾	1,448,240	1,456,773	-0.6
Finance costs	(160,708)	(268,911)	-40.2
Share of result of a joint venture	45,272	42,236	7.2
Share of results of associates	170,764	171,784	-0.6
Profit attributable to shareholders of the Company	635,070	462,423	37.3
Basic and diluted earnings per share	RMB0.3796	RMB0.2764	37.3
Interim dividend	271,042	218,405	

⁽¹⁾ EBITDA includes share of results from associates and a joint venture and excludes non-cash gains and losses.

I. OVERVIEW OF OPERATING RESULTS

The Group's revenue increased by 0.7 percent to RMB1,380.9 million, operating profit decreased by 1.2 percent to RMB904.5 million and profit attributable to shareholders of the Company increased by 37.3 percent to RMB635.1 million in the Reporting Period. The Board of Directors resolved to declare an interim dividend for 2019 of HK\$0.18 which is equivalent to approximately RMB0.1619939 (2018: HK\$0.15 which was equivalent to approximately RMB0.1305345) per share, represented an interim dividend payout ratio of 42.7 percent (2018: 47.2 percent).

II. ANALYSIS OF OPERATING RESULTS

Revenue

The Group recorded total revenue of RMB1,380.9 million in the Reporting Period, representing an increase of 0.7 percent as compared with same period in 2018.

Analysis of revenue by each controlled project

Controlled Projects	Reporting Period RMB'000	Percentage of total %	First half of 2018 RMB'000	Percentage of total %	Change %
GNSR Expressway	572,703	41.5	555,332	40.5	3.1
Suiyuan Expressway	327,450	23.7	307,003	22.4	6.7
Weixu Expressway	200,705	14.5	212,125	15.5	-5.4
Changzhu Expressway	116,503	8.4	122,492	8.9	-4.9
Han-Xiao Expressway	84,939	6.2	85,472	6.2	-0.6
Jinxiong Expressway	45,060	3.3	47,743	3.5	-5.6
Cangyu Expressway	33,550	2.4	40,841	3.0	-17.9
Total	1,380,910	100.0	1,371,008	100.0	0.7

GNSR Expressway accounted for 41.5 percent (same period in 2018: 40.5 percent) of the toll revenue of the Group's controlled projects in the Reporting Period. Toll revenue of GNSR Expressway increased by 3.1 percent to RMB572.7 million in the Reporting Period. The revenue increment was mainly due to the implementation of the measure restricting the passage of certain heavy trucks on Huanan Expressway Phase I (section between Cencun Interchange and Tuhua Interchange) since September 2018.

Suiyuan Expressway, ranked second in terms of toll revenue, which accounted for 23.7 percent (same period in 2018: 22.4 percent) among controlled projects. Toll revenue of Suiyuan Expressway grew by 6.7 percent to RMB327.5 million mainly because of the network integration effect brought by commencement of operations in all sections of Xuguang Expressway in September 2018.

Weixu Expressway, ranked third in terms of toll revenue, which accounted for 14.5 percent (same period in 2018: 15.5 percent) among controlled projects. Toll revenue of Weixu Expressway decreased by 5.4 percent to RMB200.7 million in the Reporting Period because of the decrease in the intensity of regulating oversize and overload transport on local roads, which caused certain trucks to be diverted to local roads.

MANAGEMENT DISCUSSION AND ANALYSIS

Changzhu Expressway, ranked fourth in terms of toll revenue, which accounted for 8.4 percent (same period in 2018: 8.9 percent) among controlled projects. Toll revenue of Changzhu Expressway decreased 4.9 percent to RMB116.5 million in the Reporting Period mainly due to the implementation of differentiated toll road charges in surrounding sections of the project such as Wuhan-Shenzhen Expressway since February 2019.

Han-Xiao Expressway, ranked fifth in terms of toll revenue, which accounted for 6.2 percent (same period in 2018: 6.2 percent) among controlled projects. Toll revenue of Han-Xiao Expressway decreased 0.6 percent to RMB84.9 million in the Reporting Period.

Jinxiong Expressway, ranked sixth in terms of toll revenue, which accounted for 3.3 percent (same period in 2018: 3.5 percent) among controlled projects. Toll revenue of Jinxiong Expressway decreased 5.6 percent to RMB45.1 million in the Reporting Period mainly due to diversion of some trucks and the temporary closure of the entrance of Yangfenggang toll station resulting from construction works in April 2019.

Cangyu Expressway, ranked seventh in terms of toll revenue, which accounted for 2.4 percent (same period in 2018: 3.0 percent) among controlled projects. Toll revenue of Cangyu Expressway dropped 17.9 percent to RMB33.6 million in the Reporting Period mainly due to the impact of diversion of trucks upon completion and commencement of operation of all sections of Wuzhou Ring Expressway since December 2018 and diversion of traffic since completion of upgrading and transformation of the X184 County Road since July 2018.

Cost of services

In the Reporting Period, the total cost of services of the Group amounted to RMB404.5 million (same period in 2018: RMB373.3 million), representing an increase of RMB31.2 million or 8.4 percent as compared with same period in 2018. Cost ratio (cost of services/revenue) was 29.3 percent in the Reporting Period being 2.1 percentage point higher than same period in 2018.

Analysis of cost of services by each controlled project

Controlled Projects	Reporting Period RMB'000	Percentage of total %	First half of 2018 RMB'000	Percentage of total %	Change %
GNSR Expressway	134,693	33.3	123,233	33.0	9.3
Suiyuanan Expressway	72,398	17.9	71,450	19.1	1.3
Weixu Expressway	57,543	14.2	53,151	14.3	8.3
Changzhu Expressway	56,371	13.9	45,373	12.2	24.2
Han-Xiao Expressway	34,836	8.6	31,324	8.4	11.2
Jinxiong Expressway	30,144	7.5	31,786	8.5	-5.2
Cangyu Expressway	18,484	4.6	16,949	4.5	9.1
Total	404,469	100.0	373,266	100.0	8.4

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of cost of services by nature

	Reporting Period RMB'000	Percentage of total %	First half of 2018 RMB'000	Percentage of total %	Change %
Amortisation of intangible operating rights	302,923	74.9	276,930	74.2	9.4
Staff costs	57,490	14.2	48,092	12.9	19.5
Toll highways and bridges operating expenses	17,665	4.4	18,831	5.0	-6.2
Toll highways and bridges maintenance expenses	16,661	4.1	19,275	5.2	-13.6
Taxes and surcharges	5,190	1.3	5,718	1.5	-9.2
Depreciation of other fixed assets	4,540	1.1	4,420	1.2	2.7
Total	404,469	100.0	373,266	100.0	8.4

Gross profit

Gross profit in the Reporting Period decreased by 2.1 percent to RMB976.4 million. Gross profit margin in the Reporting Period was 70.7 percent being 2.1 percentage point lower than same period in 2018.

Analysis of gross profit by each controlled project

Controlled Projects	Reporting Period		First half of 2018	
	Gross Profit RMB'000	Gross Profit Margin ⁽¹⁾	Gross Profit RMB'000	Gross Profit Margin ⁽¹⁾
GNSR Expressway	438,010	76.5%	432,099	77.8%
Suiyuan Expressway	255,052	77.9%	235,553	76.7%
Weixu Expressway	143,162	71.3%	158,974	74.9%
Changzhu Expressway	60,132	51.6%	77,119	63.0%
Han-Xiao Expressway	50,103	59.0%	54,148	63.4%
Cangyu Expressway	15,066	44.9%	23,892	58.5%
Jinxiong Expressway	14,916	33.1%	15,957	33.4%
Total	976,441	70.7%	997,742	72.8%

⁽¹⁾ Gross profit margin = Gross profit/revenue

MANAGEMENT DISCUSSION AND ANALYSIS

General and administrative expenses

The Group's general and administrative expenses in the Reporting Period amounted to RMB98.5 million representing a decrease of 11.0 percent from RMB110.7 million for the same period in 2018 mainly due to the decrease in administrative staff cost of RMB11.1 million.

Other income, gains and losses — net

The Group's other income, gains and losses — net was a gain of RMB26.5 million in the Reporting Period, which represented a decrease of RMB1.7 million over the same period in 2018.

Finance income/Finance costs

The Group's finance income in the Reporting Period amounted to RMB14.9 million (same period in 2018: RMB64.3 million) which was 76.8 percent lower than same period in 2018. The decrease was mainly due to (i) the decrease in exchange gain on notes payable of RMB37.5 million and (ii) the decrease in bank interest income of RMB11.4 million in the Reporting Period as compared with the same period in 2018.

The Group's finance costs in the Reporting Period decreased by 40.2 percent to RMB160.7 million as compared with same period in 2018 of RMB268.9 million, mainly due to (i) decrease in fair value loss on derivative financial instruments of RMB50.7 million, (ii) decrease in exchange loss on bank borrowings of RMB37.5 million, and (iii) the decrease in interest expense of RMB31.0 million mainly resulting from the decrease in average bank borrowings during the Reporting Period. The Group's overall weighted average interest rate in the Reporting Period was 4.11 percent, which remained at the same level as compared with that if interest rate for notes payable was excluded for the same period in 2018.

Share of results of associates and a joint venture

The Group's share of results of associates and a joint venture has increased by 0.9 percent in the Reporting Period to RMB216.0 million.

Share of post-tax profit of Humen Bridge in the Reporting Period decreased by 22.8 percent to RMB75.6 million. Toll revenue at the project company level has decreased by 19.1 percent to RMB658.9 million in the Reporting Period mainly due to the diversion upon commencement of operation of Nansha Bridge since April 2019 and the truck restrictions on Humen Bridge in certain timeslots since March 2019.

Share of post-tax profit of Northern Ring Road in the Reporting Period increased by 38.3 percent to RMB61.4 million. Toll revenue at the project company level dropped by 2.0 percent to RMB374.4 million in the Reporting Period mainly due to the implementation of the measure restricting the passage of certain heavy trucks since August 2018. For the increase in share of post-tax profit of RMB17.0 million, it is mainly because Northern Ring Road was granted with a 3-year tax relief during the Reporting Period and as a result the share of post-tax profit (attributable to the Group) recorded an increase of RMB20.0 million where RMB13.8 million was attributed to last financial year and RMB6.2 million was attributed to the Reporting Period.

Share of post-tax profit of Shantou Bay Bridge in the Reporting Period decreased by 4.0 percent to RMB15.8 million. Toll revenue at the project company level decreased by 4.8 percent to RMB97.8 million mainly due to the diversion effect of certain trucks as a result of the commencement of operation of Jiehui Expressway (Phase II) since October 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

Share of post-tax profit of Qinglian Expressway in the Reporting Period increased by 37.8 percent to RMB18.0 million. Toll revenue at the project company level grew 9.0 percent to RMB422.0 million benefiting from the network integration effect brought by the commencement of operation of Qingxi Bridge and its connection roads since September 2018.

Share of post-tax profit of GWSR Expressway in the Reporting Period increased by 7.2 percent to RMB45.3 million. Toll revenue at the project company level grew 2.2 percent to RMB274.7 million mainly due to the implementation of the measure restricting the passage of certain heavy trucks on Northern Ring Road from August 2018 and as a result some trucks were diverted to the GWSR Expressway.

Analysis of share of results of associates and a joint venture and respective toll revenue

	Profit Sharing ratio %	Toll revenue		Share of results	
		Reporting Period RMB'000	YoY change %	Reporting Period RMB'000	YoY change %
Associates					
Humen Bridge	18.446	658,928	-19.1	75,605	-22.8
Northern Ring Road	24.3	374,437	-2.0	61,397	38.3
Shantou Bay Bridge	30.0	97,812	-4.8	15,773	-4.0
Qinglian Expressway	23.63	422,006	9.0	17,989	37.8
Sub-total		1,553,183	-7.9	170,764	-0.6
Joint venture					
GWSR Expressway	35.0	274,671	2.2	45,272	7.2
Total		1,827,854	-6.5	216,036	0.9

Income tax expense

Total income tax expense of the Group in the Reporting Period recorded a period-to-period decrease of 66.0 percent mainly because (i) no one-off provision was made during the Reporting Period whereas a one-off provision was made in the first half of 2018 for the direct reinvestment by the Company with its PRC subsidiary's distributed profit and (ii) GNSR Expressway was granted with a 3-year tax relief during the Reporting Period and as a result the income tax expenses recorded a decrease of RMB144.0 million where RMB95.9 million was attributed to last financial year and RMB48.1 million was attributed to the Reporting Period.

Profit attributable to shareholders of the Company

The Company reported profit attributable to its shareholders of RMB635.1 million in the Reporting Period, an increase of 37.3 percent as compared with same period in 2018. The increase was mainly due to (i) the drop in net finance cost, (ii) the 3-year tax relief was granted to GNSR Expressway, and (iii) no one-off provision was made for the direct reinvestment by the Company with its PRC subsidiary's distributed profit during the Reporting Period.

Given management team's continuous effort in optimizing the overall debt structure of the Group and as part of this process, there were inter-company loan interests incurred on the controlled projects level and the corporate entities level which would be eliminated ultimately at the consolidated level.

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of the profit attributable to shareholders of the Company after elimination of inter-company loan interests

	Reporting Period RMB'000	Percentage of total %	First half of 2018 RMB'000	Percentage of total %	Change %
Net profit from controlled projects	566,983	72.4	474,668	68.9	19.4
Net profit from non-controlled projects ⁽¹⁾	216,036	27.6	214,020	31.1	0.9
Net profit from projects	783,019	100.0	688,688	100.0	13.7
Withholding tax on					
PRC dividends/income	(30,240)		(87,444)		-65.4
Corporate expenses	(69,050)		(55,278)		24.9
Corporate income/gains, net	2,679		1,299		106.2
Corporate finance income	10,406		61,296		-83.0
Corporate finance costs	(61,744)		(146,138)		-57.7
Profit attributable to shareholders of the Company	635,070		462,423		37.3

⁽¹⁾ Representing share of results of associates and a joint venture

Net profit derived from controlled projects amounted to RMB567.0 million in the Reporting Period, accounted for 72.4 percent (same period in 2018: 68.9 percent). The net profit from non-controlled projects amounted to RMB216.0 million in the Reporting Period, accounted for 27.6 percent (same period in 2018: 31.1 percent).

Analysis of net profit by each controlled project after elimination of inter-company loan interests

Controlled Projects	Reporting Period RMB'000	Percentage of total %	First half of 2018 RMB'000	Percentage of total %	Change %
GNSR Expressway	287,761	36.7	193,543	28.1	48.7
Weixu Expressway	102,320	13.1	108,584	15.7	-5.8
Suiyuanan Expressway	102,003	13.0	85,761	12.5	18.9
Changzhu Expressway	28,551	3.6	40,544	5.9	-29.6
Han-Xiao Expressway	26,442	3.4	21,119	3.1	25.2
Cangyu Expressway	14,164	1.8	19,280	2.8	-26.5
Jinxiong Expressway	5,961	0.8	6,411	0.9	-7.0
Xian Expressway	(219)	-0.0	(574)	-0.1	-61.8
Total	566,983	72.4	474,668	68.9	19.4

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of net profit by each controlled project before elimination of inter-company loan interests

Controlled Projects	Reporting Period RMB'000	Percentage of total %	First half of 2018 RMB'000	Percentage of total %	Change %
GNSR Expressway	287,761	36.7	193,543	27.8	48.7
Weixu Expressway	102,320	13.0	108,584	15.6	-5.8
Suiyuanan Expressway	107,695	13.7	91,670	13.2	17.5
Changzhu Expressway	20,953	2.7	34,409	5.0	-39.1
Han-Xiao Expressway	30,099	3.8	28,855	4.1	4.3
Cangyu Expressway	14,164	1.8	19,267	2.8	-26.5
Jinxiong Expressway	5,961	0.8	6,411	0.9	-7.0
Xian Expressway	(219)	-0.0	(574)	-0.1	-61.8
Total	568,734	72.5	482,165	69.3	18.0

In the Reporting Period, net profit from non-controlled projects (which were all toll projects with analysis shown in the aforementioned table "Analysis of share of results of associates and a joint venture and respective toll revenue") has increased 0.9 percent to RMB216.0 million as compared with same period in 2018.

Profits attributable to the shareholders of the Company from Humen Bridge, Northern Ring Road, Shantou Bay Bridge, Qinglian Expressway and GWSR Expressway accounted for 9.7 percent (same period in 2018: 14.2 percent), 7.8 percent (same period in 2018: 6.5 percent), 2.0 percent (same period in 2018: 2.4 percent), 2.3 percent (same period in 2018: 1.9 percent) and 5.8 percent (same period in 2018: 6.1 percent) of the net profit from projects respectively.

At the corporate level, the withholding tax on PRC dividends/income decreased by RMB57.2 million mainly because the one-off provision of RMB70.0 million withholding tax in 2018 when the Company made direct reinvestment with its PRC subsidiary's distributed profit. The decrease in corporate finance income of RMB50.9 million was mainly due to the decrease in exchange gain on notes payable of RMB37.5 million. In addition, the corporate finance cost dropped by RMB84.4 million mainly due to decrease in fair value loss on derivative financial instruments of RMB50.7 million and decrease in exchange loss of RMB26.5 million. The corporate income/gains, net and the corporate expense remained at a similar level as the same period in 2018.

Interim dividend

The Board of Directors resolved to declare an interim dividend for 2019 of HK\$0.18 which is equivalent to approximately RMB0.1619939 (2018: HK\$0.15 which was equivalent to approximately RMB0.1305345) per share payable on or about 29 November 2019 to shareholders whose names appear on the register of members of the Company on 14 November 2019. Interim dividend payout ratio of 42.7 percent (2018: 47.2 percent).

Dividend payable to shareholders will be paid in Hong Kong dollars ("HK\$"). The exchange rate adopted by the Company for its dividend payable is the average middle rate of HK\$ to RMB, as announced by the People's Bank of China, for the five business days preceding the date of declaration of dividends.

MANAGEMENT DISCUSSION AND ANALYSIS

III. ANALYSIS OF FINANCIAL POSITION

Key financial position figures

	(Unaudited) 30 June 2019 RMB'000	31 December 2018 RMB'000	Change %
Total assets	22,236,548	22,739,750	-2.2
Total liabilities	9,444,072	10,332,171	-8.6
Short-term bank deposits, cash and cash equivalents	2,186,843	2,393,222	-8.6
Total debts	6,819,097	7,613,062	-10.4
Of which: bank borrowings	4,641,102	5,399,276	-14.0
Corporate bonds	1,986,664	1,995,622	-0.4
Current ratio	3.2 times	1.6 times	
EBITDA interest coverage	9.8 times	8.2 times	
Equity attributable to the shareholders of the Company	10,360,175	10,071,871	2.9

Assets, Liabilities and Equity

As at 30 June 2019, the Group's total assets amounted to RMB22.2 billion which was 2.2 percent lower than that balance as at 31 December 2018. The Group's total assets comprised mainly of intangible operating rights of RMB17.1 billion (31 December 2018: RMB17.4 billion); investments in a joint venture and associates of RMB1.91 billion (31 December 2018: RMB1.93 billion); and short-term bank deposits, cash and cash equivalents of RMB2.2 billion (31 December 2018: RMB2.4 billion).

As at 30 June 2019, the Group's total liabilities amounted to RMB9.4 billion which was 8.6 percent lower than the balance as at 31 December 2018. The Group's total liabilities comprised mainly of bank borrowings of RMB4.6 billion (31 December 2018: RMB5.4 billion); corporate bonds in aggregate of RMB2.0 billion (31 December 2018: RMB2.0 billion); loans from non-controlling interests of RMB96.8 million (31 December 2018: RMB98.5 million); loan from a joint venture of RMB94.5 million (31 December 2018: RMB94.5 million) and deferred income tax liabilities of RMB2.10 billion (31 December 2018: RMB2.09 billion).

As at 30 June 2019, the Group's total equity increased by RMB384.9 million to RMB12.8 billion (31 December 2018: RMB12.4 billion), of which RMB10.4 billion was attributable to the shareholders of the Company (31 December 2018: RMB10.1 billion).

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of major assets, liabilities and equity items

Items	(Unaudited) 30 June 2019 RMB'000	31 December 2018 RMB'000	Change %
Total assets	22,236,548	22,739,750	-2.2
Approximately 90.0% of which:			
Intangible operating rights	17,121,388	17,419,156	-1.7
Investments in a joint venture and associates	1,912,935	1,929,118	-0.8
Short-term bank deposits, cash and cash equivalents	2,186,843	2,393,222	-8.6
Of which: cash and cash equivalents	2,186,843	2,393,222	-8.6
Total liabilities	9,444,072	10,332,171	-8.6
Approximately 90.0% of which:			
Bank borrowings – due within 1 year	113,480	511,249	-77.8
– long-term portion	4,527,622	4,888,027	-7.4
Corporate bonds – due within 1 year	198,322	498,068	-60.2
– long-term portion	1,788,342	1,497,554	19.4
Loans from non-controlling interests	96,831	98,469	-1.7
Loan from a joint venture	94,500	94,500	—
Deferred income tax liabilities	2,100,102	2,086,455	0.7
Total equity	12,792,476	12,407,579	3.1
Of which: Attributable to the shareholders of the Company	10,360,175	10,071,871	2.9

Cash flows

It has been the primary objective of the Group to focus on preventing risk and improving liquidity. The Group has maintained an appropriate level of cash on hand so as to prevent liquidity risk. As at the end of the Reporting Period, the Group's cash and cash equivalents amounted to RMB2,186.8 million which was 8.6 percent lower than the level at 31 December 2018. The Group's cash was deposited in commercial banks, with no deposit in non-bank institutions.

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of cash flow movement

	(Unaudited)	
	Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
Net cash generated from operating activities	1,023,375	967,042
Net cash generated from investing activities	188,420	278,329
Net cash used in financing activities	(1,416,137)	(1,330,338)
Decrease in cash and cash equivalents	(204,342)	(84,967)
Cash and cash equivalents at 1 January	2,393,222	2,842,452
Effect of exchange rate changes on cash and cash equivalents	(2,037)	21,448
Cash and cash equivalents at 30 June	2,186,843	2,778,933

Net cash generated from operating activities during the Reporting Period amounted to RMB1,023.4 million (30 June 2018: RMB967.0 million) which cash generated from operations of RMB1,109.9 million (30 June 2018: RMB1,143.3 million) less China enterprise income tax and withholding tax paid of RMB86.5 million (30 June 2018: RMB176.3 million).

Net cash generated from investing activities during the Reporting Period amounted to RMB188.4 million (30 June 2018: RMB278.3 million). The inflow mainly consisted of dividend distributions from associates and a joint venture of RMB196.3 million (30 June 2018: RMB174.1 million); interest received in aggregate of RMB12.8 million (30 June 2018: RMB24.3 million) and proceeds from compensation arrangement of RMB12.7 million (30 June 2018: RMB11.8 million). There were no proceeds from disposal of fixed assets (30 June 2018: RMB0.1 million) and no cash proceed originally placed to bank for fixed deposits with original maturity over 3 months (30 June 2018: RMB115.7 million). The outflow was mainly capital expenditures of RMB33.4 million (30 June 2018: RMB47.7 million).

Net cash used in financing activities during the Reporting Period amounted to RMB1,416.1 million (30 June 2018: RMB1,330.3 million). The outflow mainly included repayment of bank borrowings amounted to RMB761.4 million (30 June 2018: RMB105.7 million); payment of finance costs and related fees of RMB146.5 million (30 June 2018: RMB223.3 million); dividends paid to the shareholders of the Company of RMB346.2 million (30 June 2018: RMB310.0 million); dividend paid to non-controlling interests of RMB144.0 million (30 June 2018: Nil); repayment of corporate bonds of RMB10.0 million (30 June 2018: Nil); repayments of loans from non-controlling interest of subsidiaries in the Reporting Period of RMB2.1 million (30 June 2018: RMB1.8 million) and payment for lease liabilities (including interest) of RMB5.9 million (30 June 2018: Nil). There were no repayment of notes payable (30 June 2018: RMB1,523.0 million) in the Reporting Period. There was no inflow for financing activities (30 June 2018: drawdown of bank borrowings of RMB833.5 million) in the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Current ratio

The current ratio (current assets over current liabilities) as at 30 June 2019 was 3.2 times (31 December 2018: 1.6 times). The current assets balance as at 30 June 2019 was RMB2,399.0 million (31 December 2018: RMB2,591.1 million) and current liabilities balance was RMB749.3 million (31 December 2018: RMB1,584.1 million). Cash and cash equivalents were the major components of the Group's current assets with a balance as at 30 June 2019 of RMB2,186.8 million (31 December 2018: RMB2,393.2 million). Included in the Group's current liabilities as at 30 June 2019 were short-term borrowings (i.e. maturities within one year) of RMB311.8 million (31 December 2018: RMB1,009.3 million), including bank borrowings of RMB113.5 million and corporate bonds of RMB198.3 million. Management will continue to take a prudent approach to effectively match the existing cash, future operating cash flow and cash return from investments with capital and debt commitments to minimize liquidity risk.

EBITDA interest coverage and other financial ratios

EBITDA interest coverage for the period ended 30 June 2019 was 9.8 times (30 June 2018: 8.1 times) which was measured as the ratio of earnings before interests, tax, depreciation and amortisation ("EBITDA") to interest expenses (profit and loss impact).

EBITDA to total external debt ratio for the period ended 30 June 2019 was 21.9 percent (30 June 2018: 17.1 percent) which was measured as the ratio of EBITDA to the aggregate balance of bank borrowings and corporate bonds ("total external debts").

Profit before interest and income tax interest coverage for the period ended 30 June 2019 was 7.7 times (30 June 2018: 6.5 times) which was measured as the ratio of profit before interest and tax to interest expenses (profit and loss impact).

Cash interest coverage for the period ended 30 June 2019 was 8.6 times (30 June 2018: 6.9 times) which was measured as the ratio of cash generated from operating activities and interest expense (cashflow impact) to interest expenses (cashflow impact).

Capital expenditures and investments

During the Reporting Period, total capital expenditures amounted to RMB33.4 million (same period in 2018: RMB47.7 million). Capital expenditures related to intangible operating rights and fixed assets are: (1) payments of construction costs of toll highways and bridges upgrade services of RMB31.1 million (same period in 2018: RMB40.7 million) and (2) purchase of property, plant and equipment of RMB2.3 million (same period in 2018: RMB7.0 million). Apart from the aforementioned, no material capital expenditures was incurred during the Reporting Period. Going forward, the management believes that the Group's steady operating cash flow and appropriate financing arrangements can satisfy its future capital expenditures and investments needs.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital structures

It is also one of the Group's financial policies to maintain a rational capital structure which aims to enhance profitability on one hand while ensuring financial leverage ratios to remain at safe levels on the other hand.

Analysis of capital structures

	(Unaudited) 30 June 2019 RMB'000	31 December 2018 RMB'000
Total external debts		
Bank borrowings	4,641,102	5,399,276
Corporate bonds ¹	1,986,664	1,995,622
Loans from non-controlling interests	96,831	98,469
Loan from a joint venture	94,500	94,500
Amount due to a joint venture	—	25,195
Total debts	6,819,097	7,613,062
Less: cash and cash equivalents	(2,186,843)	(2,393,222)
Net debt	4,632,254	5,219,840
Total Equity	12,792,476	12,407,579
Of which: Equity attributable to the shareholders of the Company	10,360,175	10,071,871
Total capitalization (Net debt + Total equity)	17,424,730	17,627,419
Financial ratios		
Gearing ratio (net debt/total capitalization)	26.6%	29.6%
Debt to Equity ratio (net debt/total equity)	36.2%	42.1%
Total liabilities/Total assets ratio	42.5%	45.4%

¹ Basic summary information of corporate bonds:

	RMB300 million five-year corporate bonds (Phase 1)	RMB700 million seven-year corporate bonds (Phase 1)	RMB200 million five-year corporate bonds (Phase 2)	RMB800 million seven-year corporate bonds (Phase 2)
Drawdown date:	22 March 2016	22 March 2016	28 October 2016	28 October 2016
Principal:	RMB290 million	RMB700 million	RMB200 million	RMB800 million
Principal repayment date:	21 March 2021	21 March 2023	26 October 2021	26 October 2023
Coupon rate (per annum):	4.10%	3.38%	2.90%	3.18%
Upcoming interest payment date:	21 March 2020	21 March 2020	26 October 2019	26 October 2019
Stock Exchange:	The Shanghai Stock Exchange	The Shanghai Stock Exchange	The Shanghai Stock Exchange	The Shanghai Stock Exchange

Financing structures

In a way to ensure the Group is carrying out its financing activities at a safe leverage level, the Company is keeping a close watch on the Group's overall borrowing structure from time to time, so as to optimize its debt portfolio further. In order to effectively maintain a cost-efficient funding to its overall funding needs, the Group will, on one hand, continue to maintain close banking relationship with financial institutions both in Hong Kong and China to capitalize on the different levels of liquidity offered by, and to take advantage of the cost differentials, not only of these two markets but also of international markets; and on the other hand, strike a balance between lowering the interest rate and mitigating exchange risk exposure. As at the end of the Reporting Period, the Group's total debts comprised of bank borrowings, corporate bonds, loans from non-controlling interests, loan from a joint venture and amount due to a joint venture. Debt with foreign exchange risk exposure as at 30 June 2019 was approximately RMB434.6 million (31 December 2018: approximately RMB431.3 million), the hedging cost was locked by forward contract.

As at 30 June 2019, the Group's total external debts in aggregate was RMB6.6 billion (31 December 2018: RMB7.4 billion) composed of bank borrowings amounted to RMB4.6 billion (31 December 2018: RMB5.4 billion) and corporate bonds of RMB2.0 billion (31 December 2018: RMB2.0 billion). Onshore and offshore debts ratio was 93.4 percent and 6.6 percent (31 December 2018: 94.2 percent and 5.8 percent). Secured external debt ratio was 63.5 percent (31 December 2018: 63.1 percent). The effective interest rate of total external debt at 30 June 2019 was 4.12 percent (31 December 2018: 4.09 percent). Bank borrowings of RMB4.4 billion was at floating rates and RMB242.5 million was at fixed rates with the overall effective interest rate of 4.39 percent at 30 June 2019 (31 December 2018: 4.37 percent). Corporate bonds (in four tranches) were at fixed rates with coupon rates of 4.10 percent, 3.38 percent, 2.90 percent and 3.18 percent respectively with overall effective interest rate at 3.50 percent as at 30 June 2019 (31 December 2018: 3.36 percent).

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of total external debt (bank borrowings and corporate bonds)

	(Unaudited) 30 June 2019 Percentage of total	31 December 2018 Percentage of total
Source		
Onshore	93.4%	94.2%
Offshore	6.6%	5.8%
	100.0%	100.0%
Repayment term		
Within 1 year	4.7%	13.6%
1 to 2 year	19.9%	3.1%
More than 2 years and less than 5 years	28.2%	38.9%
Above 5 years	47.2%	44.4%
	100.0%	100.0%
Currency		
RMB	93.4%	94.2%
HKD	6.6%	5.8%
	100.0%	100.0%
Interest rate		
Fixed	33.6%	34.4%
Floating	66.4%	65.6%
	100.0%	100.0%
Terms of credit		
Secured	63.5%	63.1%
Unsecured	36.5%	36.9%
	100.0%	100.0%

Loans from non-controlling interests of certain subsidiaries were unsecured, interest-free, long-term and denominated in RMB. The carrying amounts of these loans approximate their fair values which were calculated based on cash flows discounted at a rate of 4.35 percent (31 December 2018: 4.35 percent) per annum.

Loan from a joint venture was unsecured, long-term and denominated in RMB which carried interest at 4.275%.

Amount due to a joint venture was unsecured, interest-free, repayable on demand and denominated in RMB.

MANAGEMENT DISCUSSION AND ANALYSIS

Foreign-currency denominated assets and liabilities

The Group's businesses are principally conducted in the PRC and its functional currency is RMB. Except that certain fund-raising exercises were conducted in Hong Kong, all of its revenue, operating expenses, capital expenditures and approximately 93.4 percent (31 December 2018: 94.2 percent) of its external debts are denominated in RMB. As at the end of the Reporting Period, the Group's foreign-currency denominated assets and liabilities mainly includes cash and cash equivalent of HK\$33.9 million (equivalent to approximately RMB29.8 million); and has an external debt of HK\$494.0 million (equivalent to approximately RMB434.6 million). The Group had entered into forward contracts to hedge the foreign exchange risk in the Reporting Period. As the foreign exchange market is still volatile, the Group will continue to review and assess closely its foreign currency exposure.

IV. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2019, the Group had capital commitments related to intangible operating rights and property, plant and equipment, of which approximately RMB25.8 million being contracted but not provided for.

Except for the aforementioned, the Group had no material capital commitments as at 30 June 2019. There were no significant contingent liabilities as at 30 June 2019.

V. EMPLOYEES

As at 30 June 2019, the Group had approximately 1,493 employees of whom about 1,312 were directly engaged in the daily operation, management and supervision of toll projects. The Group remunerates its employees largely based on industry practice, including contributory provident funds and other staff benefits.

VI. CONTINUING DISCLOSURE REQUIREMENTS UNDER RULE 13.21 OF THE LISTING RULES

A facility agreement of the Company includes a condition that imposes one or more of the following specific performance obligations on Yue Xiu Enterprises (Holdings) Limited ("Yue Xiu"), the controlling shareholder of the Company:

- (i) Yue Xiu remains as the single largest shareholder of the Company;
- (ii) Yue Xiu maintains a direct or indirect shareholding interest of not less than 35% in the issued voting share capital of the Company;
- (iii) Yue Xiu maintains an effective management control over the Company.

As at 30 June 2019, the balance of the facility agreement subject to the above conditions was HKD500,000,000, such facility agreement will expire on 29 March 2023.

Breach of the above specific performance obligations will constitute an event of default. Upon the occurrence of such event of default, the relevant bank may declare the relevant facility to be terminated and all the indebtedness under the relevant facility would become immediately due and payable.

These obligations have been duly complied with for the six months ended 30 June 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PROSPECTS

Outlook of macro-economy and future regulatory environment of the sector

The growth of global economic activities was significantly affected and slowed down in 2019 due to a complex of reasons, for instance, the intensified trade dispute between major economies such as the US and China, rising consciousness of populism and uncertainties brought by Brexit. In addition, many of central banks, including the Federal Reserve System of the US, have cut interest rates successively in 2019, leading to signs of easing monetary policy globally.

In the face of a complicated international economic environment, the Central Government adheres to the general tone of stable and steady progress, and has adopted a series of policies assuring economic growth. With a combination of prudent monetary policies and proactive fiscal policies as well as a more comprehensive implementation of tax cut and fees reduction policies, the Central Government aims at maintaining the trend of a good progress in an overall stability of the economy. Looking forward, the Central Government will continue to promote development with high quality, driven by a focus on the reform of supply side together with stable macro-policies and flexible micro-policies.

Highway plays an important role in the modern transportation system which contributes to economic development. With the solid growth of China's economy, consumer expenditure is rising steadily, tourism and logistics sectors are prospering. All these have provided strong support for the growth of highway industry. In the first half of the year, policies regarding toll road industry have remained stable. The removal of highway toll stations on provincial boundaries and speeding up of promotion and application of ETC will improve efficiency of the expressway network. This could lower the operating costs of the industry and facilitate the sustainable development of the sector in the medium and long term.

Development Strategy and Investment Opportunities

Since its establishment, the Group has been adhering to an proactive and steady development strategy. Given the national strategy of "the Rise of Central China" and the policy of "Promoting the Rise of Central China (2016-2025)" promulgated by the National Development and Reform Commission, the Group seeks to expand its investments in highway projects in central provinces with a higher level of industrialization and urbanization, such as Hubei, Hunan and Henan, and has developed the strategy of "Presence in the Guangdong-Hong Kong-Macau Greater Bay Area and to advance in Central China". While proactively exploring investment opportunities, the Group values its investment grade credit ratings and the maintenance of such ratings is one of the major considerations in its investment decision making. The management understands that by maintaining credit ratings of investment grade by the three major international rating agencies, namely Moody, Standard & Poor and Fitch, the Group would be in a better position to secure debt financing at lower cost.

In furtherance of the Group's development strategy of "Presence in the Guangdong-Hong Kong-Macau Greater Bay Area and to advance in Central China", the Group has been proactively seeking for investment opportunities in quality roads in Central China that have surroundings with relatively strong growth potential. The Group has entered into negotiation with a subsidiary of its controlling shareholder in relation to a proposed acquisition of interests in companies operating three expressways in Hubei Province. The proposed acquisition, if materialised, is expected to constitute a major and connected transaction of the Group under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. No legally binding agreement has been entered into by the Group as at the date of publication of this report on HKEx website.

By Order of the Board

Yuexiu Transport Infrastructure Limited

Li Feng

Chairman

Hong Kong, 28 August 2019

REPORT ON REVIEW ON INTERIM FINANCIAL INFORMATION



羅兵咸永道

Report on Review of Interim Financial Information
To the Board of Directors of Yuexiu Transport Infrastructure Limited
(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 42 to 72, which comprises the interim condensed consolidated balance sheet of Yuexiu Transport Infrastructure Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2019 and the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 August 2019

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INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the Six Months Ended 30 June 2019

	Note	(Unaudited)	
		Six months ended 30 June	
		2019	2018
		RMB'000	RMB'000
Revenue	6	1,380,910	1,371,008
Cost of services	7	(404,469)	(373,266)
Construction income under service concession upgrade services		36,612	36,864
Construction cost under service concession upgrade services		(36,612)	(36,864)
Other income, gains and losses - net	8	26,533	28,215
General and administrative expenses	7	(98,474)	(110,656)
Operating profit		904,500	915,301
Finance income	9	14,896	64,306
Finance costs	9	(160,708)	(268,911)
Share of result of a joint venture		45,272	42,236
Share of results of associates		170,764	171,784
Profit before income tax		974,724	924,716
Income tax expense	10	(99,047)	(291,030)
Profit for the period		875,677	633,686
Profit attributable to:			
Shareholders of the Company		635,070	462,423
Non-controlling interests		240,607	171,263
		875,677	633,686
Earnings per share for profit attributable to shareholders of the Company		RMB	RMB
Basic and diluted earnings per share	11	0.3796	0.2764

The notes on pages 49 to 72 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Six Months Ended 30 June 2019

	(Unaudited)	
	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
Profit for the period	875,677	633,686
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	106	224
Cash flow hedges – movement in hedging reserve	(649)	–
Other comprehensive (loss)/income for the period	(543)	224
Total comprehensive income for the period	875,134	633,910
Total comprehensive income attributable to:		
Shareholders of the Company	634,527	462,647
Non-controlling interests	240,607	171,263
	875,134	633,910

The notes on pages 49 to 72 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2019

	Note	(Unaudited) As at 30 June 2019 RMB'000	(Audited) As at 31 December 2018 RMB'000
ASSETS			
Non-current assets			
Intangible operating rights	13	17,121,388	17,419,156
Goodwill		632,619	632,619
Property, plant and equipment	13	81,141	83,297
Investment properties	13	38,633	38,538
Right-of-use assets	13	16,099	—
Investment in a joint venture		427,588	454,272
Investments in associates		1,485,347	1,474,846
Other non-current receivables	14	34,777	45,883
		19,837,592	20,148,611
Current assets			
Trade receivables	15	129,196	122,211
Other receivables, deposits and prepayments		71,069	70,988
Amount due from an associate	23	—	4,708
Amount due from a joint venture	23	11,848	—
Short-term bank deposits, cash and cash equivalents		2,186,843	2,393,222
		2,398,956	2,591,139
Total assets		22,236,548	22,739,750
EQUITY			
Equity attributable to the shareholders of the Company			
Share capital	16	147,322	147,322
Reserves		10,212,853	9,924,549
		10,360,175	10,071,871
Non-controlling interests		2,432,301	2,335,708
Total equity		12,792,476	12,407,579

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2019

		(Unaudited) As at 30 June 2019 RMB'000	(Audited) As at 31 December 2018 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	17	4,718,953	5,080,996
Corporate bonds	20	1,788,342	1,497,554
Contract liabilities	18	78,680	83,030
Deferred income tax liabilities	19	2,100,102	2,086,455
Derivative financial instruments		2,935	—
Lease liabilities		5,791	—
		8,694,803	8,748,035
Current liabilities			
Borrowings	17	113,480	511,249
Corporate bonds	20	198,322	498,068
Amounts due to non-controlling interests of a subsidiary	23	1,611	1,611
Amounts due to holding companies	23	11	679
Amount due to a joint venture	23	—	25,195
Trade and other payables and accrued charges	21	337,041	452,331
Contract liabilities	18	8,886	8,886
Lease liabilities		10,488	—
Current income tax liabilities		79,430	86,117
		749,269	1,584,136
Total liabilities		9,444,072	10,332,171
Total equity and liabilities		22,236,548	22,739,750

The notes on pages 49 to 72 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Six Months Ended 30 June 2019

	(Unaudited)	
	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
Cash flows from operating activities		
Cash generated from operations	1,109,831	1,143,382
China enterprise income tax and withholding tax paid	(86,456)	(176,340)
Net cash inflow from operating activities	1,023,375	967,042
Cash flows from investing activities		
Payments of construction costs under service concession upgrade services	(31,092)	(40,665)
Proceeds from compensation arrangements	12,710	11,770
Proceeds from disposal of property, plant and equipment	—	60
Purchase of property, plant and equipment	(2,345)	(7,007)
Dividend received from a joint venture	36,955	—
Dividends received from associates	159,340	174,178
Decrease in short-term bank deposits, net	—	115,732
Interest received	12,852	24,261
Net cash inflow from investing activities	188,420	278,329
Cash flows from financing activities		
Proceeds from bank borrowings	—	833,490
Repayment of bank borrowings	(761,405)	(105,686)
Payment of bank facilities fees	(570)	(16,467)
Repayment of corporate bond	(10,000)	—
Repayment of notes payable	—	(1,522,980)
Repayment of loans from non-controlling interests of sub-sidiaries	(2,118)	(1,822)
Dividends paid to the shareholders of Company	(346,223)	(310,022)
Dividends paid to non-controlling interests	(144,014)	—
Interest paid	(145,929)	(206,851)
Payment for lease liabilities (including interest)	(5,878)	—
Net cash outflow from financing activities	(1,416,137)	(1,330,338)
Net decrease in cash and cash equivalents	(204,342)	(84,967)
Cash and cash equivalents at 1 January	2,393,222	2,842,452
Effects of exchange rate changes on cash and cash equivalents	(2,037)	21,448
Cash and cash equivalents at 30 June	2,186,843	2,778,933
Analysis of cash and cash equivalents:		
Bank balances and cash	2,186,843	2,778,933

The notes on pages 49 to 72 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six Months Ended 30 June 2019

	(Unaudited)										
	Attributable to shareholders of the Company										
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Exchange fluctuation reserve RMB'000	Statutory reserves RMB'000	Hedging reserve RMB'000	Retained earnings RMB'000	Asset revaluation reserve RMB'000	Transaction with non- controlling interests reserve RMB'000	Non- controlling interests RMB'000	Total RMB'000
Balance at 1 January 2019	147,322	2,375,743	1,501,716	421,725	162,876	–	4,969,974	558,250	(65,735)	2,335,708	12,407,579
Comprehensive income											
Profit for the period	–	–	–	–	–	–	635,070	–	–	240,607	875,677
Other comprehensive income											
Currency translation differences	–	–	–	106	–	–	–	–	–	–	106
Cash flow hedges – movement in hedging reserve	–	–	–	–	–	(649)	–	–	–	–	(649)
Total comprehensive income for the period ended 30 June 2019	–	–	–	106	–	(649)	635,070	–	–	240,607	875,134
Transactions with owners:											
Transfers	–	–	–	–	64,132	–	(64,132)	–	–	–	–
2018 Dividends	–	–	–	–	–	–	(346,223)	–	–	(144,014)	(490,237)
	–	–	–	–	64,132	–	(410,355)	–	–	(144,014)	(490,237)
Balance at 30 June 2019	147,322	2,375,743	1,501,716	421,831	227,008	(649)	5,194,689	558,250	(65,735)	2,432,301	12,792,476

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six Months Ended 30 June 2019

	(Unaudited)										
	Attributable to shareholders of the Company										
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Exchange fluctuation reserve RMB'000	Statutory reserves RMB'000	Investment revaluation RMB'000	Retained earnings RMB'000	Asset revaluation reserve RMB'000	Transaction with non-controlling interests reserve RMB'000	Non-controlling interests RMB'000	Total RMB'000
Balance at 1 January 2018	147,322	2,375,743	1,501,716	420,410	112,444	(135)	4,494,833	558,250	(65,735)	2,272,556	11,817,404
Comprehensive income											
Profit for the period	-	-	-	-	-	-	462,423	-	-	171,263	633,686
Other comprehensive income											
Currency translation differences	-	-	-	224	-	-	-	-	-	-	224
Total comprehensive income for the period ended 30 June 2018	-	-	-	224	-	-	462,423	-	-	171,263	633,910
Transactions with owners:											
Transfers	-	-	-	-	2,405	-	(2,405)	-	-	-	-
2017 Dividends	-	-	-	-	-	-	(310,022)	-	-	(157,796)	(467,818)
	-	-	-	-	2,405	-	(312,427)	-	-	(157,796)	(467,818)
Balance at 30 June 2018	147,322	2,375,743	1,501,716	420,634	114,849	(135)	4,644,829	558,250	(65,735)	2,286,023	11,983,496

The notes on pages 49 to 72 form an integral part of this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

Yuexiu Transport Infrastructure Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are principally engaged in investment in and development, operation and management of expressways and bridges mainly in Guangdong Province and other high-growth provinces in the People’s Republic of China (the “PRC”).

The Company is an exempted company incorporated under the laws of Bermuda. The address of its registered office is Canon’s Court, 22 Victoria Street, Hamilton HM12, Bermuda and its principal place of business in Hong Kong is 17A, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

This interim condensed consolidated financial information (“Financial Information”) is presented in Renminbi (“RMB”), unless otherwise stated. This Financial Information has been approved for issue by the Board of Directors of the Company on 28 August 2019.

2 BASIS OF PREPARATION

This Financial Information for the six months ended 30 June 2019 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting”. The Financial Information should be read in conjunction with the annual financial statements for the year ended 31 December 2018, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

3 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the Group’s annual financial statements for the year ended 31 December 2018, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of new standards, amendments, improvement and interpretation effective for the financial year beginning 1 January 2019.

New standards, amendments, improvement and interpretation

HKAS 19 (Amendment)	Employee benefits
HKAS 28 (Amendment)	Investments in associates and joint ventures
HKFRSs	Annual improvement 2015 – 2017 reporting cycle
HKFRS 9 (Amendment)	Prepayment features with negative compensation and modification of financial liabilities
HKFRS 16	Leases
HK (IFRIC) – Int 23	Uncertainty over income tax treatments

The above new standards, amendments, improvement and interpretation effective for the financial year beginning 1 January 2019 do not have a material impact on the Group, except for HKFRS 16 “Leases” as set out below.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3 ACCOUNTING POLICIES (CONTINUED)

HKFRS 16 “Leases” – Impact of adoption

The Group has adopted HKFRS 16 from 1 January 2019, resulting in changes in accounting policies and adjustments to the amounts recognised in the Financial Information. In accordance with the transition provisions in HKFRS 16, the Group has adopted the simplified approach. The reclassification and the adjustments arising from the new rules are therefore not reflected in the consolidated balance sheet as at 31 December 2018, but are recognised in the opening consolidated balance sheet on 1 January 2019.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of HKAS 17 “Leases”. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.35%.

The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the properties.

The adjustments on the consolidated balance sheet as at 1 January 2019 are summarised below:

Consolidated balance sheet (extract)	31 December 2018 As originally presented RMB'000	Effect of adoption of HKFRS 16 RMB'000	1 January 2019 restated RMB'000
Non-current assets			
Right-of-use assets	—	21,669	21,669
Non-current liabilities			
Lease liabilities	—	11,356	11,356
Current liabilities			
Lease liabilities	—	10,313	10,313
	—	21,669	21,669

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3 ACCOUNTING POLICIES (CONTINUED)

HKFRS 16 “Leases” – Impact of adoption (Continued)

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group leases various properties in PRC and Hong Kong. Rental contracts are typically made for fixed periods of 1 to 3 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee’s incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture.

The Group has also elected not to reassess whether a contract is, or contains, a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and HK (IFRIC) – Int 4 “Determining whether an Arrangement contains a Lease”.

The adoption of HKFRS 16 did not result in any other material impact to the Financial Information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3 ACCOUNTING POLICIES (CONTINUED)

HKFRS 16 “Leases” – Impact of adoption (Continued)

The following new standards, amendments, improvement and interpretation have been issued but are not effective for the financial year beginning 1 January 2019 and have not been early adopted:

New standards, amendment, improvement and interpretation		Effective for accounting periods beginning on or after
HKAS 1 and HKAS 8 (Amendments)	Definition of material	1 January 2020
HKFRS 3 (Amendment)	Definition of a business	1 January 2020
HKFRS 17	Insurance contracts	1 January 2021
HKFRS 10 and HKAS 28 (amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be announced

Management is in the process of making an assessment of the impact of these new standards, amendments, improvement and interpretation in the period of initial application.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Financial Information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2018.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk.

The Financial Information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2018.

There have been no changes in the risk management policies since year end.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial instruments that are measured at fair value as at 30 June 2019. There were no financial instruments measured at fair value as at 31 December 2018.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Derivative financial instruments	—	2,935	—	2,935

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. The fair values of foreign currency forwards contracts are calculated as the present value of the estimated future cash flows based on forward exchange rate. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers among level 1, level 2 and level 3 fair value hierarchy classifications in both periods.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Fair value of financial assets and liabilities measured at amortised cost

The fair value of other non-current receivables and non-current borrowings approximate to the present value of future cash flows discounted at the applicable interest rates and are categorised at level 2. The fair value of corporate bonds is determined by market price of similar instruments as they are not traded in an active market and is categorised at level 2. The carrying amount and fair value of respective financial assets and liabilities measured at amortised cost are as follows:

	Carrying amount		Fair value	
	30 June 2019 RMB'000	31 December 2018 RMB'000	30 June 2019 RMB'000	31 December 2018 RMB'000
Other non-current receivables	34,777	45,883	37,376	49,457
Non-current borrowings	4,718,953	5,080,996	4,762,633	4,815,530
Corporate bonds (due after one year)	1,788,342	1,497,554	1,805,842	1,481,530

The fair value of other financial assets and liabilities approximate their carrying amount.

6 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the operation and management of toll highways and bridges in the PRC. The chief operating decision-maker has been identified as Executive Directors. The Executive Directors review the Group's internal reporting in order to assess performance of the Group's main reporting segment - Toll highways and bridges projects in the PRC. The Executive Directors assess the performance of this main reporting segment based on measurement of profit after income tax for the period. Other operations mainly comprise investment and others. There have been no sales carried out between segments. None of these operations constitutes a separate segment. The financial information provided to the chief operating decision-maker is measured in a manner consistent with that of the Financial Information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

6 REVENUE AND SEGMENT INFORMATION (CONTINUED)

The following tables present revenue and profit information regarding the Group's operating segments for the six months ended 30 June 2019 and 2018 respectively.

Business segment	Toll roads operations RMB'000	All other segments RMB'000	Total RMB'000
Six months ended 30 June 2019			
Revenue (from external customers)	1,380,910	—	1,380,910
Amortisation of intangible operating rights	(302,923)	—	(302,923)
Depreciation of			
– property, plant and equipment	(7,260)	(383)	(7,643)
– right-of-use assets	(5,570)	—	(5,570)
Operating profit/(loss)	905,318	(818)	904,500
Finance income	14,896	—	14,896
Finance costs	(160,708)	—	(160,708)
Share of result of a joint venture	45,272	—	45,272
Share of results of associates	170,764	—	170,764
Profit/(loss) before income tax	975,542	(818)	974,724
Income tax expense	(99,047)	—	(99,047)
Profit/(loss) for the period	876,495	(818)	875,677
Six months ended 30 June 2018			
Revenue (from external customers)	1,371,008	—	1,371,008
Amortisation of intangible operating rights	(276,930)	—	(276,930)
Depreciation of property, plant and equipment	(7,252)	(365)	(7,617)
Operating profit/(loss)	916,167	(866)	915,301
Finance income	64,306	—	64,306
Finance costs	(268,911)	—	(268,911)
Share of result of a joint venture	42,236	—	42,236
Share of results of associates	171,784	—	171,784
Profit/(loss) before income tax	925,582	(866)	924,716
Income tax expense	(291,030)	—	(291,030)
Profit/(loss) for the period	634,552	(866)	633,686

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

6 REVENUE AND SEGMENT INFORMATION (CONTINUED)

The following tables present assets and liabilities information regarding the Group's operating segments as at 30 June 2019 and 31 December 2018 respectively.

Assets and liabilities	Toll roads operations RMB'000	All other segments RMB'000	Total RMB'000
As at 30 June 2019 and for the six months ended 30 June 2019			
Total segment assets	22,202,774	33,774	22,236,548
Addition to non-current assets	10,640	—	10,640
Total segment assets include:			
Investment in a joint venture	427,588	—	427,588
Investments in associates	1,480,847	4,500	1,485,347
Amount due from a joint venture	11,848	—	11,848
Total segment liabilities	(9,444,060)	(12)	(9,444,072)

Assets and liabilities	Toll roads operations RMB'000	All other segments RMB'000	Total RMB'000
As at 31 December 2018 and for the year ended 31 December 2018			
Total segment assets	22,705,730	34,020	22,739,750
Addition to non-current assets	73,225	—	73,225
Total segment assets include:			
Investment in a joint venture	454,272	—	454,272
Investments in associates	1,470,346	4,500	1,474,846
Total segment liabilities	(10,331,988)	(183)	(10,332,171)
Total segment liabilities include:			
Amount due to a joint venture	(25,195)	—	(25,195)

All major operating entities are domiciled in the PRC. All revenues of the Group from external customers are generated in the PRC. Besides, most of the assets of the Group are located in the PRC. Thus, no geographic information is presented.

Revenue relating to toll roads operation is recognised at point in time.

There are no differences from the last annual financial statements on the basis of segmentation or in the basis of measurement of segment profit or loss.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

7 EXPENSES BY NATURE

Expenses included in cost of services and general and administrative expenses are analysed as follows:

	Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
Taxes and surcharges	5,190	5,718
Amortisation of intangible operating rights (note 13)	302,923	276,930
Depreciation of		
– Property, plant and equipment (note 13)	7,643	7,617
– Right-of-use assets (note 13)	5,570	–
Toll highways and bridges maintenance expenses	16,661	19,275
Toll highways and bridges operating expenses	17,665	18,831
Staff costs (including directors' emoluments)		
– Wages and salaries	96,075	92,936
– Pension costs (defined contribution plan)	8,578	7,522
– Social security costs	6,065	6,335
– Staff welfare and other benefits	15,918	21,579
Auditor's remuneration	1,634	1,234
Rental expenses	–	5,350
Legal and professional fee	5,092	7,260

8 OTHER INCOME, GAINS AND LOSSES – NET

	Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
Exchange gain – net	–	17,020
Loss on disposal of property, plant and equipment	–	(103)
Compensation for expressways and bridges damages	9,721	3,177
Handling income from toll fee collection	542	526
Management service income	369	876
Income from service areas and gas stations	10,776	6,475
Others	5,125	244
	26,533	28,215

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

9 FINANCE INCOME/COSTS

	Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
Bank interest income	12,852	24,262
Interest income on other non-current receivables	2,044	2,571
Exchange gain on notes payables	—	37,473
Finance income	14,896	64,306
Interest expenses:		
– Bank borrowings	(109,908)	(134,438)
– Bank facility fees	(1,904)	(530)
– Loans from a joint venture	(2,031)	—
– Loans from non-controlling interests of certain subsidiaries	(71)	(54)
– Loan from an ultimate holding company	—	(66)
– Notes payable	—	(11,299)
– Corporate bonds	(33,439)	(32,624)
– Lease liabilities	(488)	—
Fair value loss on derivative financial instruments	—	(50,666)
Exchange loss on bank borrowings	(1,760)	(39,234)
Net fair value change on derivative financial instruments reclassified from hedging reserve	(136)	—
Net other exchange loss	(10,971)	—
Finance costs	(160,708)	(268,911)

10 INCOME TAX EXPENSE

- (a) No provision for Hong Kong profits tax has been made in the Financial Information as the Group had no assessable income subject to Hong Kong profits tax during the period (30 June 2018: Nil).
- (b) During the six months ended 30 June 2019, PRC enterprises income tax was provided on the profits of the Group's subsidiaries, associates and joint venture in the PRC in accordance with the Corporate Income Tax Law of China. The applicable principal income tax rate for the six months ended 30 June 2019 is 25% (30 June 2018: 25%). Guangzhou North Second Ring Transport Technology Company Limited ("GNSR"), a subsidiary of the Group, has been recognised as an eligible entity in 2019 to enjoy three years' preferential tax treatment of income tax, at a preferential income tax rate of 15%, starting from 2018. Since GNSR has already settled the income tax at 25% for 2018, the Group has recognised the tax concession of RMB95,916,000 during the period ended 30 June 2019 (note c). Guangxi Yuexiu Cangyu Expressway Company Limited, a subsidiary of the Group, has been recognised as an eligible entity to enjoy eight years' preferential tax treatment of income tax, at a preferential income tax rate of 15%, starting from 2013.

In addition, dividend distribution out of profit of foreign-invested enterprises earned after 1 January 2008 is subject to withholding income tax at a tax rate of 5% or 10%. During the period, withholding income tax was provided for dividend distributed for reinvestment and undistributed profits of certain of the Group's subsidiaries and associates in the PRC at a rate of 5% or 10% (30 June 2018: 5% or 10%).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

10 INCOME TAX EXPENSE (CONTINUED)

(c) The amount of income tax charged to the interim condensed consolidated income statement represents:

	Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
Current income tax		
PRC enterprise income tax	164,723	185,729
Tax concession (note b)	(95,916)	—
Deferred income tax		
Withholding tax on dividend distributed for reinvestment	—	70,000
Withholding tax on undistributed profits of subsidiaries and associates	30,240	35,301
	99,047	291,030

11 EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO SHARE-HOLDERS OF THE COMPANY

Basic and diluted earnings per share are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2019	2018
Profit attributable to shareholders of the Company (RMB'000)	635,070	462,423
Weighted average number of ordinary shares in issue ('000)	1,673,162	1,673,162
Basic and diluted earnings per share (RMB)	0.3796	0.2764

The diluted earnings per share for the six months ended 30 June 2019 equals to the basic earnings per share as there are no potential dilutive ordinary shares in issue during the period (30 June 2018: same).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

12 INTERIM DIVIDENDS

	Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
Interim, proposed, of HK\$0.18 equivalent to approximately RMB0.16 (30 June 2018: HK\$0.15 equivalent to approximately RMB0.13) per share	271,042	218,405

A dividend of RMB346,223,000 that relates to the period to 31 December 2018 was paid on 28 June 2019 (30 June 2018: RMB310,022,000 that relates to the period to 31 December 2017 was paid on 28 June 2018).

On 28 August 2019, the board of directors has resolved to declare an interim dividend of HK\$0.18 per share (30 June 2018: HK\$0.15). This interim dividend, amounting to RMB271,042,000 (30 June 2018: RMB218,405,000), has not been recognised as a liability in this Financial Information. It will be recognised in shareholders' equity for the year ending 31 December 2019.

13 INTANGIBLE OPERATING RIGHTS, PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES AND RIGHT-OF-USE ASSETS

	Intangible operating rights RMB'000	Property, plant and equipment RMB'000	Investment properties RMB'000	Right-of-use assets RMB'000
Opening net book value at 1 January 2019	17,419,156	83,297	38,538	21,669
Exchange differences, restated	—	10	95	—
Additions	5,155	5,485	—	—
Disposals	—	(8)	—	—
Amortisation/depreciation charge	(302,923)	(7,643)	—	(5,570)
Closing net book value at 30 June 2019	17,121,388	81,141	38,633	16,099
Opening net book value at 1 January 2018	17,915,044	87,473	36,484	—
Exchange differences	—	33	190	—
Additions	12,826	3,233	—	—
Disposals	—	(163)	—	—
Amortisation/depreciation charge	(276,930)	(7,617)	—	—
Closing net book value at 30 June 2018	17,650,940	82,959	36,674	—

Amounts recognised in interim condensed consolidated income statement for investment properties are insignificant to the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

13 INTANGIBLE OPERATING RIGHTS, PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES AND RIGHT-OF-USE ASSETS (CONTINUED)

For the Group's investment properties, the valuation was determined using the sale comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input to this valuation approach is price per square foot.

All investment properties are included in level 3 fair value hierarchy as at 30 June 2019.

As at 30 June 2019, toll highway operating rights with net book amount of RMB13,026,521,000 (31 December 2018: RMB13,199,484,000) were pledged to secure the Group's bank borrowings.

14 OTHER NON-CURRENT RECEIVABLES

Non-current receivables represent the non-current portion of the present value of consideration receivable, discounted at a rate of 5.32% in relation to the disposal of the Group's toll operating rights of Xiang Jiang Bridge II in 2009.

As at 30 June 2019, the total remaining balance of the consideration receivable (including current and non-current portions) is RMB60.6 million (31 December 2018: RMB71.3 million) which will be settled by 5 half yearly installments until the end of its concessionary period, i.e. 30 November 2021. Approximately RMB34.8 million (31 December 2018: RMB45.8 million) will be received after 30 June 2020 (31 December 2018: 31 December 2019) according to the repayment schedule.

The fair value of the consideration receivable (including current and non-current portions) of approximately RMB63.1 million (31 December 2018: RMB74.1 million) is estimated by discounting remaining balance of RMB67.3 million (31 December 2018: RMB80.0 million) at the applicable current interest rate of 4.67% (31 December 2018: 4.70%) and is categorised as level 2 under the fair value hierarchy.

15 TRADE RECEIVABLES

As at 30 June 2019, trade receivables were aged below 30 days (31 December 2018: 30 days).

The Group's revenue is generally settled in cash and it usually does not maintain any account balances owing. The trade receivables represented amounts due from local transport departments which collected the toll revenue for all operating entities due to the implementation of unified toll collection policy on expressways and highways. The settlement period is normally within a month.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

16 SHARE CAPITAL

	30 June 2019		31 December 2018	
	Number of shares	RMB'000	Number of shares	RMB'000
Issued and fully paid:				
Ordinary shares of RMB 0.08805 each	1,673,162,295	147,322	1,673,162,295	147,322

17 BORROWINGS

	As at	
	30 June 2019 RMB'000	31 December 2018 RMB'000
Long-term bank borrowings	4,641,102	5,399,276
Loan from a joint venture	94,500	94,500
Loans from non-controlling interests of certain subsidiaries	96,831	98,469
Total borrowings	4,832,433	5,592,245
Less: amounts due within one year shown under current liabilities	(113,480)	(511,249)
Total non-current borrowings	4,718,953	5,080,996

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

17 BORROWINGS (CONTINUED)

Note:

- (a) Interest expenses on borrowings for the six months ended 30 June 2019 amounted to RMB111,939,000 (30 June 2018: RMB134,438,000).
- (b) The Group's borrowings were repayable as follows:

	As at	
	30 June 2019 RMB'000	31 December 2018 RMB'000
Within one year	113,480	511,249
Between one and two years	428,519	329,996
Between two and five years	1,161,918	1,470,336
Later than five years	3,128,516	3,280,664
	4,832,433	5,592,245

- (c) The bank borrowings of RMB4,206,534,000 (31 December 2018: RMB4,667,939,000) were secured by intangible operating rights of the Group. All bank borrowings were interest bearing at rates ranging from 4.01% to 4.90% (31 December 2018: 3.85% to 4.90%). The effective interest rate of these borrowings at 30 June 2019 was 4.39% (31 December 2018: 4.37%).
- (d) Loan from a joint venture is unsecured, interest bearing at an annual rate of People's Bank of China Benchmark Interest Rates minus 10%, which is 4.275% as at 30 June 2019 (31 December 2018: 4.275%) per annum, and repayable in 2021.
- (e) Loans from non-controlling interests of certain subsidiaries were unsecured and interest-free. The carrying amounts of these interest-free loans approximated their fair values which are calculated based on cash flows discounted at a rate of 4.35% (31 December 2018: 4.35%) per annum.
- Loans from non-controlling interests of certain subsidiaries were repayable between one and two years.
- (f) The borrowings were denominated in RMB (2018: RMB), except for bank borrowings in the equivalent amount of RMB434,568,000 (31 December 2018: RMB431,336,000) which were denominated in HKD.

18 CONTRACT LIABILITIES

Contract liabilities are related to fees received in advance from contractors relating to operation of service areas and petrol stations along the toll highway for the remaining 21 years.

	As at	
	30 June 2019 RMB'000	31 December 2018 RMB'000
At 1 January	91,916	91,010
Addition	—	5,533
Credited to "Other income, gains and losses – net"	(4,350)	(4,627)
At 30 June/31 December	87,566	91,916
Less: non-current portion	(78,680)	(83,030)
Current portion	8,886	8,886

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

19 DEFERRED INCOME TAX

Deferred income tax is calculated in full on temporary differences under the liability method using the applicable income tax rate.

	As at	
	30 June 2019 RMB'000	31 December 2018 RMB'000
Deferred tax liabilities		
– Accelerated amortisation of intangible operating rights	618,287	589,717
– Fair value gain on investment properties	131	131
– Fair value gain on interest in toll highway arising from acquisition of subsidiaries	1,393,806	1,422,536
– Withholding tax on undistributed profits of subsidiaries and associates	52,878	39,071
– Withholding tax on dividend distributed for reinvestment	35,000	35,000
Deferred tax liabilities	2,100,102	2,086,455

20 CORPORATE BONDS

The Company received the Approval Document Zheng Jian Xu Ke No. [2016] 522 and the Approval Document Zheng Jian Xu Ke No. [2016] 1530 from the China Securities Regulatory Commission (“CSRC”) on 16 March 2016 and 8 July 2016 respectively, approving the application of the Company for a public issue of corporate bonds in an aggregated principal amount of up to RMB1,000,000,000 and RMB2,000,000,000 respectively to the qualified investors in the PRC.

The first phase of 2016 corporate bonds (“First Phase 2016 Corporate Bonds”) to qualified investors in the PRC was drawn on 22 March 2016. First Phase 2016 Corporate Bonds were issued in two tranches:

- (i) five-year corporate bonds of RMB300,000,000 with coupon rate of 2.85% per annum; the Company shall be entitled to adjust the coupon rate and have the right to redeem the relevant corporate bonds, and the investors shall be entitled to sell back the relevant corporate bonds to the Company, at the end of the third year; and
- (ii) seven-year corporate bonds of RMB700,000,000 with coupon rate of 3.38% per annum; the Company shall be entitled to adjust the coupon rate and have the right to redeem the relevant corporate bonds, and the investors shall be entitled to sell back the relevant corporate bonds to the Company, at the end of the fifth year.

During the period ended 30 June 2019, the Company has adjusted the coupon rate of the five-year corporate bonds of First Phase 2016 Corporate Bonds from 2.85% to 4.10%, and part of the investors has sold back the relevant corporate bonds of RMB10,000,000 to the Company.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

20 CORPORATE BONDS (CONTINUED)

The second phase of 2016 corporate bonds ("Second Phase 2016 Corporate Bonds") to qualified investors in the PRC was drawn on 28 October 2016. Second Phase 2016 Corporate Bonds were issued in two tranches:

- (i) five-year corporate bonds of RMB200,000,000 with coupon rate of 2.90% per annum; the Company shall be entitled to adjust the coupon rate and have the right to redeem the relevant corporate bonds, and the investors shall be entitled to sell back the relevant corporate bonds to the Company, at the end of the third year; and
- (ii) seven-year corporate bonds of RMB800,000,000 with coupon rate of 3.18% per annum; the Company shall be entitled to adjust the coupon rate and have the right to redeem the relevant corporate bonds, and the investors shall be entitled to sell back the relevant corporate bonds to the Company, at the end of the fifth year.

The First Phase 2016 Corporate Bonds and Second Phase 2016 Corporate Bonds (Collectively, "Corporate Bonds") were recognised initially at fair values. Debt issuance costs incurred which were directly attributable were capitalised and amortised over the estimated term of the facilities using the effective interest method.

The effective interest rate for the Corporate Bonds is 3.50% per annum, which includes the interest charged on the Corporate Bonds as well as amortisation of the debt issuance cost. The Group recognised RMB33,439,000 (30 June 2018: RMB32,624,000) of finance cost on the Corporate Bonds for the six months ended 30 June 2019.

21 TRADE AND OTHER PAYABLES AND ACCRUED CHARGES

	As at	
	30 June 2019 RMB'000	31 December 2018 RMB'000
Trade payables	39,728	49,571
Other payables and accrued charges	297,313	402,760
	337,041	452,331
The ageing analysis of trade payables is as follows:		
0 - 30 days	2,949	12,777
Over 90 days	36,779	36,794
	39,728	49,571

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

22 CAPITAL COMMITMENT

	As at	
	30 June 2019 RMB'000	31 December 2018 RMB'000
Contracted but not provided for		
Upgrade and construction of toll expressways under concession arrangements	24,352	15,129
Property, plant and equipment	1,448	2,620
	25,800	17,749

23 RELATED PARTY TRANSACTIONS

(a) Related parties

The Company's Directors regard 廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited) ("GZYX") (incorporated in the PRC) as its ultimate holding company and the Guangzhou City Government as its ultimate controlling party.

The table set forth below summarises the names of related parties, with whom the Group has significant transactions during the period, and their relationship with the Company as at 30 June 2019:

Significant related parties	Relationship with the Company
Yue Xiu Enterprises (Holdings) Limited ("Yue Xiu")	A wholly-owned subsidiary of ultimate holding company
Yuexiu Property Company Limited ("Yuexiu Property")	A fellow subsidiary
Blow Light Investments Limited ("Blow Light")	A fellow subsidiary
Artform Investment Limited ("Artform")	A fellow subsidiary
Chong Hing Bank Limited ("Chong Hing Bank")	A fellow subsidiary
Guangzhou Yuexiu City Construction Jones Lang LaSalle Property Management Co., Ltd. ("YX Jones Lang LaSalle")	A fellow subsidiary
Guangzhou Western Second Ring Expressway Co., Ltd. ("GWSR")	A joint venture
Guangdong Humen Bridge Co., Ltd. ("Humen Bridge")	An associate
Guangdong Qinglian Highway Development Co., Ltd. ("Qinglian Highway")	An associate
Guangdong Shantou Bay Bridge Co., Ltd. ("Shantou Bay Bridge")	An associate
Guangzhou Northring Freeway Co., Ltd. ("Northring")	An associate
Guangzhou Yue Xiu City Construction International Finance Center Co., Ltd. ("Yue Xiu IFC")	An associate of a fellow subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

23 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties

	Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
Administrative service fees to Yuexiu Property	559	529
Rental expenses to Blow Light	—	323
Rental expenses to Yue Xiu IFC	5,439	4,841
Rental expenses to Artform	447	—
Building management fee to YX Jones Lang LaSalle	888	915
Interest income from Chong Hing Bank	2,937	1,211
Management service income received from Humen Bridge, Qinglian Highway, Shantou Bay Bridge, Northring and GWSR	369	876
Dividend income from Humen Bridge	101,736	104,197
Dividend income from Northring	46,528	77,757
Dividend income from GWSR	71,955	—
Dividend income from Shantou Bay Bridge	12,000	—
Interest expenses to GZYZ	—	66

During the period ended 30 June 2018, loan from GZYZ of RMB500 million had been drawn down and repaid. The loan from GZYZ was unsecured, interest bearing at 4.79% per annum and denominated in RMB.

During the period ended 30 June 2019, the Group entered into two foreign exchange forward contracts with Yue Xiu to purchase HKD in the amount of HK\$200 million and HK\$300 million respectively with RMB. The settlement date will be on 29 March 2021 and 29 March 2022 respectively.

(c) Balances with related parties

	As at	
	30 June 2019 RMB'000	31 December 2018 RMB'000
Bank balance deposited in a fellow subsidiary	630,438	740,424
Amounts due to holding companies	(11)	(679)
Amount due from/(to) a joint venture	11,848	(25,195)
Amounts due to non-controlling interests of a subsidiary	(1,611)	(1,611)
Amount due from an associate	—	4,708

The amounts due from or to related parties were unsecured, interest free, repayable on demand and denominated in RMB.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

23 RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Key management compensation

	Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
Salaries and other short-term benefits	4,193	3,737

24 BALANCE SHEET, INCOME STATEMENT, STATEMENT OF CASH FLOWS AND RESERVE MOVEMENT OF THE COMPANY

Note (i) Balance sheet of the Company

	(Unaudited) As at 30 June 2019 RMB'000	(Audited) As at 31 December 2018 RMB'000
ASSETS		
Non-current assets		
Property, plant and equipment	3,162	713
Investments in subsidiaries	5,928,601	5,628,601
	5,931,763	5,629,314
Current assets		
Amounts due from subsidiaries	2,207,052	2,356,994
Deposits and prepayments	10,102	12,511
Short-term bank deposit, cash and cash equivalents	87,835	514,679
	2,304,989	2,884,184
Total assets	8,236,752	8,513,498

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

24 BALANCE SHEET, INCOME STATEMENT, STATEMENT OF CASH FLOWS AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Note (i) Balance sheet of the Company (Continued)

	(Unaudited) As at 30 June 2019 RMB'000	(Audited) As at 31 December 2018 RMB'000
EQUITY		
Equity attributable to the shareholders of the Company		
Share capital	147,322	147,322
Reserves	4,869,444	5,208,441
Total equity	5,016,766	5,355,763
LIABILITIES		
Non-current liabilities		
Borrowings	434,568	731,337
Corporate bonds	1,788,342	1,497,554
Derivative financial instruments	2,935	—
Deferred tax liabilities	35,000	35,000
	2,260,845	2,263,891
Current liabilities		
Corporate bonds	198,322	498,068
Amounts due to subsidiaries	719,169	348,812
Other payables and accrued charges	41,650	46,964
	959,141	893,844
Total liabilities	3,219,986	3,157,735
Total equity and liabilities	8,236,752	8,513,498

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

24 BALANCE SHEET, INCOME STATEMENT, STATEMENT OF CASH FLOWS AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Note (ii) Reserve movement of the Company

	Share premium RMB'000	Contributed surplus RMB'000	(Unaudited) Hedging reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2019	2,375,743	1,561,564	—	1,271,134	5,208,441
Profit for the period	—	—	—	7,875	7,875
Cash flow hedges – movement in hedging reserve	—	—	(649)	—	(649)
Dividends:					
2018 final dividend	—	—	—	(346,223)	(346,223)
At 30 June 2019	2,375,743	1,561,564	(649)	932,786	4,869,444
Representing:					
Retained profits				661,744	
2019 interim dividend proposed				271,042	
				932,786	
At 1 January 2018	2,375,743	1,561,564	—	1,231,604	5,168,911
Profit for the period	—	—	—	555,090	555,090
Dividends:					
2017 final dividend	—	—	—	(310,022)	(310,022)
At 30 June 2018	2,375,743	1,561,564	—	1,476,672	5,413,979
Representing:					
Retained profits				1,258,267	
2018 interim dividend proposed				218,405	
				1,476,672	

Note:

The contributed surplus represents the difference between the nominal value of the shares issued by the Company in exchange for all the issued ordinary shares of Kiu Fung Limited and the value of net assets of the underlying subsidiaries acquired by the Company as at 30 November 1996. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

24 BALANCE SHEET, INCOME STATEMENT, STATEMENT OF CASH FLOWS AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Note (iii) Income statement of the Company

	(Unaudited)	
	Six months ended 30 June	
	2019 RMB'000	2018 RMB'000
Other income, gains and losses – net	73,866	763,572
General and administrative expenses	(18,238)	(18,121)
Operating profit	55,628	745,451
Finance income	2,458	14,420
Finance costs	(50,211)	(134,781)
Profit before income tax	7,875	625,090
Income tax expense	–	(70,000)
Profit for the period	7,875	555,090

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

24 BALANCE SHEET, INCOME STATEMENT, STATEMENT OF CASH FLOWS AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

Note (iv) Statement of cash flows of the Company

	(Unaudited)	
	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
Cash flows from operating activities		
Net cash inflow from operating activities	523,658	815,059
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,896)	(169)
Increase in investment in a subsidiary	(300,000)	(1,400,000)
Decrease in short-term bank deposits, net	—	115,732
Interest received	2,458	14,420
Net cash outflow from investing activities	(302,438)	(1,270,017)
Cash flows from financing activities		
Proceeds from bank borrowings	—	803,490
Repayment of bank borrowings	(300,000)	—
Repayment of corporate bond	(10,000)	—
Payment of bank facility fees	(570)	(16,467)
Dividend paid to shareholders of the Company	(346,223)	(310,022)
Interest paid	(44,851)	(57,981)
Net cash (outflow)/inflow from financing activities	(701,644)	419,020
Net decrease in cash and cash equivalents	(480,424)	(35,938)
Cash and cash equivalents at 1 January	514,679	668,075
Effect of exchange rate changes on cash and cash equivalents	53,580	25,756
Cash and cash equivalents at 30 June	87,835	657,893
Analysis of cash and cash equivalents		
Bank balances and cash	87,835	657,893

OTHER INFORMATION

INTERESTS OF DIRECTORS

As at 30 June 2019, the interests and short positions of the Directors of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which are required to be recorded in the register maintained by the Company under Section 352 of the SFO or notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") were as follows:

The Company

Long positions in shares of the Company:

Name of Director	Nature of interest	Beneficial interest in shares	Approximate % of interest
Mr He Baiqing	Personal	52,000	0.003
Mr Lau Hon Chuen Ambrose	Personal	195,720	0.012

Yuexiu Property Company Limited

Long positions in shares of Yuexiu Property Company Limited:

Name of Director	Nature of interest	Beneficial interest in shares	Approximate % of interest
Mr Li Feng	Personal	172,900	0.001
Mr Lau Hon Chuen Ambrose	Personal	4,841,200	0.031

Save as disclosed herein, as at 30 June 2019, none of the Directors of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which are required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

OTHER INFORMATION

DISCLOSEABLE INTERESTS OF SHAREHOLDERS UNDER THE SECURITIES AND FUTURES ORDINANCE

As at 30 June 2019, the following persons had an interest or short position in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Capacity in holding interest	Long/Short position	Approximate % of shareholding in shares	Number of shares held
廣州越秀集團有限公司(Guangzhou Yue Xiu Holdings Limited) (Note 1)	Interest of controlled corporations	Long position	45.82	766,709,099
	Interest of controlled corporations	Short position	1.62	27,182,935
Yue Xiu Enterprises (Holdings) Limited ("Yue Xiu") (Notes 1 & 2)	Beneficial owner and interest of controlled corporations	Long position	45.82	766,709,099
	Interest of controlled corporations	Short position	1.62	27,182,935
Grace Lord Group Limited (Note 2)	Beneficial owner	Long position	19.74	330,341,986
First Dynamic Limited (Note 3)	Interest of controlled corporation	Long position	21.96	367,500,000
Housemaster Holdings Limited (Notes 2 & 3)	Beneficial owner	Long position	21.96	367,500,000
Matthews International Capital Management, LLC	Investment manager	Long position	6.98	116,934,000

Notes:

- (1) The entire issued shares of Yue Xiu are owned by 廣州越秀集團有限公司(Guangzhou Yue Xiu Holdings Limited). By virtue of the SFO, 廣州越秀集團有限公司(Guangzhou Yue Xiu Holdings Limited) was deemed to be interested in the interest of Yue Xiu in the shares of the Company as described in note(2) below. 27,182,935 shares out of its interest in the shares of the Company were listed derivative interests (physically settled).
- (2) Yue Xiu was interested in an aggregate of 766,709,099 shares of the Company (long position) of which 8,653 shares were held by it as beneficial owner. By virtue of the SFO, Yue Xiu was also deemed to be interested in the balance of 766,700,446 shares (long position) through its wholly-owned subsidiaries, namely, Housemaster Holdings Limited, Grace Lord Group Limited, Greenwood Pacific Limited, Yue Xiu Finance Company Limited and Dragon Year Industries Limited. 27,182,935 shares out of its interest in the shares of the Company were listed derivative interests (physically settled). Yue Xiu's interest in short position was held through its wholly-owned subsidiary, namely Asia View Limited.
- (3) First Dynamic Limited, a wholly-owned subsidiary of Yue Xiu, owned the entire issued share capital of Housemaster Holdings Limited. By virtue of the SFO, First Dynamic Limited was deemed to be interested in the 367,500,000 shares of the Company held by Housemaster Holdings Limited.

CORPORATE GOVERNANCE

Throughout the six months ended 30 June 2019, the Company has complied with the code provisions as set out in the Corporate Governance Code, with the exception of code provision A.4.1.

Code Provision A.4.1

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. None of the non-executive directors of the Company is appointed for a specific term. However, all the non-executive directors of the Company are subject to retirement by rotation at the annual general meeting of the Company in accordance with the Company's Bye-laws. All the non-executive directors of the Company had retired by rotation and have been re-elected during the past three years.

REVIEW OF INTERIM RESULTS

The results of the Group for the six months ended 30 June 2019 have been reviewed by the Audit Committee and by the Company's auditor in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2019.

CHANGES IN DIRECTOR'S BIOGRAPHICAL DETAILS

Change in director's biographical details since the date of 2018 Annual Report of the Company, which is required to be disclosed pursuant to Rules 13.51(2) and 13.51B of the Listing Rules, is set out below.

Directors	Details of Changes
Mr Li Feng	Appointed as Chairman of the Company on 22 July 2019
Mr Lau Hon Chuen Ambrose	Resigned as Independent Non-executive Director of Brightoil Petroleum (Holdings) Limited on 19 June 2019

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

The Company has not redeemed any of its shares during the six months ended 30 June 2019. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 12 November 2019 to Thursday, 14 November 2019, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong Branch Share Registrar, Tricor Abacus Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Monday, 11 November 2019.

CORPORATE AND INVESTOR RELATIONS INFORMATION

BOARD OF DIRECTORS

Executive directors

Mr Li Feng (*Chairman*)
Mr He Baiqing
Ms Chen Jing

Independent non-executive directors & audit committee members

Mr Fung Ka Pun
Mr Lau Hon Chuen Ambrose
Mr Cheung Doi Shu

COMPANY SECRETARY

Mr Yu Tat Fung

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

17A Yue Xiu Building
160 Lockhart Road
Wanchai
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR

Tricor Abacus Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

LISTING EXCHANGE

Shares

The Stock Exchange of Hong Kong Limited

The stock codes are:
The Stock Exchange of Hong Kong Limited-01052
Reuters-1052.HK
Bloomberg-1052 HK

Bonds

Shanghai Stock Exchange
RMB290,000,000 4.10 per cent. Corporate Bonds due 2021 (code: 136323)

RMB200,000,000 2.90 per cent. Corporate Bonds due 2021 (code: 136804)

RMB700,000,000 3.38 per cent. Corporate Bonds due 2023 (code: 136324)

RMB800,000,000 3.18 per cent. Corporate Bonds due 2023 (code: 136806)

INVESTOR RELATIONS

For further information about
Yuexiu Transport Infrastructure Limited, please contact:
Ms Grace Li
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Facsimile : (852) 2865 2126
Email : contact@yuexiutransport.com.hk

WEBSITES TO ACCESS COMPANY INFORMATION

<http://www.yuexiutransportinfrastructure.com>
<http://www.irasia.com/listco/hk/yuexiutransport>
<http://www.hkexnews.hk>