



越秀交通基建有限公司

YUEXIU TRANSPORT INFRASTRUCTURE LIMITED

(Stock Code: 01052)



2024

INTERIM REPORT



CREATING
EXCELLENT VALUES



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FINANCIAL HIGHLIGHTS

RESULTS HIGHLIGHTS FOR THE FIRST HALF OF 2024



5.6%

Revenue
RMB1,827 million



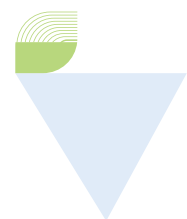
16.3%

Gross Profit
RMB916 million



6.5
percentage point

Gross Margin*
50.1%



18.6%

Operating Profit
RMB791 million



23.7%

Profit before income tax
RMB635 million



26.5%

Profit attributable to
shareholders of the Company
RMB314 million



26.5%

Basic earnings per share
RMB0.1876



0.7%

Total Assets
RMB36.3 billion[#]



0.7%

Net assets
per share attributable
to shareholders
RMB6.99[#]

* Gross Margin = Gross profit/Revenue

[#] Compared with the end of 2023

FIVE YEARS FINANCIAL SUMMARY

STATEMENTS OF PROFIT OR LOSS

for six months ended 30 June

(RMB'000)	2024	2023	2022	2021	2020
Revenue	1,826,884	1,935,448	1,615,538	1,831,743	839,590
Profit/(loss) attributable to shareholders of the Company	313,938	427,106	295,318	467,699	(288,121)
Basic earnings/(loss) per share	RMB0.1876	RMB0.2553	RMB0.1765	RMB0.2795	RMB(0.1722)

STATEMENTS OF FINANCIAL POSITION

(RMB'000)	30 June 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Total Assets	36,259,144	36,502,458	36,337,410	35,661,108	36,367,600
Total Liabilities	21,430,991	21,652,521	22,102,435	21,188,359	22,713,855
Total Equity	14,828,153	14,849,937	14,234,975	14,472,749	13,653,745
Equity attributable to:					
Shareholders of the Company	11,691,649	11,613,337	11,230,445	11,511,515	10,424,891
Non-controlling interests	3,136,504	3,236,600	3,004,530	2,961,234	3,228,854
Net assets per share to shareholders of the Company	RMB6.99	RMB6.94	RMB6.71	RMB6.88	RMB6.23

FINANCIAL RATIOS

	30 June 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Annualized return on equity attributable to shareholders of the Company	5.37%	6.59%	4.03%	12.73%	1.54%
EBITDA Interest coverage ¹	6.6 times	6.4 times	4.7 times	4.6 times	3.1 times
Gearing ratio ²	49.3%	49.5%	51.4%	48.5%	54.3%
Total liabilities/Total assets ratio ³	59.1%	59.3%	60.8%	59.4%	62.5%

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

廣州越秀集團股份有限公司
Guangzhou Yue Xiu Holdings Limited
100%

Public
55.8%

Yue Xiu Enterprises (Holdings) Limited
44.2%

Yuexiu Transport Infrastructure Limited

Expressway / Bridge / Port

- GNSR Expressway / 60%
- Suiyuenan Expressway / 70%
- Hancai Expressway / 67%
- Han'e Expressway / 100%
- Daguangnan Expressway / 90%
- Weixu Expressway / 100%
- Lanwei Expressway / 100%
- Changzhu Expressway / 100%
- Cangyu Expressway / 100%
- Jinxiong Expressway / 60%

- Han-Xiao Expressway / 30%
- GWSR Expressway / 35%
- Northern Ring Road / 24.30%[#]
- Humen Bridge / 27.78%*
- Shantou Bay Bridge / 30%
- Qinglian Expressway / 23.63%
- Pazhou Port / 45%

[#] The toll collection right of Northern Ring Road expired at 24:00 on 22 March 2024. The project is currently in the process of being transferred to the government.

* The Group's profit sharing ratio in Humen Bridge could be referred to notes of "Business Review" on pages 14-15.

- subsidiaries
- associates and joint venture

CORPORATE PROFILE

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

As at 30 June 2024, the Group had a total of 16 investments in its operating expressways, bridges and port projects which included Guangzhou Northern Second Ring Expressway (“GNSR Expressway”), Guangzhou Western Second Ring Expressway (“GWSR Expressway”), Guangdong Humen Bridge (“Humen Bridge”), Shantou Bay Bridge (“Shantou Bay Bridge”), Guangdong Qinglian Expressway (“Qinglian Expressway”) and Pazhou Port, all of which are located within Guangdong Province; Suiyuenan Expressway (“Suiyuenan Expressway”), Hancai Expressway (“Hancai Expressway”), Han’e Expressway (“Han’e Expressway”), Daguangnan Expressway (“Daguangnan Expressway”) and Han-Xiao Expressway (“Han-Xiao Expressway”) in Hubei Province; Weixu Expressway (“Weixu Expressway”) and Lanwei Expressway (“Lanwei Expressway”) in Henan Province; Changzhu Expressway (“Changzhu Expressway”) in Hunan Province; Cangyu Expressway (“Cangyu Expressway”) in Guangxi Zhuang Autonomous Region; and Jinxiong Expressway (“Jinxiong Expressway”) in Tianjin Municipality. In addition, the toll collection right of Guangzhou Northern Ring Road (“Northern Ring Road”) expired at 24:00 on 22 March 2024. The project is currently in the process of being transferred to the government. As at 30 June 2024, the attributable toll mileage of the Group’s subsidiaries was approximately 477.7 km (total toll mileage was approximately 556.2 km), the attributable toll mileage of the Group’s associates and joint venture was approximately 83.5 km and the attributable toll mileage of all expressways and bridges was approximately 561.2 km.



LOCATION MAPS OF PROJECTS





LOCATION	PROJECT NAME
● TIANJIN 1 Tianjin City	Jinxiong Expressway
● HENAN 2 Xuchang City 3 Kaifeng City	Weixu Expressway Lanwei Expressway
● HUBEI 4 Wuhan City 4 Ezhou City 5 Jingzhou City 6 Huangshi City	Han-Xiao Expressway Hancai Expressway Han'e Expressway Suiyuenan Expressway Daguangnan Expressway
● HUNAN 7 Changsha City	Changzhu Expressway
● GUANGXI 8 Wuzhou City	Cangyu Expressway
● GUANGDONG 9 Dongguan City 10 Guangzhou City 11 Qingyuan City 12 Shantou City	Humen Bridge GNSR Expressway Northern Ring Road ^{Note} GWSR Expressway Pazhou Port Qinglian Expressway Shantou Bay Bridge

Note: The toll collection right of Northern Ring Road expired at 24:00 on 22 March 2024. The project is currently in the process of being transferred to the government.

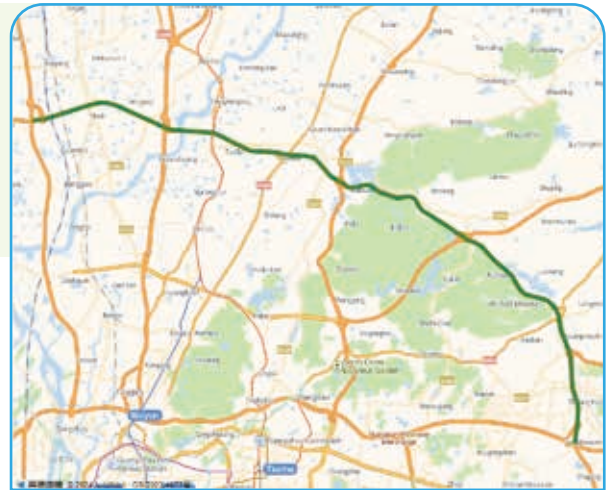
LOCATION MAPS OF PROJECTS

GUANGDONG



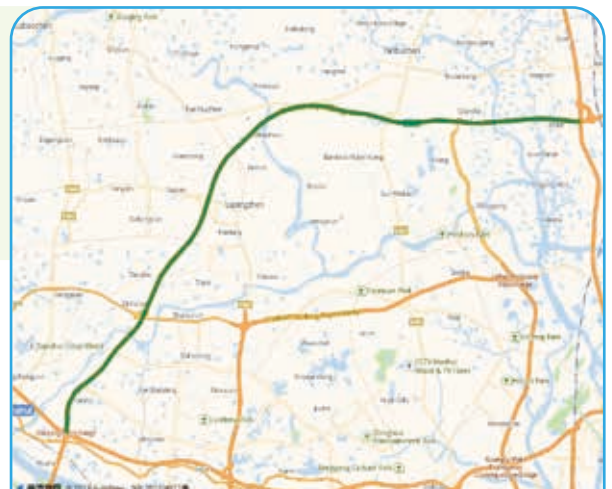
GNSR EXPRESSWAY

It has a toll length of approximately 42.5 km, of which there are 8 lanes for the section from Huocun to Luogang, and 6 lanes for other sections, with 10 flyovers in total. GNSR Expressway also connects with GWSR Expressway, Guangqing Expressway, Airport Expressway, Beijing-Hong Kong-Macau Expressway (G4), Huanan Expressway, Guanghe Expressway, Guanghui Expressway, GS Superhighway, GESR Expressway, Fenghuangshan Tunnel, National Highway 105, 106, 324 and Provincial Highway 114 and so on.



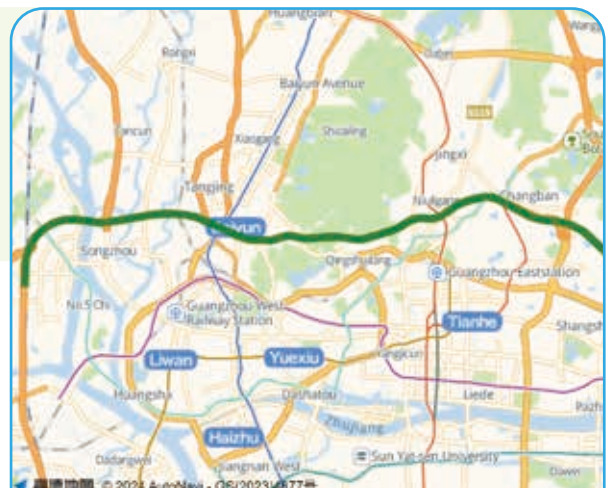
GWSR EXPRESSWAY

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.



NORTHERN RING ROAD

It is located within Guangzhou City with a toll length of approximately 22.0 km with 8 lanes for the section from Shabei to Bainihe Bridge and 6 lanes for other sections. It is a part of Guangzhou Ring Expressway, Guangzhou Section of Shenhai Expressway and Fukun Section of National Highway, linking with GS Superhighway and Guangzhou Foshan Expressway. The toll collection right of Northern Ring Road expired at 24:00 on 22 March 2024. The project is currently in the process of being transferred to the government.



LOCATION MAPS OF PROJECTS

GUANGDONG



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.



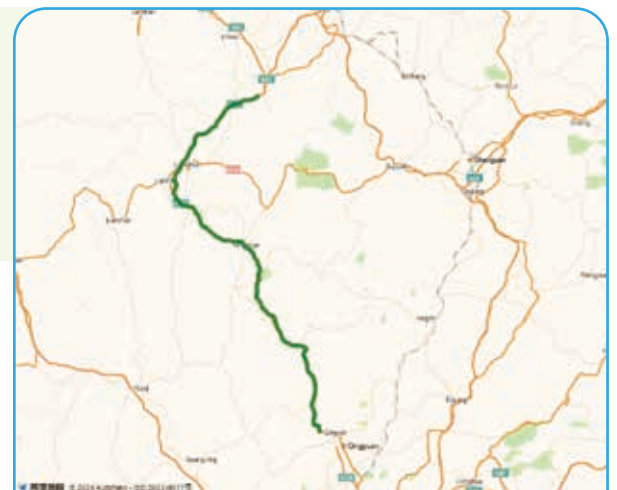
SHANTOU BAY BRIDGE

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.



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.



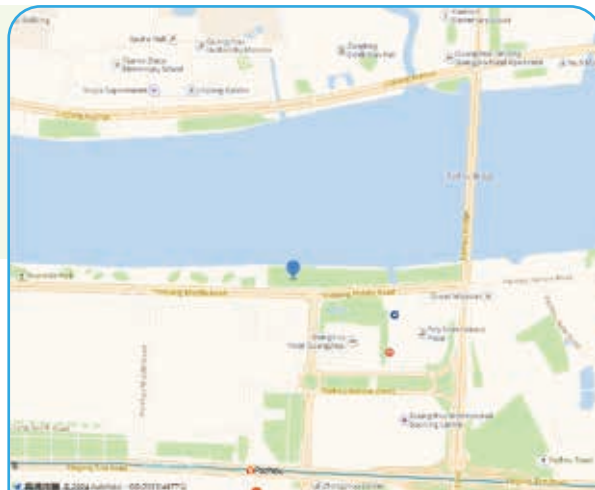
LOCATION MAPS OF PROJECTS

GUANGDONG



PAZHOU PORT

It is located at No. 499, Yuejiang Central Road, Guangzhou City, with a total of five berths and three passenger ferries (two self-owned and one chartered). At present, Pazhou has opened two routes to and from urban areas and airport of Hong Kong.



HUBEI



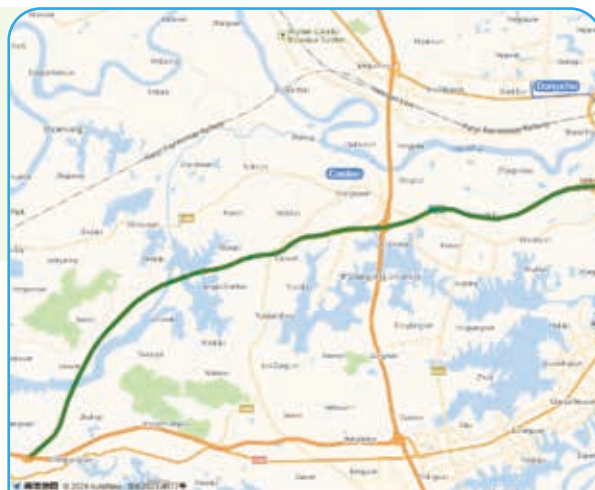
SUIYUAN EXPRESSWAY

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.



HANCAI EXPRESSWAY

It has a toll length of approximately 36.0 km, 13 km of which is six-lane while 23 km is four-lane. Located in the urban area of Wuhan, it connects the Wuhan Third Ring Line and the Beijing-Hong Kong-Macau Expressway (G4) and extends to Huyu Expressway (G50), being an important west bound corridor for Wuhan.



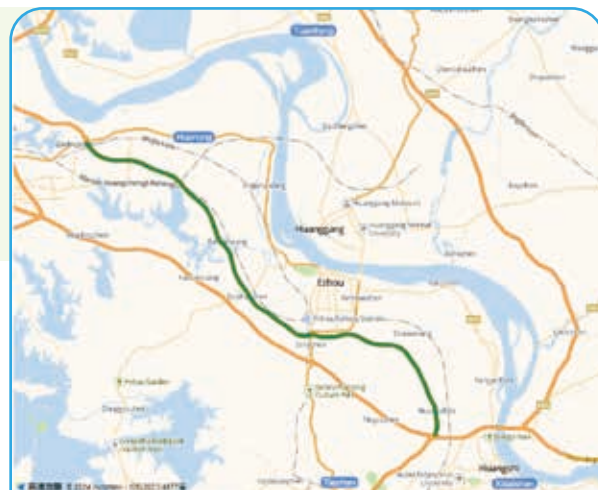
LOCATION MAPS OF PROJECTS

HUBEI



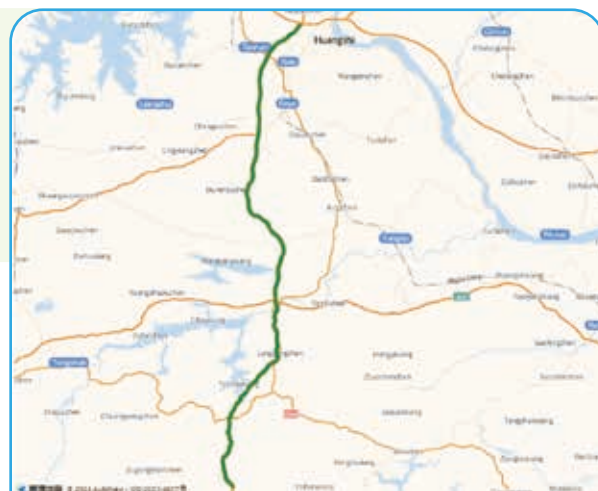
HAN'E EXPRESSWAY

It is a four-lane expressway with approximately 54.8 km of toll length, starts from Xinqiao Village of Zuoling Town in Wuhan and ends at the Huahu interchange which is the southern route of the E'Dong Changjiang Bridge of the Daguang Expressway. This expressway is one of the seven fast urban exit roads in Wuhan's town planning.



DAGUANGNAN EXPRESSWAY

It is a four-lane expressway with approximately 107.1 km of toll length. Located in the southern part of Hubei Province, it is an important passageway connecting Hubei and Jiangxi province.



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 6 lanes at the sections of Airport North Extension as well as from Taoyuanji interchange to Hengdian interchange. There are 4 lanes for other sections. Han-Xiao Expressway also connects with Wuhan Airport Expressway, Beijing-Hong Kong-Macau Expressway (G4), Wuhan Ring Road, Daijashan-Huangpi Expressway and Xiaoxiang Expressway.



LOCATION MAPS OF PROJECTS

HENAN



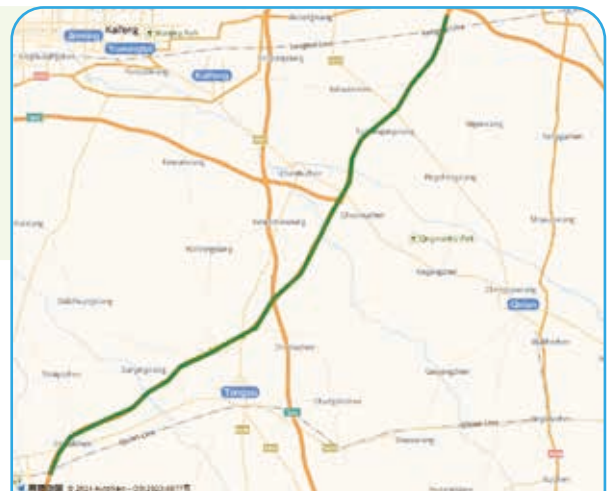
WEIXU EXPRESSWAY

Located in Henan Province, Weixu Expressway is an important part of Lan-nan Expressway as well as the significant linkage between Beijing-Hong Kong-Macau Expressway (G4), 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.



LANWEI EXPRESSWAY

Located in Henan Province, Lanwei Expressway is an important part of Lan-nan Expressway as well as the significant linkage between Lianhuo Expressway (G30), Zhengmin Expressway (S82), Shangdeng Expressway (S60) and Daguang Expressway (G45). The toll length is approximately 61.0 km with four lanes.

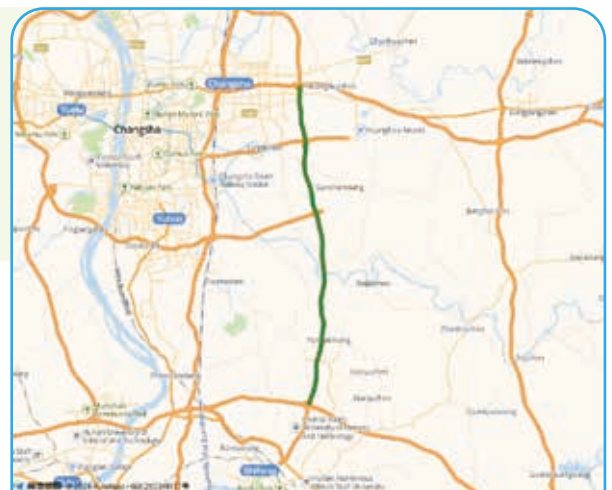


HUNAN



CHANGZHU EXPRESSWAY

It starts from Huanghua Town 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

GUANGXI



CANGYU EXPRESSWAY

It is located in Longxu District, which was originally in Cangwu County, of Wuzhou City in Guangxi Zhuang Autonomous Region, linking Longxu District of Guangxi with Yunan County of Guangdong Province. The toll length is approximately 22 km with four lanes, forming a part of Guangkun Expressway (G80).

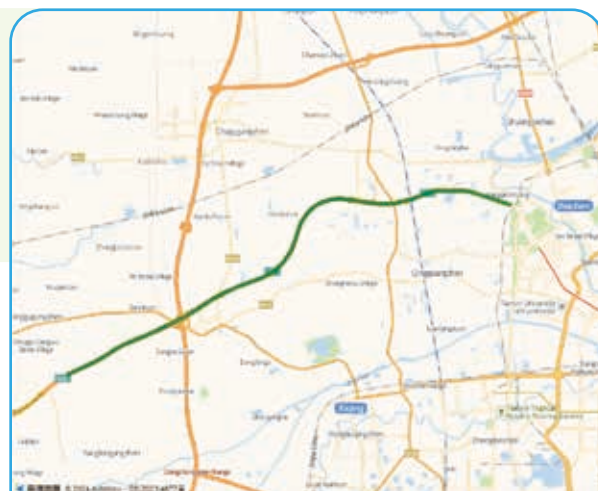


TIANJIN



JINXIONG EXPRESSWAY

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



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Summary Information of Operating Toll Roads, Bridges and Port

	Toll Mileage (km)	Width (lanes)	Toll Station(s)	Road Type	Attributable Interests (%)	Approved Last Date for Toll Collection (Year/Month/ Day) ⁽³⁾
SUBSIDIARIES						
GNSR Expressway	42.5	6/8 ⁽¹⁾	6	Expressway	60.00	2032/01/10 ⁽⁴⁾
Cangyu Expressway	22.0	4	0	Expressway	100.00	2030/12/28
Jinxiong Expressway	23.9	4	2	Expressway	60.00	2030/03/17
Changzhu Expressway	46.5	4	5	Expressway	100.00	2040/08/30
Weixu Expressway	64.3	4	2	Expressway	100.00	2035/11/18
Lanwei Expressway	61.0	4	3	Expressway	100.00	2034/07/01
Suiyuan Expressway	98.1	4	4	Expressway	70.00	2040/03/09
Hancai Expressway	36.0	4/6 ⁽¹⁾	2	Expressway	67.00	2038/08/27
Han'e Expressway	54.8	4	5	Expressway	100.00	2042/06/30
Daguan Expressway	107.1	4	6	Expressway	90.00	2042/04/29
ASSOCIATES AND JOINT VENTURE						
Han-Xiao Expressway	38.5	4/6 ⁽¹⁾	2	Expressway	30.00	2036/12/09
GWSR Expressway	42.1	6	2	Expressway	35.00	2030/12/19
Humen Bridge	15.8	6	4	Suspension Bridge	27.78 ⁽²⁾	2029/05/08
Northern Ring Road	22.0	6/8 ⁽¹⁾	8	Expressway	24.30	N/A ⁽⁵⁾
Shantou Bay Bridge	6.5	6	3	Suspension Bridge	30.00	2028/12/23
Qinglian Expressway	215.2	4	15	Expressway	23.63	2034/06/30
			No. of berths	Passenger ferries in use	Attributable Interests (%)	
ASSOCIATE						
Pazhou Port ⁽⁶⁾			5	3 (two self-owned and one chartered)	45.00	

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- (1)
 - a. GNSR Expressway: 8 lanes for the section from Huocun to Luogang, and 6 lanes for other sections.
 - b. Hancui Expressway: 6 lanes for the section from Miliang Shan to Wuhan Outer Ring Road, and 4 lanes for other sections.
 - c. Han-Xiao Expressway: 6 lanes for the sections of Airport North Extension and from Taoyuanji interchange to Hengdian interchange, and 4 lanes for other sections.
 - d. Northern Ring Road: 8 lanes for the section from Shabei to Bainihe Bridge, and 6 lanes for other sections.
- (2) The profit-sharing ratio was 18.446% from 2010 onwards.
- (3)
 - a. Projects within Guangdong Province: Pursuant to the supporting and protective policies from the relevant authorities in the Guangdong Province regarding waiver of tolls on toll roads during the COVID-19 pandemic, the operators of toll roads for the Group's projects within Guangdong Province shall submit compensation applications one year before the original toll collection deadline of the project. In which: Northern Ring Road has met the above requirements and has completed the relevant application process, and the adjusted and approved toll collection deadline is 22 March 2024.
 - b. Projects within Guangxi Autonomous Region, Hunan Province, Hubei Province, Tianjin City and Henan Province: Pursuant to the supporting and protective policies from the relevant authorities in the Guangxi Autonomous Region, Hunan Province, Hubei Province, Tianjin City and Henan Province regarding waiver of tolls on toll roads during the COVID-19 pandemic, the original approved toll collection deadline for the Group's projects within Guangxi Autonomous Region, Hunan Province, Hubei Province, Tianjin City and Henan Province were postponed for 79 days.
- (4) According to provision 14 of the Regulations on the Administration of Toll Roads (《收費公路管理條例》) promulgated by the State Council, the toll collection deadline shall be reviewed and approved by people's governments of provinces, autonomous regions and municipalities directly under the central government in accordance with the following standards: other than provinces, autonomous regions and municipalities directly under the central government in the central and western region determined by the State, the toll collection period for highways under operation shall be determined in accordance with the principle of recovery of investment with reasonable return, with a maximum of 25 years. Based on the new investment in the GNSR Expressway under the GNSR Expressway R&E Project and the information in feasibility report, the Board expected that the toll operating period of the GNSR Expressway would be extended for a period of up to 25 years from the completion date of the GNSR Expressway R&E Project. The extension of toll period (which is expected to be finalised after the completion of GNSR Expressway R&E Project and the reconstructed and expanded GNSR Expressway open to traffic) will be subject to the final approval by the People's Government of Guangdong Province after the submission of the application for assessment of the operating period of GNSR Expressway and the completion of the technical valuation by a qualified valuer appointed by the Department of Transport of Guangdong Province.
- (5) The toll collection right of Northern Ring Road expired at 24:00 on 22 March 2024. The project is currently in the process of being transferred to the government.
- (6) The trial operation of Pazhou Port commenced on 14 April 2023, and formal operation commenced on 4 May 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

TOLL SUMMARY OF TOLL ROADS, BRIDGES AND PORT

For the six months ended 30 June 2024

	Average daily toll revenue ⁽¹⁾		Average daily toll traffic volume	
	First half of 2024 (RMB/day)	Y-O-Y Change %	First half of 2024 (Vehicle/day)	Y-O-Y Change %
SUBSIDIARIES				
GNSR Expressway	2,722,208	-7.9%	288,778	0.6%
Cangyu Expressway	267,338	-1.6%	18,833	-5.1%
Jinxiong Expressway	213,368	-6.1%	36,370	2.9%
Changzhu Expressway	667,930	-1.0%	69,078	-1.5%
Weixu Expressway	940,728	-8.9%	25,280	-6.2%
Lanwei Expressway	763,529	-9.4%	30,960	-6.2%
Suiyuanan Expressway	1,853,563	-4.5%	31,390	-9.2%
Hancai Expressway	669,249	-11.8%	49,840	-17.3%
Han'e Expressway	539,728	30.2%	43,746	27.6%
Daguanqnan Expressway	1,184,072	-8.1%	26,082	-14.6%
ASSOCIATES AND JOINT VENTURE				
Han-Xiao Expressway	608,030	-7.4%	32,166	-3.3%
GWSR Expressway	1,322,684	3.4%	91,716	4.4%
Humen Bridge	2,895,749	7.8%	107,222	8.1%
Northern Ring Road ⁽²⁾	1,931,720	N/A	359,708	N/A
Shantou Bay Bridge	268,314	-5.7%	17,028	-3.6%
Qinglian Expressway	1,798,056	-5.6%	49,955	-4.1%
	Average daily ticket business revenue		Average daily passenger volume	
	First half of 2024 (RMB/day)	Y-O-Y Change %	First half of 2024 (People/day)	Y-O-Y Change %
ASSOCIATE				
Pazhou Port ⁽³⁾	139,838	N/A	429	N/A

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- (1) Average daily toll revenue does not include value-added tax.
- (2) The toll collection right of Northern Ring Road expired at 24:00 on 22 March 2024. The figures of average daily toll revenue and the average daily toll traffic volume were for the periods from 1 January to 22 March for the year 2024 and from 1 January to 30 June for the year 2023 respectively. Thus, the year-on-year change is not applicable.
- (3) The trial operation of Pazhou Port commenced on 14 April 2023, and formal operation commenced on 4 May 2023. The figures of average daily ticket business revenue and average daily passenger volume were for the periods from 1 January to 30 June for the year 2024 and from 14 April to 30 June for the year 2023. Thus, the year-on-year change is not applicable.

TOLL ROADS AND BRIDGES

Quarterly analysis of average daily toll traffic volume for 2024

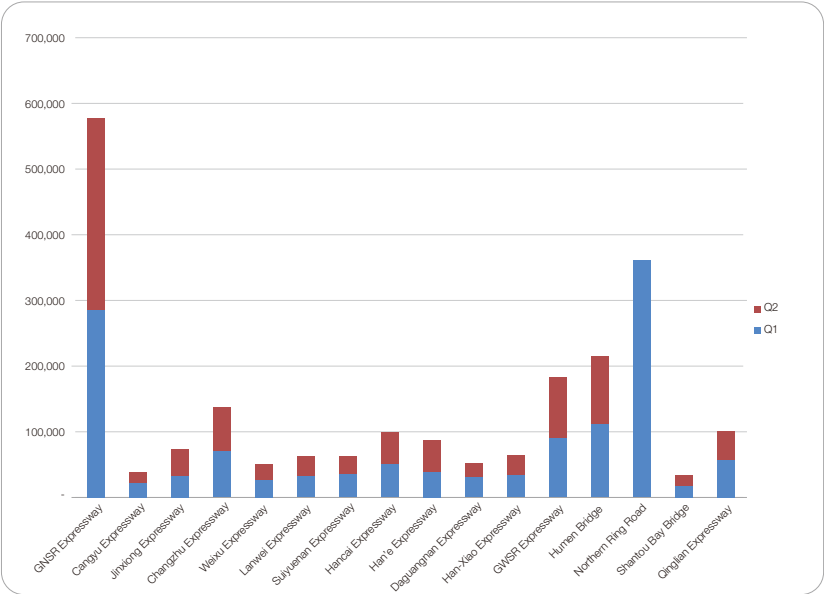
	Average daily toll traffic volume of the first quarter in 2024 (Vehicle/day)	Average daily toll traffic volume of the second quarter in 2024 (Vehicle/day)
SUBSIDIARIES		
GNSR Expressway	286,046	291,510
Cangyu Expressway	22,005	15,661
Jinxiong Expressway	32,650	40,089
Changzhu Expressway	69,715	68,440
Weixu Expressway	26,553	24,007
Lanwei Expressway	31,134	30,787
Suiyuan Expressway	34,196	28,583
Hancai Expressway	48,902	50,778
Han'e Expressway	38,120	49,371
Daguangnan Expressway	30,025	22,139
ASSOCIATES AND JOINT VENTURE		
Han-Xiao Expressway	33,390	30,942
GWSR Expressway	88,998	94,433
Humen Bridge	110,516	103,928
Northern Ring Road ⁽¹⁾	359,708	N/A
Shantou Bay Bridge	17,220	16,836
Qinglian Expressway	56,942	42,967

Note:

- (1) The toll collection right of Northern Ring Road expired at 24:00 on 22 March 2024. The figures of average daily toll traffic volume for the first quarter of 2024 were for the period from 1 January to 22 March.

MANAGEMENT DISCUSSION AND ANALYSIS

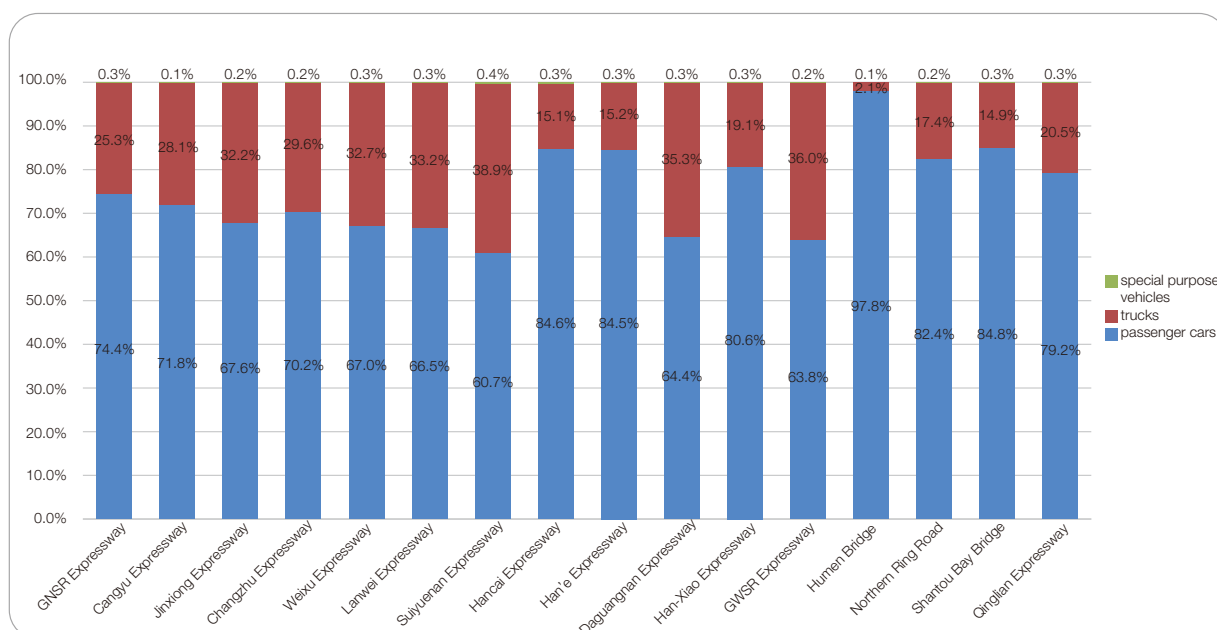
Unit: Vehicle/day



MANAGEMENT DISCUSSION AND ANALYSIS

Vehicle Type Analysis (By Traffic Volume)

During the Reporting Period, the Group's operating projects were primarily located in the following six provinces/ municipality/autonomous region: Guangdong, Guangxi, Hunan, Hubei, Henan and Tianjin. In accordance with the industry standard of "Vehicle Classification of the Toll Highway" implemented on 1 January 2020, in the regions where the Group's investment and operating projects are located, all vehicles are classified into the following three categories in a standardised manner: passenger cars, trucks, and special purpose vehicles.



Note:

- (1) Special purpose vehicle refers to cars that have special equipment or apparatus installed, and used in engineering special projects, health care and other operations.

SUMMARY OF OPERATING PERFORMANCE

Macro-economic Environment

In the face of a complex and challenging international environment and difficult and arduous tasks in promoting reform and development at home, the PRC stayed true to the general principle of pursuing progress while ensuring stability and promoting stability through progress, thereby the national economy maintaining generally stable. According to the information released by the National Bureau of Statistics, the gross domestic product (GDP) for the first half of 2024 amounted to RMB61,683.6 billion, representing a year-on-year increase of 5.0%; and by quarter, the GDP for the first quarter and the second quarter recorded a year-on-year increase of 5.3% and 4.7%, respectively.

According to the Ministry of Public Security, domestic car ownership maintained a steady growth momentum; as of 30 June 2024, domestic car ownership reached 345 million vehicles, representing a year-on-year increase of 5.2%; and new energy vehicle ownership reached 24.72 million, representing a year-on-year increase of 52.6% and reaching 7.2% of total number of vehicles.

MANAGEMENT DISCUSSION AND ANALYSIS

The projects invested and operated by the Group are distributed throughout Guangdong, Tianjin, Guangxi, Hunan, Hubei and Henan. According to the National Bureau of Statistics and bureaus of statistics of provinces, municipalities or autonomous region, the GDP of these regions for the first half of 2024 increased by 3.9%, 4.9%, 3.6%, 4.5%, 5.8% and 4.9% year-on-year, respectively.

(Unit: RMB100 million)

	National	Guangdong Province	Tianjin Municipality	Guangxi Autonomous Region	Hunan Province	Hubei Province	Henan Province
GDP for the first half of 2024	616,836	65,243	8,191	13,116	24,545	27,346	31,231
Year-on-year GDP changes for the first half of 2024	5.0%	3.9%	4.9%	3.6%	4.5%	5.8%	4.9%
Year-on-year GDP changes for the first half of 2023	5.5%	5.0%	4.8%	2.8%	3.6%	5.6%	3.8%

Source: National Bureaus of Statistics and bureaus of statistics of provinces, municipalities or autonomous region

Regulatory Environment of the Sector

On 28 March 2024, the Administrative Measures for Infrastructure and Public Utilities Concession (《基礎設施和公用事業特許經營管理辦法》) were promulgated by six ministries and commissions including the National Development and Reform Commission. The measures which are applicable to transportation and other infrastructures in the PRC were implemented on 1 May 2024. According to relevant provisions of the measures, among others, the maximum term of the concession granted by the government to concessionaires for investments in new construction or reconstruction and expansion and operation of infrastructures shall be adjusted from the original “not exceeding 30 years” to “in principle not exceeding 40 years”, and for franchise projects with large investment and long return period, the term can be appropriately extended based on actual circumstances.

On 30 July 2024, the Political Bureau of the Central Committee of the Communist Party of China convened a meeting to study the current economic situation. The meeting held that since the beginning of the year, China’s overall economic recovery and growth has been stable, and the upward trend has continued. The cultivation of new growth drivers and strengths has accelerated, high-quality development has been steadily promoted. The meeting stressed that we must adhere to the general principle of seeking progress while maintaining stability, implement the new development concept in a complete, accurate and comprehensive manner, accelerate the construction of a new development pattern, develop new quality productive forces in line with local conditions, strive to promote high-quality development, and strengthen the sustained upward trend of economic recovery.

On 6 May 2024, the General Office of the State Council issued the Legislation Working Plan of the State Council for the Year 2024 (《國務院二〇二四年度立法工作計劃》), incorporating revisions to the Regulations on the Administration of Toll Roads (《收費公路管理條例》).

Local governments across the PRC continued to promote the implementation of different highway tolls, adhering to government guidance and encouraging independent participation by operators, with the aims of improving road network efficiency, reducing logistics costs, and effectively protecting the legitimate rights of highway investors. Up to now, relevant policies have had no significant impact on the toll revenue of the Group’s projects.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Improvements and Innovations

During the Reporting Period, the Group proactively expanded revenue sources. Firstly, the Group continued to progress combined marketing strategies including “navigating and introducing traffic, linking scenic spots, improving road signage, ensuring smooth traffic flow and promoting brands”, with the aim of attracting traffic and increasing toll revenue via such new media promotions. Secondly, the Group continued to reinforce the concept of “Expressway+” and promote the use of resources such as service areas on the expressway, ancillary lands and facilities along the expressway and billboards to diversify its sources of revenue. Thirdly, the Group developed and utilised auxiliary assets and resources of the expressway to promote the implementation of projects such as photovoltaic power generation (with aggregate installed capacity of 6.5 MW and expected average annual power generation capacity of approximately 7.33 million kWh, which is expected to reduce carbon dioxide emissions by about 7,310 tons per annum on average) along the highway, and transformation and upgrade of service areas. In particular, the “Zero-Carbon Service Area” project of Changsha East on Changzhu Expressway has been approved, becoming one of the first seven “Zero-Carbon” service area pilot projects recognized by the Ministry of Transport. Fourthly, the Group adhered to the concept of green development and transportation, realising full coverage of charging and switching facilities in the service areas under our management. The Group effectively responded to the requirements of low-carbon development of the industry and the demand for new energy vehicles, which could also generate economic benefits. Fifthly, the Group strived to ensure that all tolls are collected and prevent toll evasion and avoidance. In particular, an intelligent audit system dedicated to prevent toll avoidance has been implemented its on-line operation on the routes of all subsidiaries, with the audit work order system improving processing efficiency thanks to its increasing automatic processing rate. Sixthly, a travel service online platform was rolled out by the Group to all its subsidiaries, which has accumulated a total of about 270,000 registered vehicle-owner members, laying a solid foundation for further tapping into the value of customer resources.

Through continuous investments in maintenance and careful operation and management, the Group strived to make sure the technological standards of highways were in line with the industry averages, provided the public with a “green, clean, smooth, beautiful and safe” traveling environment, enhanced business and service quality and optimised the efficiency and service level of expressway and toll stations. It continued to maintain, adjust and optimize key toll collection facilities and equipment, to ensure stable ongoing operation. As a result, the average ETC calculation success rate and car plate automatic identification rate for the first half of the year were 99.30% and 97.88% respectively, which were better than the industry averages (98% and 95%). It also continued to improve the safety management capabilities and build a safety management system with the characteristics of transportation industry.

The Group continued to advance its application of innovative technology. In particular, (i) the Group implemented preventive maintenance measures by promoting new technology, materials, processes, equipment and applications to improve the quality of work effectively and save maintenance costs, (ii) the Group effectively improved the level of safety control, intelligent operation and maintenance and intelligent management of the road sections under the Group's management, (iii) the Group continued to carry out digital transformation of business model and increased its investment in building an integrated smart traffic system platform that deploys big data technology with technical features such as “all-round monitoring, accurate detection and rapid early warning”, in order to improve the digitalization level of operation and maintenance management and promote the long-term development of enterprises with advanced technologies, (iv) the Group further promoted the intelligent toll collection technology, and deployed intelligent toll collection equipment with proprietary intellectual property rights on the road sections of all its subsidiaries to effectively enhance the efficiency of vehicular traffic.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Group newly obtained 1 invention patent, 2 utility patents and 8 software copyright. GNSR Company became the sole enterprise in the industry to be simultaneously certified as a “High-tech Enterprise”, an “Innovative Enterprise” and a “Specialised and Sophisticated Enterprise with Unique and Innovative Technologies”.

The Group is committed to improving its management and control and level of talent development. It will continue to optimise organisational management mechanisms and further enhance the management efficiency. It will also expand the vision of talents and improve their compound management capacities through solid implementation of measures on talents cultivation and development. By optimising and improving its incentive scheme, the Group guides and inspires its cadres and staff to assume responsibilities and make new achievements. Meanwhile, it disseminates the “Way of Faith” corporate culture of Yue Xiu, concentrating on promoting the operation and development of the Company.

Progress of Investment

During the Reporting Period, the Group continued to attempt to acquire high-quality expressway projects of large and medium scale, in order to strengthen assets under management and scale up the core business. Geographically, the Group has successfully set its foothold in Guangdong-Hong Kong-Macau Greater Bay Area and Central China and been expanding its presence in other developing areas benefiting from continued urbanisation and industrialisation going forward. The Group will also seek development opportunities for other infrastructure projects with stable cash flows and projects in the upstream and downstream of expressway value chain.

GNSR Expressway R&E Project

The GNSR Expressway R&E Project is a strategic construction project of the Group with the largest investment and that is the most difficult in recent years, which will help strengthen the Group’s most important revenue generating asset, enhance premium assets in the Greater Bay Area, and ensure sustainable development. Following the approval of the Land Expropriation Works Agreements for Huangpu District and Baiyun District in connection with the GNSR Expressway R&E Project at the special general meeting on 10 January 2023, GNSR Company has completed the signing of the Land Expropriation Works Agreements for Huangpu District and Baiyun District. During the process of the project, the Guangzhou Transportation Work Leading Group Office formally formed a special team for the construction of the GNSR Expressway R&E Project headed by the deputy mayor, and successfully established a normalised coordination mechanism at the municipal level to provide strong support for the smooth progress of the project. With the support of the government and the unremitting efforts of the Group, on 3 November 2023, GNSR Company entered into construction works agreements with relevant contractors for the main works sections. On 24 November 2023, relevant construction works agreements entered into for the main works sections under the GNSR Expressway R&E Project were approved at the special general meeting of the Company. On 29 April 2024, the land for the GNSR Expressway R&E Project has obtained the approval from the Ministry of Natural Resources of the PRC. On 20 June 2024, the construction permit has been granted by the Department of Transport of Guangdong Province, and the project commenced in full swing. The next step for the Group will be to fully advance land expropriation, relocation and on-site construction. For more details of the entering into of the Land Expropriation Works Agreements for Huangpu District and Baiyun District and construction works agreements for the main works sections of the GNSR Expressway R&E Project, please refer to the announcements of the Company dated 17 October 2022, 28 November 2022, 10 January 2023, 28 February 2023, 20 March 2023, 17 October 2023, 3 November 2023 and 24 November 2023 and the circulars of the Company dated 22 December 2022 and 8 November 2023, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Possible Risk Exposure Faced by GNSR Expressway R&E

1. Construction risks faced:

- (1) As the GNSR Expressway R&E Project involves a wide spectrum of works and processes at different stages including expropriation, demolition and relocation of lands, buildings and structures along the expressway, as well as design, tendering, construction and completion settlements, and the GNSR Expressway R&E Project involves sophisticated construction processes. There are a number of unforeseen factors which could affect the progress and scheduled completion time of and investment amount into the GNSR Expressway R&E Project, including but not limited to disputes arising under land expropriation arrangements, technical complications arising from the construction works, risks involving compliance with environmental protection policies and impact of public health incidents.
- (2) A number of factors may lead to delay in the land expropriation progress, such as issues arising in light of the fact that the Group may not have much experience in undertaking major expressway reconstruction and expansion projects, severe scrutiny from the government authority on the expropriation of arable land or permanent basic farmland and such other unforeseen circumstances which may be out of control of the Company and the relevant government authority.

Counter measures:

- (1) GNSR Company has engaged public institutions under supervision of the respective district governments to assist with the land expropriation works to ensure that the land expropriation works are sufficiently monitored. In addition, the Guangzhou municipal government has established a coordination task force led by the deputy mayor to help coordinate and resolve issues encountered during the construction process of the project; GNSR Company has also conducted a number of feasibility and technical studies during the implementation phase of the GNSR Expressway R&E Project with a view to minimising any unforeseen technical construction complications.
- (2) For production safety, the Group has established relevant response mechanisms, improved its organisational structure, prepared and completed safety management measures, and formed a complete safety management system.
- (3) As for compliance with environmental protection policies, the environmental impact report for the GNSR Expressway R&E Project has been approved by the competent authority, and GNSR Company has supervised and ensured that the relevant construction units would undertake environmental protection measures based on relevant laws and regulations during the construction phase and cooperate with any supervision and guidance from the respective governmental authorities during the construction phase.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Operational risks faced:

During the R&E construction period, the driving environment and traffic speed may be affected due to traffic control, enclosure operations, etc., thereby resulting in an impact on the toll revenue of the original road section of the GNSR Expressway. In addition, in terms of road maintenance and construction, production safety accidents may occur due to the possible failure by related parties to fulfill their responsibility for safety production or inadequate safety production measures.

Counter measures:

With regard to ensuring smooth operation, during the preliminary design stage of the project, the Group optimised the reconstruction and expansion method of the project according to the review opinions of the Ministry of Transport to mainly adopt two-side separation or one-side separation with overall widening construction as complement. The separation of the newly built section has basically no impact on the traffic of the original road section of the GNSR Expressway, and the overall widening construction is carried out on the side of the original road section of the GNSR Expressway, which has relatively limited impact on the traffic of the original road section. During the stage of construction drawing design, the Company, based on the preliminary design, kept improving traffic organisation plans by way of conducting special research on traffic organisation and engaging experts to carry out repeated internal review and optimization; at the preparation stage of construction, the Company has established an integrated coordination mechanism for operation and expansion work to ensure the coordination of operation and construction; during the process of subsequent construction, the Company will continue to carry out dynamic adjustment and optimisation according to the on-site traffic organisation to minimise the impact of construction on the operation of original road.

3. Investment risks faced:

The total investment amount estimated by the Company may be subject to change due to the changes in external environment, such as interest rate changes, changes in project construction costs, increases in land expropriation and demolition costs, fluctuating raw materials and equipment prices and modifications of the construction plans as the project progresses.

Counter measures:

The Group will undertake risk mitigation measures, such as accelerating the implementation of land expropriation and demolition, optimising the project plan to reduce project costs, properly handling budget control, close-monitoring of on-site management of construction sites, and reasonable lowering of financing costs.

4. Integrity risks faced:

During the construction process of the project, there may be integrity risks at key links such as tendering, land expropriation, construction management, settlement, etc.

Counter measures:

Strictly strengthen integrity supervision and management and integrity education through various means such as launching whole-process tracking audit and consultation, external special audits, and disciplinary supervision, so as to prevent corruption.

MANAGEMENT DISCUSSION AND ANALYSIS

IMPACT OF NATURAL DISASTERS

In the first half of 2024, a total of 19 cold air weather occurred across the country, slightly more than that of the same period of the previous years, of which two reached the level of cold snap. In February, two consecutive rounds of cold, rainy, snowy and freezing weather had a greater impact on the central and eastern China. The cold, rainy, snowy and freezing weather, overlapped with the Spring Festival travel rush, caused serious impacts on highway smooth traffic, power supply, people's travel and production and living. In February, the freezing weather caused the Group's revenues from Weixu Expressway, Lanwei Expressway, Suiyuan Expressway, Hancui Expressway, Han'e Expressway and Changzhu Expressway to be affected to a greater extent. In the first half of 2024, the national average precipitation was 316.9 millimeters, 13.9% more than that of the same period of the previous years. Heavy rainfall in many places triggered flash floods, urban floods, landslides, mudslides and other secondary disasters, for example, on 1 May, serious casualties were caused by a highway roadway collapse occurred on the Meida Expressway in Guangdong Province, heading (from Dabu) towards Fujian, due to the impact of continuous heavy rainfall. In the face of the increasing impact of natural disasters, the Group will improve its mechanism and adopt new technological means to be well prepared. Details are as follows:

Possible Risk Exposure Caused by Natural Disasters

1. Heavy rain and fluvial flooding faced

- (1) May cause natural disasters such as landslides, slope collapse and debris flows, cause damage to infrastructure, for example, flooding may destroy pavement and damage bridge support structures. Carrying out repair projects may increase the Company's operation and maintenance costs.
- (2) May lead to deterioration of road conditions, traffic and power outages, resulting in road congestion or closure, requiring additional time and resources to restore normal operations, including cleanup, repairs, safety inspections, etc., affecting traffic flow and resulting in a decline in toll revenue.

Counter measures:

- (1) Strengthen the treatment of slopes in mountainous areas along the way, such as afforestation, establishment of protective nets, slope protection reinforcement, etc., to prevent and reduce landslides, debris flows and other geological disasters. Conduct bridge and culvert assessment regularly as required, and implement maintenance and repair work to ensure that the bridge structures are in good technical condition.
- (2) Implement a regular inspection system to enhance the monitoring and patrol frequency of roads withstanding concentrated rainfall and saturated subgrades, and key flood control parts such as roadside slopes, culverts and tunnels, and sections with steep downhill, sharp bends and abrupt slopes and those adjacent to water or cliffs during the flood season each year, carry out hidden hazard investigation and remediation, and implement inspection, monitoring and maintenance of road drainage systems and bridge decks and piers, so as to mitigate the safety risks brought about by road water-logging and scouring around underwater foundations of bridges.
- (3) Pay close attention to meteorological conditions, obtain early warning of extreme precipitation, and keep up with temporary traffic control and other measures to reduce the impact of traffic disruption. Conduct risk assessments in advance for emergencies that may be caused by extreme weather such as heavy rain, floods and strong winds, which could lead to damage or even collapse of bridge structures, and issue early warnings to drivers and passengers in a timely manner.

MANAGEMENT DISCUSSION AND ANALYSIS

- (4) Adopt scientific and technological innovative methods to install a life-cycle safety monitoring system for slopes along certain expressways. Based on Beidou satellite positioning monitoring, UAV tilt photography technology and electronic sensor monitoring, image recognition and data analysis, the real-time monitoring of slope displacement is achieved, and the real-time transmission of monitoring data based on 4G/5G communication technology, the visualization of data based on point cloud data technology, and the long-term monitoring of high slope safety based on Internet of Things technology are achieved to realize early warning of potential hazards.
- (5) Improve emergency response capabilities, conduct drills for mechanisms including rescue procedures, safe evacuation routes and emergency contact, to ensure that responses can be swift and effective in emergencies and that they are dealt with promptly.

2. Sleet and snowstorm faced

- (1) The icy roads with slippery pavement in freezing rainy and snowy weather may cause vehicles to skid and may also lower visibility to make it difficult for drivers to see the roads clearly, and thus raise the risk of accidents.
- (2) Drivers may drive slowly in severe weather conditions, which may lead to traffic jams and affect the traffic efficiency. The freezing rainy and snowy weather may lead to reduced traffic capacity, therefore generating fewer revenues for expressway operators.
- (3) The equipment of highways, including guardrails and markings may fail to work in freezing rainy and snowy weather and require timely maintenance and repair.

Counter measures:

- (1) Develop a road safety and smooth traffic plan before each winter, closely monitor meteorological information, and issue early warning and forecasts to drivers and passengers in a timely manner for potential adverse weather conditions such as freezing snow, ice, and heavy fog. We prepare in advance to actively ensure that roads remain open and traffic flows remain smooth, and make full use of the “one road, multiple parties (一路多方)” joint operation mechanism to maintain close contact with traffic police and highway authorities, with a view to minimizing losses in toll revenue.
- (2) Intensify the identification and treatment of potential hazards in key areas such as roadbeds, pavements, bridges, spaces under bridges, traffic safety facilities and markings and signs, key sections and accident black spots.
- (3) Strengthen emergency management by improving and detailing emergency response plans, conducting emergency drills and preparing in advance for emergencies. We ensure that emergency rescue teams are ready, and that snow-melting agents, snowplows and other equipment and supplies are in place to carry out 24-hour uninterrupted snow removal and deicing operations, striving to achieve the goal of “removing as it falls and opening the road once the snow stops (即下即清、雪停路通)”.

MANAGEMENT DISCUSSION AND ANALYSIS

Expressways, Bridges and Port

During the Reporting Period, some expressway and bridge projects under the Group recorded a year-on-year decrease in average daily toll traffic volume and average daily toll revenue, mainly due to: ① the impact of the widespread rain, snow, cold and freezing weather on China's central and eastern regions (such as Hubei Province, Henan Province and Hunan Province) around the Chinese New Year; ② the fact that there were 4 more days of toll-free holidays for passenger vehicles with 7 seats or less (including 7 seats) in the first half of 2024 than those in the first half of last year (hereinafter referred to as the "Increase in Toll-free holidays"); and ③ the impact of the rainy weather in regions such as Cangyu and Qinglian in the second quarter.

Subsidiaries

GNSR Expressway

During the Reporting Period, the average daily toll revenue was RMB2,722,000, representing a year-on-year decrease of 7.9% from the first half of 2023. The average daily toll traffic volume was 288,778 vehicles, representing a year-on-year increase of 0.6% from the first half of 2023.

The year-on-year increases of average daily toll traffic volume and the year-on-year decrease of the average daily toll revenue were mainly due to the opening of the adjacent section of the project, namely Congpu Expressway, from 28 October 2023 onwards, which has a major impact on this road section in terms of shortening of some of the travel routes.

Cangyu Expressway

During the Reporting Period, the average daily toll revenue was RMB267,000, representing a year-on-year decrease of 1.6% from the first half of 2023. The average daily toll traffic volume was 18,833 vehicles, representing a year-on-year decrease of 5.1% from the first half of 2023.

The year-on-year decreases of the average daily toll revenue and the average daily toll traffic volume were mainly due to the impact of the rainy weather in the second quarter and the Increase in Toll-free holidays.

Jinxiong Expressway

During the Reporting Period, the average daily toll revenue was RMB213,000, representing a year-on-year decrease of 6.1% from the first half of 2023. The average daily toll traffic volume was 36,370 vehicles, representing a year-on-year increase of 2.9% from the first half of 2023.

The year-on-year increase of the average daily toll traffic volume and the year-on-year decrease of the average daily toll revenue were mainly due to the construction of National Highway 104 in the vicinity of this project starting from 9 May 2024, which resulted in a large number of short-distance vehicles being detoured to this road section. However, the revenue increase from the increased short-distance vehicle traffic cannot offset the impact of the Increase in Toll-free holidays.

Changzhu Expressway

During the Reporting Period, the average daily toll revenue was RMB668,000, representing a year-on-year decrease of 1.0% from the first half of 2023. The average daily toll traffic volume was 69,078 vehicles, representing a year-on-year decrease of 1.5% from the first half of 2023.

The year-on-year decreases of the average daily toll revenue and the average daily toll traffic volume were mainly due to the impact of the widespread rain, snow, cold and freezing weather around the Chinese New Year and the Increase in Toll-free holidays.

MANAGEMENT DISCUSSION AND ANALYSIS

Weixu Expressway

During the Reporting Period, the average daily toll revenue was RMB941,000, representing a year-on-year decrease of 8.9% from the first half of 2023. The average daily toll traffic volume was 25,280 vehicles, representing a year-on-year decrease of 6.2% from the first half of 2023.

The year-on-year decreases of the average daily toll revenue and the average daily toll traffic volume were mainly due to the impact of the widespread rain, snow, cold and freezing weather around the Chinese New Year and the Increase in Toll-free holidays.

Lanwei Expressway

During the Reporting Period, the average daily toll revenue was RMB764,000, representing a year-on-year decrease of 9.4% from the first half of 2023. The average daily toll traffic volume was 30,960 vehicles, representing a year-on-year decrease of 6.2% from the first half of 2023.

The year-on-year decreases of the average daily toll revenue and the average daily toll traffic volume were mainly due to the impact of the widespread rain, snow, cold and freezing weather around the Chinese New Year and the Increase in Toll-free holidays.

Suiyuan Expressway

During the Reporting Period, the average daily toll revenue was RMB1,854,000, representing a year-on-year decrease of 4.5% from the first half of 2023. The average daily toll traffic volume was 31,390 vehicles, representing a year-on-year decrease of 9.2% from the first half of 2023.

The year-on-year decreases of the average daily toll revenue and the average daily toll traffic volume were mainly due to the impact of the widespread rain, snow, cold and freezing weather around the Chinese New Year and the Increase in Toll-free holidays.

Hancai Expressway

During the Reporting Period, the average daily toll revenue was RMB669,000, representing a year-on-year decrease of 11.8% from the first half of 2023. The average daily toll traffic volume was 49,840 vehicles, representing a year-on-year decrease of 17.3% from the first half of 2023.

The year-on-year decreases of the average daily toll revenue and the average daily toll traffic volume were mainly due to the impact of the widespread rain, snow, cold and freezing weather around the Chinese New Year and the Increase in Toll-free holidays and the relatively high base number resulted from the favourable impact of Changfeng Bridge's closure for construction in the same period last year.

Han'e Expressway

During the Reporting Period, the average daily toll revenue was RMB540,000, representing a year-on-year increase of 30.2% from the first half of 2023. The average daily toll traffic volume was 43,746 vehicles, representing a year-on-year increase of 27.6% from the first half of 2023.

The year-on-year increase of the average daily toll revenue and the average daily toll traffic volume were mainly due to the closure of the competitive section of this project, the Wuhuang Expressway, for construction starting from 10 May 2024, which resulted in some vehicles being detoured to this road section. The year-on-year increase of the average daily toll revenue was higher than that of the average daily toll traffic volume, which was mainly due to the fact that vehicles being detoured from the competitive section of this project, the Wuhuang Expressway, to Han'e Expressway were mainly trucks which contributed higher toll charges than passenger cars.

MANAGEMENT DISCUSSION AND ANALYSIS

Daguangnan Expressway

During the Reporting Period, the average daily toll revenue was RMB1,184,000, representing a year-on-year decrease of 8.1% from the first half of 2023. The average daily toll traffic volume was 26,082 vehicles, representing a year-on-year decrease of 14.6% from the first half of 2023.

The year-on-year decreases of the average daily toll revenue and the average daily toll traffic volume were mainly due to: ① the diversion impact of the commencement of operation of Wuyang Expressway, the competitive section of this project, on 20 October 2023; ② the far-end diversion impact on this road section as a result of the closure of Wuhuang Expressway which connects to this project for construction starting from 10 May 2024; and ③ the Increase in Toll-free holidays.

Associates and Joint Venture

Han-Xiao Expressway

During the Reporting Period, the average daily toll revenue was RMB608,000, representing a year-on-year decrease of 7.4% from the first half of 2023. The average daily toll traffic volume was 32,166 vehicles, representing a year-on-year decrease of 3.3% from the first half of 2023.

The year-on-year decreases of the average daily toll revenue and the average daily toll traffic volume were mainly due to the impact of the widespread rain, snow, cold and freezing weather around the Chinese New Year and the Increase in Toll-free holidays.

GWSR Expressway

During the Reporting Period, the average daily toll revenue was RMB1,323,000, representing a year-on-year increase of 3.4% from the first half of 2023. The average daily toll traffic volume was 91,716 vehicles, representing a year-on-year increase of 4.4% from the first half of 2023.

The year-on-year increases of the average daily toll revenue and the average daily toll traffic volume were mainly due to the continuing recovery and growth of passenger volume.

Humen Bridge

During the Reporting Period, the average daily toll revenue was RMB2,896,000, representing a year-on-year increase of 7.8% from the first half of 2023. The average daily toll traffic volume was 107,222 vehicles, representing a year-on-year increase of 8.1% from the first half of 2023.

The year-on-year increases of the average daily toll revenue and the average daily toll traffic volume were mainly due to the continuing recovery and growth of passenger volume.

Northern Ring Road

During the Reporting Period, the toll collection right of Northern Ring Road expired at 24:00 on 22 March 2024.

The average daily toll revenue was RMB1,932,000, and the average daily toll traffic volume was 359,708 vehicles.

MANAGEMENT DISCUSSION AND ANALYSIS

Shantou Bay Bridge

During the Reporting Period, the average daily toll revenue was RMB268,000, representing a year-on-year decrease of 5.7% from the first half of 2023. The average daily toll traffic volume was 17,028 vehicles, representing a year-on-year decrease of 3.6% from the first half of 2023.

The year-on-year decreases of the average daily toll revenue and the average daily toll traffic volume were mainly due to the Increase in Toll-free holidays.

Qinglian Expressway

During the Reporting Period, the average daily toll revenue was RMB1,798,000, representing a year-on-year decrease of 5.6% from the first half of 2023. The average daily toll traffic volume was 49,955 vehicles, representing a year-on-year decrease of 4.1% from the first half of 2023.

The year-on-year decreases of the average daily toll revenue and the average daily toll traffic volume were mainly due to the impact of the rainy weather in the second quarter and the Increase in Toll-free holidays.

Pazhou Port Project

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

10 ferry services were operated daily at Pazhou Port (5 arrivals and 5 departures) during the first half of 2024, while 6 ferry services were operated daily (3 arrivals and 3 departures) during the first half of 2023.

The average daily ticket business revenue was RMB140,000, and the average daily passenger volume was 429 person-time.

FINANCIAL REVIEW

Key operating results figures

	Six months ended 30 June		
	2024 RMB'000	2023 RMB'000	Change %
Revenue	1,826,884	1,935,448	-5.6
Gross profit	915,920	1,094,584	-16.3
Operating profit	790,520	971,267	-18.6
Earnings before interests, tax, depreciation and amortisation ("EBITDA") ⁽¹⁾	1,599,230	1,767,180	-9.5
Finance costs	(249,352)	(283,934)	-12.2
Share of result of a joint venture, net of tax	35,313	35,571	-0.7
Share of results of associates, net of tax	41,038	94,813	-56.7
Profit attributable to shareholders of the Company	313,938	427,106	-26.5
Basic earnings per share	RMB0.1876	RMB0.2553	-26.5
Diluted earnings per share	RMB0.1876	RMB0.2553	-26.5
Dividend	183,534	229,610	-20.1

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

MANAGEMENT DISCUSSION AND ANALYSIS

I. OVERVIEW OF OPERATING RESULTS

In the Reporting Period and as compared with the previous reporting period, the Group's revenue decreased by 5.6 percent to RMB1.83 billion; operating profit decreased by 18.6 percent to RMB791 million; and profit attributable to shareholders of the Company decreased by 26.5 percent to RMB314 million.

The decrease in the Group's revenue during the Reporting Period primarily because of severe weather conditions, including widespread rain, snow, cold and freezing temperatures, that impacted China's central and eastern regions (such as Hubei Province, Henan Province and Hunan Province) around the Chinese New Year. Additionally, the revenue decline was mainly due to the Increase in Toll-free holidays during the Reporting Period and the impact of the rainy weather in regions such as Cangyu in the second quarter.

In the Reporting Period, the revenue decreased by 5.6% or RMB109 million and the profit attributable to shareholders of the Company decreased by 26.5% or RMB113 million as compared with same period in 2023. Apart from the reason of the decrease in revenue, the decrease in profit attributable to shareholders of the Company was mainly attributable to the decrease in share of results of associates, net of tax by 56.7% or RMB53.78 million during the Reporting Period as a result of the expiry of toll collection right on the Northern Ring Road on 22 March 2024.

The Board resolved to declare an interim dividend for 2024 is HK\$0.12 which is equivalent to approximately RMB0.1097 (2023 interim dividend: HK\$0.15 which was equivalent to approximately RMB0.1372) per share, representing an interim dividend payout ratio of 58.5 percent (2023 interim dividend payout ratio: 53.8 percent).

II. ANALYSIS OF OPERATING RESULTS

Revenue

The Group recorded total revenue of RMB1.83 billion in the Reporting Period, which comprised total toll revenue of RMB1.79 billion and other revenue related to normal toll roads operation of RMB39.33 million.

Toll revenue

The Group recorded total toll revenue of RMB1.79 billion in the Reporting Period, representing a decrease of 5.1 percent from RMB1.88 billion as compared with the same period in 2023. The decrease was mainly because of severe weather conditions that impacted China's central and eastern regions around the Chinese New Year, the Increase in Toll-free holidays during the Reporting Period and the impact of the rainy weather in regions such as Cangyu in the second quarter. Further details on the toll revenue of each expressway and bridge are set out in the "Business Review – Expressways, Bridges and Port" section of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of toll revenue by each controlled project

Controlled Projects	Reporting Period RMB'000	Percentage of total toll revenue %	First half of 2023 RMB'000	Percentage of total toll revenue %	Change %
GNSR Expressway	495,442	27.7	534,899	28.4	-7.4
Suiyuanan Expressway	337,349	18.9	351,389	18.6	-4.0
Daguangnan Expressway	215,501	12.0	233,194	12.4	-7.6
Weixu Expressway	171,213	9.6	186,846	9.9	-8.4
Lanwei Expressway	138,962	7.8	152,601	8.1	-8.9
Hancai Expressway	121,803	6.8	137,403	7.3	-11.4
Changzhu Expressway	121,563	6.8	122,064	6.5	-0.4
Han'e Expressway	98,231	5.5	75,036	4.0	30.9
Cangyu Expressway	48,655	2.7	49,192	2.6	-1.1
Jinxiong Expressway	38,833	2.2	41,144	2.2	-5.6
Total toll revenue	1,787,552	100.0	1,883,768	100.0	-5.1

Other revenue

In the Reporting Period, the Group recorded other revenue related to normal toll roads operation of RMB39.33 million (same period in 2023: RMB51.68 million), mainly comprising income from service area and gas station of RMB19.20 million (same period in 2023: RMB16.35 million) and entrusted road management service income of RMB17.51 million (same period in 2023: RMB16.24 million). In the Reporting Period, the decrease in other revenue was mainly due to the reclassification of construction service income from "Revenue" to "Construction income from construction and upgrade services" was made during the Reporting Period in order to provide better presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of services

In the Reporting Period, the Group's total cost of services amounted to RMB911 million, representing an increase of 8.3 percent from RMB841 million as compared with the same period in 2023. In the Reporting Period, the total cost of services of the Group's controlled projects amounted to RMB903 million. Overall cost ratio (cost of services/revenue) was 49.9 percent in the Reporting Period, which was 6.5 percentage point higher than that of the same period in 2023. The increase was mainly due to the increase in the amortisation of intangible operating rights and the severe weather conditions led to the increase in operating costs during the Reporting Period. The decrease in toll highways and bridges operating expenses was mainly due to the reclassification of construction service cost from "Cost of Services" to "Construction costs from construction and upgrade services" during the Reporting Period in order to provide better presentation.

Analysis of cost of services by each controlled project

Controlled Projects	Reporting Period RMB'000	Percentage of total %	First half of 2023 RMB'000	Percentage of total %	Change %
GNSR Expressway	187,322	20.7	196,076	23.6	-4.5
Suiyuanan Expressway	138,559	15.3	120,631	14.5	14.9
Daguangnan Expressway	129,762	14.4	120,741	14.5	7.5
Weixu Expressway	81,716	9.0	75,803	9.1	7.8
Lanwei Expressway	96,193	10.7	88,670	10.7	8.5
Hancai Expressway	91,187	10.1	76,046	9.2	19.9
Changzhu Expressway	71,257	7.9	66,014	7.9	7.9
Han'e Expressway	56,155	6.2	39,114	4.7	43.6
Gangyu Expressway	23,355	2.6	21,908	2.6	6.6
Jinxiong Expressway	27,749	3.1	26,548	3.2	4.5
Total	903,255	100.0	831,551	100.0	8.6

Analysis of controlled projects' cost of services by nature

	Reporting Period RMB'000	Percentage of total %	First half of 2023 RMB'000	Percentage of total %	Change %
Amortisation of intangible operating rights	700,470	77.6	636,437	76.5	10.1
Staff costs	83,477	9.2	81,377	9.8	2.6
Toll highways and bridges maintenance expenses	65,908	7.3	47,407	5.7	39.0
Toll highways and bridges operating expenses	42,521	4.7	55,118	6.6	-22.9
Taxes and surcharges	7,265	0.8	7,070	0.9	2.8
Depreciation of other fixed assets	3,614	0.4	4,142	0.5	-12.7
Total	903,255	100.0	831,551	100.0	8.6

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit

Gross profit in the Reporting Period was RMB916 million, representing a decrease of 16.3 percent from RMB1.09 billion in the same period in 2023. The total gross profit of the Group's controlled projects in the Reporting Period was RMB906 million. Overall gross profit margin in the Reporting Period was 50.1 percent, which was 6.5 percentage point lower than that of the same period in 2023.

Analysis of gross profit by each controlled project

Controlled Projects	Reporting Period		First half of 2023	
	Gross Profit RMB'000	Gross Margin ⁽¹⁾	Gross Profit RMB'000	Gross Margin ⁽¹⁾
GNSR Expressway	310,496	62.4%	357,188	64.6%
Suiyuanan Expressway	204,353	59.6%	235,857	66.2%
Daguanqian Expressway	91,684	41.4%	117,478	49.3%
Weixu Expressway	90,718	52.6%	112,167	59.7%
Lanwei Expressway	42,769	30.8%	63,930	42.0%
Hancai Expressway	31,707	25.8%	62,459	45.1%
Changzhu Expressway	50,712	41.6%	56,289	46.0%
Han'e Expressway	46,623	45.4%	39,925	50.5%
Cangyu Expressway	25,300	52.0%	27,284	55.5%
Jinxiong Expressway	11,744	29.7%	15,078	36.2%
Total	906,106	50.1%	1,087,655	56.7%

⁽¹⁾ Gross margin = Gross profit/revenue

General and administrative expenses

The Group's general and administrative expenses in the Reporting Period amounted to RMB135 million, representing an increase of 1.2 percent from RMB134 million in the same period in 2023.

Other income, gains and losses – net

The Group's other income, gains and losses – net was RMB10.08 million in the Reporting Period (same period in 2023: RMB10.59 million), which was 4.8 percent lower than that of the same period in 2023.

Finance income/Finance costs

The Group's finance income in the Reporting Period amounted to RMB17.20 million (same period in 2023: RMB13.64 million), which was 26.1 percent higher than that of the same period in 2023. The increase was mainly due to the increase in interest income as a result of the increase in average cash and cash equivalents in the banks during the Reporting Period.

The Group's finance costs in the Reporting Period decreased by 12.2 percent to RMB249 million (exclusive of amount capitalized in construction in progress of RMB7.89 million) as compared with RMB284 million in the same period in 2023, mainly due to management's continuous effort in optimising the overall debt structure and lowering debts' interest rate. The Group's overall weighted average interest rate in the Reporting Period was 3.05 percent (same period in 2023: 3.33 percent).

MANAGEMENT DISCUSSION AND ANALYSIS

Share of results of associates and a joint venture, net of tax

The Group's share of results of associates and a joint venture, net of tax, decreased by 41.4 percent to RMB76.35 million in the Reporting Period (same period in 2023: RMB130 million). The decrease was mainly due to the expiration of toll collection right of Northern Ring Road on 22 March 2024. More details of the toll revenue of each expressway and bridge and the ticket business revenue of port are stated in the "Business Review – Expressways, Bridges and Port" section of this report.

Share of post-tax profit of Humen Bridge in the Reporting Period increased by 6.1 percent to RMB46.15 million. Share of post-tax loss of Northern Ring Road in the Reporting Period amounted to RMB20.43 million (same period in 2023: share of post-tax profit of RMB27.89 million) due to the expiration of toll collection right on 22 March 2024. Share of post-tax profit of Qinglian Expressway in the Reporting Period decreased by 21.4 percent to RMB12.0 million. The decrease was mainly due to the impact of the rainy weather in the second quarter and the Increase in Toll-free holidays during the Reporting Period. Share of post-tax profit of Huaxia Yuexiu Expressway REIT in the Reporting Period decreased by 12.6 percent to RMB7.55 million. The decrease was mainly due to severe weather conditions around the Chinese New Year and the Increase in Toll-free holidays during the Reporting Period. Share of post-tax profit of Shantou Bay Bridge in the Reporting Period decreased by 30.4 percent to RMB3.82 million. The decrease was mainly due to the Increase in Toll-free holidays during the Reporting Period. Share of post-tax loss of Pazhou Port in the Reporting Period amounted to RMB8.05 million (same period in 2023: RMB5.97 million). Share of post-tax profit of GWSR Expressway in the Reporting Period decreased by 0.7 percent to RMB35.31 million.

Analysis of share of results of associates and a joint venture, net of tax, and the revenue of their respective entities

	Profit Sharing ratio %	Revenue Reporting Period RMB'000	Y-O-Y change %	Share of results, net of tax Reporting Period RMB'000	Y-O-Y change %
Associates					
Humen Bridge	18.446	545,180	8.6	46,148	6.1
Qinglian Expressway	23.63	331,217	-4.7	11,999	-21.4
Huaxia Yuexiu Expressway REIT	30.0	112,840	-7.4	7,551	-12.6
Shantou Bay Bridge	30.0	48,967	-7.0	3,824	-30.4
Pazhou Port ⁽¹⁾	45.0	25,633	N/A	(8,052)	loss increased
Northern Ring Road ⁽²⁾	24.3	159,281	N/A	(20,432)	turned loss
Joint venture					
GWSR Expressway	35.0	243,329	4.0	35,313	-0.7

⁽¹⁾ The trial operation of Pazhou Port commenced on 14 April 2023. The data for the same period in 2023 only covered the period from 14 April 2023 to 30 June 2023.

⁽²⁾ Toll collection right was expired on 22 March 2024. The revenue data for the Reporting Period only covered the period from 1 January 2024 to 22 March 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Income tax expense

Total income tax expense of the Group in the Reporting Period decreased by 23.6 percent to RMB167 million (same period in 2023: RMB219 million). The decrease was mainly due to the decrease in profit before tax brought by the decrease in the toll traffic volume during the Reporting Period.

Profit attributable to shareholders of the Company

The Company reported a profit attributable to its shareholders of RMB314 million in the Reporting Period, representing a decrease of 26.5 percent from RMB427 million in the same period in 2023. The decrease was driven by a reduction in revenue and the cessation of toll collection right of the Northern Ring Road on 22 March 2024, which led to the drop in share of results of associates, net of tax during the Reporting Period.

The management team continues to optimise the Group's overall debt structure. As part of such optimisation, inter-company loans were incurred between the holding companies level and the controlled projects level. Such interests would be ultimately eliminated at the consolidated level.

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 2023 RMB'000	Percentage of total %	Change %
Net profit from controlled projects	452,111	85.6	572,739	81.5	-21.1
Net profit from non-controlled projects ⁽¹⁾	76,351	14.4	130,384	18.5	-41.4
Net profit from projects	528,462	100.0	703,123	100.0	-24.8
Withholding tax on PRC dividend/ interest income	(15,495)		(27,327)		-43.3
Holding companies expenses	(95,113)		(99,112)		-4.0
Holding companies income/gains, net	8,043		7,915		1.6
Holding companies finance income	12,024		8,787		36.8
Holding companies finance costs	(123,983)		(166,280)		-25.4
Profit attributable to shareholders of the Company	313,938		427,106		-26.5

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

Controlled Projects	Reporting Period RMB'000	Percentage of total net profit from projects %	First half of 2023 RMB'000	Percentage of total net profit from projects %	Change %
GNSR Expressway	161,202	30.5	186,371	26.5	-13.5
Suiyuanan Expressway	100,702	19.1	123,178	17.5	-18.2
Weixu Expressway	65,459	12.4	81,999	11.7	-20.2
Daguangnan Expressway	37,749	7.1	53,583	7.6	-29.6
Changzhu Expressway	24,038	4.5	43,661	6.2	-44.9
Cangyu Expressway	19,818	3.8	21,647	3.1	-8.4
Lanwei Expressway	18,486	3.5	31,475	4.5	-41.3
Hancai Expressway	15,760	3.0	31,508	4.5	-50.0
Han'e Expressway	5,225	1.0	(6,201)	-0.9	turned profit
Jinxiong Expressway	3,672	0.7	5,518	0.8	-33.5
Total	452,111	85.6	572,739	81.5	-21.1

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

Controlled Projects	Reporting Period RMB'000	Percentage of total net profit from projects ⁽¹⁾ %	First half of 2023 RMB'000	Percentage of total net profit from projects ⁽¹⁾ %	Change %
GNSR Expressway	161,202	33.3	186,371	30.2	-13.5
Suiyuanan Expressway	100,702	20.8	115,282	18.6	-12.6
Weixu Expressway	66,043	13.7	82,509	13.4	-20.0
Daguangnan Expressway	10,601	2.2	19,972	3.2	-46.9
Changzhu Expressway	23,166	4.8	23,137	3.7	0.1
Cangyu Expressway	20,513	4.2	22,702	3.7	-9.6
Lanwei Expressway	18,775	3.9	31,485	5.1	-40.4
Hancai Expressway	4,388	0.9	16,420	2.7	-73.3
Han'e Expressway	(2,573)	-0.5	(16,310)	-2.6	loss decreased
Jinxiong Expressway	4,185	0.9	5,851	0.9	-28.5
Total	407,002	84.2	487,419	78.9	-16.5

⁽¹⁾ Representing net profit from projects before elimination of inter-company loans interests

MANAGEMENT DISCUSSION AND ANALYSIS

In the Reporting Period, net profit from non-controlled projects decreased by 41.4 percent to RMB76.35 million (same period in 2023: RMB130 million) as compared with the same period in 2023. The decrease was mainly due to the expiration of toll collection right of Northern Ring Road during the Reporting Period.

During the Reporting Period and at the holding companies level, the withholding tax on PRC dividend/interest income decreased by RMB11.83 million; holding companies expenses decreased by RMB4.0 million; holding companies income/gains, net increased by RMB128,000 during the Reporting Period; and holding companies finance income increased by RMB3.23 million, mainly due to the increase in interest income from banks at holding companies level during the Reporting Period. In addition, holding companies finance cost decreased by RMB42.30 million, mainly due to management's optimisation of debt portfolio and lowering the interest rate on existing debts during the Reporting Period.

Interim dividend

The Board resolved to declare an interim dividend for 2024 of HK\$0.12 which is equivalent to approximately RMB0.1097 (2023 interim dividend: HK\$0.15 which was equivalent to approximately RMB0.1372) per share payable on or about 29 November 2024 to shareholders whose names appear on the register of members of the Company on 7 November 2024. Interim dividend payout ratio is 58.5 percent (2023 interim dividend payout ratio: 53.8 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 dividend.

MANAGEMENT DISCUSSION AND ANALYSIS

III. ANALYSIS OF FINANCIAL POSITION

Key financial position figures

	(Unaudited) 30 June 2024 RMB'000	31 December 2023 RMB'000	Change %
Total assets	36,259,144	36,502,458	-0.7
Total liabilities	21,430,991	21,652,521	-1.0
Cash and cash equivalents	2,586,145	2,380,785	8.6
Total debts	17,007,097	16,923,816	0.5
of which: Bank borrowings*	10,045,576	9,496,565	5.8
Corporate bonds*	499,548	2,499,094	-80.0
Notes payable*	6,314,596	4,794,783	31.7
Current ratio	0.4 times	0.3 times	
EBITDA interest coverage	6.6 times	6.4 times	
Equity attributable to the shareholders of the Company	11,691,649	11,613,337	0.7

* excluding interest payable

Assets, Liabilities and Equity

As at 30 June 2024, the Group's total assets amounted to RMB36.26 billion, which was 0.7 percent lower than the balance as at 31 December 2023. The Group's total assets consisted mainly of intangible operating rights of RMB29.64 billion (31 December 2023: RMB30.25 billion); investments in a joint venture and associates of RMB2.07 billion (31 December 2023: RMB2.08 billion); and cash and cash equivalents of RMB2.59 billion (31 December 2023: RMB2.38 billion).

As at 30 June 2024, the Group's total liabilities amounted to RMB21.43 billion, which was 1.0 percent lower than the balance as at 31 December 2023. The Group's total liabilities consisted mainly of bank borrowings of RMB10.05 billion (31 December 2023: RMB9.50 billion); corporate bonds of RMB500 million (31 December 2023: RMB2.50 billion); notes payable of RMB6.31 billion (31 December 2023: RMB4.79 billion); loan from the immediate holding company of RMB100 million (31 December 2023: RMB100 million); loan from a non-controlling interest of a subsidiary of RMB18.30 million (31 December 2023: RMB28.30 million); and deferred income tax liabilities of RMB3.06 billion (31 December 2023: RMB3.07 billion).

As at 30 June 2024, the Group's total equity decreased by RMB21.78 million to RMB14.83 billion (31 December 2023: RMB14.85 billion), of which RMB11.69 billion was equity attributable to the shareholders of the Company (31 December 2023: RMB11.61 billion).

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of major assets, liabilities and equity items

Items	(Unaudited) 30 June 2024 RMB'000	31 December 2023 RMB'000	Change %
Total assets	36,259,144	36,502,458	-0.7
Approximately 90.0% of which:			
Intangible operating rights	29,637,869	30,247,734	-2.0
Investments in a joint venture and associates	2,073,717	2,078,796	-0.2
Cash and cash equivalents	2,586,145	2,380,785	8.6
Total liabilities	21,430,991	21,652,521	-1.0
Approximately 90.0% of which:			
Bank borrowings* – due within 1 year	1,109,355	1,056,966	5.0
– long-term portion	8,936,221	8,439,599	5.9
Corporate bonds* – due within 1 year	–	1,999,427	-100.0
– long-term portion	499,548	499,667	–
Notes payable* – due within 1 year	4,295,842	3,296,037	30.3
– long-term portion	2,018,754	1,498,746	34.7
Loan from the immediate holding company*			
– due within 1 year	100,000	100,000	–
Loan from a non-controlling interest of a subsidiary			
– due within 1 year	10,000	10,000	–
– long-term portion	8,301	18,301	-54.6
Deferred income tax liabilities	3,060,223	3,072,085	-0.4
Total equity	14,828,153	14,849,937	-0.1
Of which: Equity attributable to the shareholders of the Company	11,691,649	11,613,337	0.7

* excluding interest payable

MANAGEMENT DISCUSSION AND ANALYSIS

Cash flows

The Group's primary objective is focused on preventing risks and improving liquidity. The Group has maintained an appropriate level of cash on hand so as to prevent liquidity risks. As at the end of the Reporting Period, the Group's cash and cash equivalents amounted to RMB2.59 billion (31 December 2023: RMB2.38 billion), of which 99.8 percent are RMB-denominated and the rest are denominated in HKD. The Group's cash was deposited in commercial banks, with no deposit in non-bank institutions.

Analysis of cash flow movement

	(Unaudited)	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Net cash generated from operating activities	1,183,705	1,340,491
Net cash used in investing activities	(220,861)	(456,724)
Net cash used in financing activities	(757,594)	(1,598,566)
Increase/(decrease) in cash and cash equivalents	205,250	(714,799)
Cash and cash equivalents at 1 January	2,380,785	2,480,267
Effect of exchange rate changes on cash and cash equivalents	110	1,244
Cash and cash equivalents at 30 June	2,586,145	1,766,712

Net cash generated from operating activities during the Reporting Period amounted to RMB1.18 billion (same period in 2023: RMB1.34 billion), which was the sum of cash generated from operations of RMB1.36 billion (same period in 2023: RMB1.49 billion) less PRC enterprise income tax and withholding tax paid of RMB172 million (same period in 2023: RMB152 million).

Net cash used in investing activities during the Reporting Period amounted to RMB221 million (same period in 2023: RMB457 million). The outflow mainly consisted of capital expenditures of RMB337 million (same period in 2023: RMB645 million). The inflow mainly consisted of dividend distributions from associates of RMB98.91 million (same period in 2023: dividend distributions from associates and a joint venture of RMB174 million) and interest received in aggregate of RMB17.41 million (same period in 2023: RMB14.03 million).

Net cash used in financing activities during the Reporting Period amounted to RMB758 million (same period in 2023: RMB1.60 billion). The outflow mainly included repayment of corporate bonds of RMB2.0 billion (same period in 2023: RMB87.0 million); repayment of notes payable of RMB970 million (same period in 2023: RMB2.0 billion); repayment of bank borrowings of RMB611 million (same period in 2023: RMB1.70 billion); dividend paid to the shareholders of the Company of RMB234 million (same period in 2023: RMB154 million); payment of interests and related financing fees of RMB319 million (same period in 2023: RMB372 million); dividend paid to non-controlling interests of RMB254 million (same period in 2023: RMB108 million); repayments of loan from a non-controlling interest of a subsidiary of RMB10.0 million (same period in 2023: RMB10.0 million) and payment for lease liabilities (including interest) of RMB5.68 million (same period in 2023: RMB6.14 million). The inflow mainly included the net proceeds from notes payable of RMB2.49 billion (same period in 2023: RMB1.30 billion) and drawdown of bank borrowings of RMB1.16 billion (same period in 2023: RMB1.54 billion).

MANAGEMENT DISCUSSION AND ANALYSIS

Current ratio

The current ratio (current assets over current liabilities) as at 30 June 2024 was 0.4 times (31 December 2023: 0.3 times). As at 30 June 2024, current assets balance was RMB2.83 billion (31 December 2023: RMB2.63 billion) and current liabilities balance was RMB6.62 billion (31 December 2023: RMB7.83 billion). Cash and cash equivalents were the major components of the Group's current assets and the balance amounted to RMB2.59 billion as at 30 June 2024 (31 December 2023: RMB2.38 billion). The Group's current liabilities as at 30 June 2024 mainly included external debts with maturities within one year (excluding interest payable) of RMB5.41 billion (31 December 2023: RMB6.35 billion), which consisted of bank borrowings of RMB1.11 billion and notes payable of RMB4.30 billion (31 December 2023: bank borrowings of RMB1.05 billion, notes payable of RMB3.30 billion and corporate bonds of RMB2.0 billion). The management will continue to take a prudent approach to effectively match capital and debt commitments with existing cash, future operating cash flow and cash return from investments, in order to manage liquidity risks. Taking into account the additional financing facilities available to the Group and the internally generated funds from operations, the management is confident that the Group will be able to meet its liabilities as they fall due in the next twelve months.

EBITDA interest coverage and other financial ratios

EBITDA interest coverage for the period ended 30 June 2024 was 6.6 times (30 June 2023: 6.4 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 2024 was 9.5 percent (30 June 2023: 10.7 percent), which was measured as the ratio of EBITDA to the aggregate balance of bank borrowings, corporate bonds and notes payable ("total external debts").

Profit before interest and income tax interest coverage for the period ended 30 June 2024 was 3.6 times (30 June 2023: 4.0 times), which was measured as the ratio of profit before interest and income tax to interest expenses (profit and loss impact).

Cash interest coverage for the period ended 30 June 2024 was 5.2 times (30 June 2023: 5.0 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 RMB337 million (same period in 2023: RMB645 million). Capital expenditures related to intangible operating rights and fixed assets included: (1) payments of construction costs of toll highways and bridges upgrade services of RMB163 million (same period in 2023: RMB88.96 million); (2) payments of prepayment related to GNSR Expressway R&E Project of RMB162 million (same period in 2023: RMB548 million); and (3) purchase of property, plant and equipment of RMB12.36 million (same period in 2023: RMB7.79 million). Apart from the aforementioned, no material capital expenditure was incurred during the Reporting Period. Going forward, the management believes that the Group's operating cash flow and appropriate financing arrangements can satisfy its future capital expenditures and investment needs.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital structures

It is one of the Group's financial policies to maintain a balanced capital structure, which aims to strike a balance between enhancing profitability and ensuring financial leverage ratios to remain at safe levels.

Analysis of capital structures

	(Unaudited) 30 June 2024 RMB'000	31 December 2023 RMB'000
External debts*		
Bank borrowings	10,045,576	9,496,565
Corporate bonds ⁽¹⁾	499,548	2,499,094
Notes payable ⁽²⁾	6,314,596	4,794,783
Loan from the immediate holding company*	100,000	100,000
Loan from a non-controlling interest of a subsidiary	18,301	28,301
Lease liabilities	29,076	5,073
Total debts	17,007,097	16,923,816
Less: cash and cash equivalents	(2,586,145)	(2,380,785)
Net debt	14,420,952	14,543,031
Total Equity	14,828,153	14,849,937
Total capitalisation (Net debt + Total equity)	29,249,105	29,392,968

* excluding interest payable

Financial ratios

Gearing ratio (net debt/total capitalisation)	49.3%	49.5%
Debt to Equity ratio (net debt/total equity)	97.3%	97.9%
Total liabilities/Total assets ratio	59.1%	59.3%

(1) As at 30 June 2024, the details of the corporate bonds issued in the Shanghai Stock Exchange:

	Drawdown date:	Principal:	Principal repayment date:	Coupon rate (per annum):	Next interest payment date:
RMB500 million seven-year corporate bonds (2021 Phase 2)	13 May 2021	RMB500 million	13 May 2028	3.84%	13 May 2025

MANAGEMENT DISCUSSION AND ANALYSIS

(2) As at 30 June 2024, the details of the notes payable issued in the Beijing Financial Assets Exchange:

	Drawdown date:	Principal:	Principal repayment date:	Coupon rate (per annum):	Next interest payment date:
RMB1,000 million five-year medium term notes (2021 Phase 1)	28 January 2021	RMB30 million	28 January 2026	2.70%	28 January 2025
RMB1,000 million five-year medium term notes (2022 Phase 1)	18 March 2022	RMB1,000 million	18 March 2027	3.28%	18 March 2025
RMB500 million three-year medium term notes (2023 Phase 1)	7 August 2023	RMB500 million	7 August 2026	2.87%	7 August 2024
RMB1,000 million ten-year medium term notes (2024 Phase 1)	17 April 2024	RMB1,000 million	17 April 2034	2.84%	17 April 2025
RMB500 million three-year medium term notes (2024 Phase 2)	27 June 2024	RMB500 million	27 June 2027	2.16%	27 June 2025
RMB1,300 million 270 days super short-term commercial paper (2023 Phase 3)	11 October 2023	RMB1,300 million	7 July 2024	2.50%	7 July 2024
RMB500 million 270 days super short-term commercial paper (2023 Phase 4)	19 October 2023	RMB500 million	15 July 2024	2.51%	15 July 2024
RMB500 million 270 days super short-term commercial paper (2023 Phase 5)	15 December 2023	RMB500 million	10 September 2024	2.75%	10 September 2024
RMB200 million 270 days super short-term commercial paper (2024 Phase 1)	19 January 2024	RMB200 million	15 October 2024	2.61%	15 October 2024
RMB800 million 270 days super short-term commercial paper (2024 Phase 2)	26 June 2024	RMB800 million	23 March 2025	1.86%	23 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

Financing structures

In a way to ensure that 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 further optimise its debt portfolio. In order to effectively maintain cost-efficient funding, the Group will: (1) continue to maintain close banking relationship with financial institutions both in Hong Kong and China, to capitalise on the different levels of liquidity offered by, and to take advantage of the cost differentials, in these two markets and in international markets; and (2) strike a balance between lowering interest rate and mitigating exchange risk exposure. During the Reporting Period, the Company redeemed corporate bonds and notes payable issued by the Company in an aggregate principal amount of RMB2.0 billion and RMB97.0 million, respectively (same period in 2023: Nil). As at the end of the Reporting Period, the Group's total debts comprised bank borrowings, corporate bonds, notes payable, loan from the immediate holding company, loan from a non-controlling interest of a subsidiary and lease liabilities. There was no debt with material foreign exchange risk exposure as at 30 June 2024 (31 December 2023: Nil).

As at 30 June 2024, the Group's total external debts (excluding interest payable) in aggregate were RMB16.86 billion (31 December 2023: RMB16.79 billion), which consisted of bank borrowings of RMB10.05 billion (31 December 2023: RMB9.50 billion), corporate bonds of RMB500 million (31 December 2023: RMB2.50 billion) and notes payable of RMB6.31 billion (31 December 2023: RMB4.79 billion). Onshore and offshore debts ratio was 99.7 percent and 0.3 percent (31 December 2023: 99.7 percent and 0.3 percent). Secured external debt ratio was 47.3 percent (31 December 2023: 44.7 percent). The effective interest rate of total external debt at 30 June 2024 was 2.92 percent (31 December 2023: 3.24 percent). Of the bank borrowings, RMB9.29 billion was at floating rates and RMB757 million was at fixed rates with the overall effective interest rate of 2.93 percent at 30 June 2024 (31 December 2023: 3.13 percent). Corporate bonds (in one type) was at fixed rate with coupon rate of 3.84 percent with the overall effective interest rate at 3.97 percent as at 30 June 2024 (31 December 2023: 3.75 percent). Notes payable included medium term notes (in five tranches) were at fixed rates with coupon rates ranged from 2.16 percent to 3.28 percent, respectively and super short-term commercial paper (in five tranches) were at fixed rate with coupon rates ranged from 1.86 percent to 2.75 percent respectively, with the overall effective interest rate at 2.81 percent as at 30 June 2024 (31 December 2023: 3.19 percent).

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of total external debts* (bank borrowings, corporate bonds and notes payable)

	(Unaudited) 30 June 2024 Percentage of total	31 December 2023 Percentage of total
Source		
Onshore	99.7%	99.7%
Offshore	0.3%	0.3%
	100.0%	100.0%
Repayment term		
Within 1 year	32.1%	37.8%
Over 1 year but within 2 years	15.9%	15.6%
Over 2 years but within 5 years	25.6%	27.5%
Over 5 years	26.4%	19.1%
	100.0%	100.0%
Currency		
RMB	100.0%	100.0%
Interest rate		
Fixed	44.9%	45.2%
Floating	55.1%	54.8%
	100.0%	100.0%
Terms of credit		
Secured	47.3%	44.7%
Unsecured	52.7%	55.3%
	100.0%	100.0%
Financing method		
Direct financing	40.4%	43.4%
Indirect financing	59.6%	56.6%
	100.0%	100.0%

* excluding interest payable

As at 30 June 2024, loan from the immediate holding company is unsecured, interest bearing at an annual rate of 3.05 percent (31 December 2023: 3.15 percent), denominated in RMB and repayable in 2024.

As at 30 June 2024, loan from a non-controlling interest of a subsidiary is unsecured, interest-free and denominated in RMB. The carrying amount of the loan approximated its fair value, calculated based on cash flows discounted at a rate of 4.35 percent (31 December 2023: 4.35 percent) per annum. Loan from a non-controlling interest of a subsidiary is repayable between one and two years, except for RMB10.0 million which is due within one year.

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. All of its major revenue, operating expenses, capital expenditures and its external debts (31 December 2023: 100.0 percent) are denominated in RMB. As at the end of the Reporting Period, the Group has no material foreign-currency denominated assets and liabilities. As the foreign exchange market is still volatile, the Group will continue to keep track of developments in the foreign exchange market, strike a balance between interest rate cost and foreign exchange risk, optimise its debt structure and control its foreign currency exposure.

IV. CONTRACTUAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2024, the Group had contractual commitments of approximately RMB7.59 billion, which related to intangible operating rights and property, plant and equipment.

Except for the aforementioned, the Group had no material contractual commitments as at 30 June 2024. There were no significant contingent liabilities as at 30 June 2024.

V. EMPLOYEES

As at 30 June 2024, the Group had approximately 2,072 employees, of whom about 1,853 were directly engaged in the daily operation, management and supervision of toll, bridges and port projects. The Group remunerates its employees largely based on industry practice, including social insurance, contributory provident funds, share options and other staff benefits.

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

The Company entered into a facility agreement in 2023 which included 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 beneficial shareholder of the Company;
- (ii) Yue Xiu maintains a direct or indirect shareholding interest of not less than 30% in the issued voting share capital of the Company;
- (iii) Yue Xiu maintains a management control over the Company.

As at 30 June 2024, the loan balance subject to the above conditions was RMB50.0 million. Such facility agreement will expire on 24 December 2024.

Breach of the above specific performance obligations would 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 due and payable.

These obligations have been duly complied with for the period ended 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PROSPECTS

Outlook of Macro-Economy and Future Regulatory Environment of the Sector

At the beginning of 2024, the global economic activity and world trade have stabilised and begun to recover, however, the outlook remains uncertain. Several short-term risks have become increasingly prominent, including the upward risk of inflation and price pressures arising from renewed tensions in trade or geopolitical situations. In the first half of 2024, the phenomenon of climate change intensified. In the first half of the year, natural disasters in China were dominated by floods, geological disasters, droughts, winds and hailstorms, low-temperature freezes and snowstorms, and strong rainfall processes were frequent and extreme, with many places in the southern regions being repeatedly affected. Extreme weathers such as rain, snow and low-temperature freezes over a wide area in the Central and Eastern China had a certain impact on China's economy. According to the World Economic Outlook issued by the International Monetary Fund (IMF) in July 2024, global economic growth is projected to be at 3.2% in 2024 and 3.3% in 2025. In particular, the growth forecast for China's economy for 2024 is revised upward to 5 percent, primarily on account of a rebound in private consumption and strong exports in the first quarter. China will still maintain resilient economic growth.

During the "May Day" holiday in 2024, nationwide passenger turnover and average daily passenger turnover were 1.358 billion and over 270 million, respectively, representing an increase of 23.7% and 2.1% comparing to the same period of 2019 (during the Labour Day holiday) and the same period of 2023, respectively. The passenger volume of travels by non-operative minibus on expressways and general national and provincial highways exceeded 1,000 million, representing an increase of 39.2% and 1.4% comparing to the same period of 2019 and the same period of 2023, respectively. During the "Dragon Boat Festival" holiday, nationwide passenger turnover were 637 million and average daily passenger turnover exceeded 210 million, respectively, representing an increase of 16.6% and 9.4% comparing to the same period of 2019 (during the Dragon Boat Festival holiday) and the same period of 2023, respectively. Benefiting from the recovery and growth of macro-economy, passenger volume kept recovering and growing.

On 28 March 2024, the Administrative Measures for Infrastructure and Public Utilities Concession (《基礎設施和公用事業特許經營管理辦法》) was promulgated by the National Development and Reform Commission, the Ministry of Finance, the Ministry of Housing and Urban-Rural Development, the Ministry of Transport, the Ministry of Water Resources, and the People's Bank of China, which was effective since 1 May 2024 and applicable to transportation and other infrastructure within China. According to the measures, among others, the maximum term of the concession granted by the government to concessionaires for investments in new construction or reconstruction and expansion and operation of infrastructures shall be adjusted to "not exceeding 40 years in principle", and the concession projects with large scale of investment and long cycle of return can be appropriately extended according to the actual situation. In May 2024, the General Office of the State Council issued the Legislative Work Plan of the State Council for the Year 2024 (《國務院二〇二四年度立法工作計劃》), which states that the State Council will resolutely implement the decisions and deployments of the Central Committee of the Communist Party of China (CPC), and serve and protect the overall situation of the CPC and the state with high-quality legislation, and focus on promoting high-quality development. The Regulations on the Administration of Toll Roads (《收費公路管理條例》) is listed as "Administrative Laws and Regulations to be Formulated and Amended in 2024".

MANAGEMENT DISCUSSION AND ANALYSIS

Development Strategies

The Group's major project, GNSR Expressway, has become substantially saturated with traffic volume, which has affected the service level of GNSR Expressway. In order to meet greater traffic demand, the Group is carrying out reconstruction and expansion work. The GNSR Expressway R&E Project is in line with the Company's investment and development strategy of "setting its foothold in Guangdong, Hong Kong and Macau Greater Bay Area". The reconstruction and expansion is expected to significantly improve the current traffic conditions, road service quality and traffic capacity of the GNSR Expressway, while reducing traffic accidents to secure travel safety. Meanwhile, it is expected that the reconstruction and expansion will help extend the toll operating period of the GNSR Expressway, which in turn allows the Company to continue to benefit from the development of the Greater Bay Area, helps the Company to enhance the future development capacity of its principal toll road business, amplify its influence in the industry and improve its capabilities in investment, construction and operation, thereby scaling up its core business on an ongoing basis. In addition, the Group will continue to improve the integrated business strategy of "investment, financing, management and divestment", under which it may acquire quality assets by establishing incubation platforms at the front end and take advantage of the positive effects of publicly traded domestic infrastructure REITs at the back end. It will also leverage on the positive interaction between the incubation platforms, publicly traded domestic infrastructure REITs and listed companies to realise asset inflow and outflow, and thereby further optimise the Group's asset portfolio and create greater value for shareholders.

Going forward, the Group will firmly grasp the strategic opportunity period for expressway investment and mergers and acquisitions. Gaining its foothold in Guangdong, Hong Kong and Macau Greater Bay Area and Central China and expanding its presence in the regions benefiting from urbanisation process and rapid industrialisation development, with full utilisation of a model featuring the interaction between its three platforms, the Group continues to strengthen and expand its infrastructure business, with a particular focus on toll roads. Yuexiu Transport is committed to becoming a leading transport infrastructure asset management company in China under the guidance of the "3331" development strategy, which includes building and improving the three platforms (listed platform, REITs platform, incubation platform), enhancing the three core abilities (investment ability, operation and maintenance and construction management ability, capital operation ability), and adhering to the focus on three directions (expressway main business, key areas, expansion of related auxiliary businesses).

By Order of the Board
Yuexiu Transport Infrastructure Limited
Liu Yan
Chairman

Hong Kong, 6 August 2024

INDEPENDENT REVIEW REPORT OF INTERIM FINANCIAL INFORMATION



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

Independent review report

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 51 to 82, which comprises the condensed consolidated statement of financial position of Yuexiu Transport Infrastructure Limited (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2024 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and 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* (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made 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 HKICPA. 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 is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young

Certified Public Accountants

Hong Kong
6 August 2024

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Notes	(Unaudited) Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
Revenue	6	1,826,884	1,935,448
Cost of services	7	(910,964)	(840,864)
Construction income from construction and upgrade services		138,653	41,064
Construction costs of construction and upgrade services		(138,653)	(41,064)
Other income, gains and losses – net	8	10,075	10,586
General and administrative expenses	7	(135,475)	(133,903)
Operating profit		790,520	971,267
Finance income	9	17,199	13,642
Finance costs	9	(249,352)	(283,934)
Share of result of a joint venture, net of tax		35,313	35,571
Share of results of associates, net of tax	14	41,038	94,813
Profit before income tax		634,718	831,359
Income tax expense	10	(167,123)	(218,792)
Profit for the period		467,595	612,567
Attributable to:			
Shareholders of the Company		313,938	427,106
Non-controlling interests		153,657	185,461
		467,595	612,567
Earnings per share for profit attributable to shareholders of the Company	11	RMB	RMB
Basic earnings per share		0.1876	0.2553
Diluted earnings per share		0.1876	0.2553

The notes on pages 58 to 82 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 2024

	(Unaudited)	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Profit for the period	467,595	612,567
Other comprehensive income		
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>		
Currency translation differences	178	812
Other comprehensive income for the period	178	812
Total comprehensive income for the period	467,773	613,379
Attributable to:		
Shareholders of the Company	314,116	427,918
Non-controlling interests	153,657	185,461
	467,773	613,379

The notes on pages 58 to 82 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2024

	Notes	(Unaudited) 30 June 2024 RMB'000	(Audited) 31 December 2023 RMB'000
ASSETS			
Non-current assets			
Intangible operating rights	13	29,637,869	30,247,734
Goodwill		514,577	514,577
Property, plant and equipment	13	38,091	41,609
Investment properties	13	38,203	38,039
Right-of-use assets	13	28,392	4,737
Other intangible assets	13	16,412	19,078
Investment in a joint venture		514,126	478,813
Investments in associates	14	1,559,591	1,599,983
Prepayments	15	1,078,643	916,926
Loan to an associate	24	6,406	6,406
		33,432,310	33,867,902
Current assets			
Trade receivables	15	140,844	112,389
Other receivables, deposits and prepayments	15	78,727	102,789
Amounts due from associates	24	21,118	38,593
Cash and cash equivalents		2,586,145	2,380,785
		2,826,834	2,634,556
Total assets		36,259,144	36,502,458
EQUITY			
Equity attributable to the shareholders of the Company			
Share capital	16	147,322	147,322
Reserves		11,544,327	11,466,015
		11,691,649	11,613,337
Non-controlling interests		3,136,504	3,236,600
Total equity		14,828,153	14,849,937

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2024

	Notes	(Unaudited) 30 June 2024 RMB'000	(Audited) 31 December 2023 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	17	8,944,522	8,457,900
Notes payable	20	2,018,754	1,498,746
Corporate bonds	21	499,548	499,667
Contract liabilities and deferred revenue	18	267,140	286,264
Deferred income tax liabilities	19	3,060,223	3,072,085
Lease liabilities		17,860	3,310
		14,808,047	13,817,972
Current liabilities			
Borrowings	17	1,228,753	1,178,089
Notes payable	20	4,366,837	3,373,285
Corporate bonds	21	2,589	2,067,750
Amount due to a non-controlling interest of a subsidiary	24	1,611	1,611
Trade and other payables and accrued charges	22	906,364	1,117,332
Contract liabilities and deferred revenue	18	23,400	15,792
Lease liabilities		11,216	1,763
Current income tax liabilities		82,174	78,927
		6,622,944	7,834,549
Total liabilities		21,430,991	21,652,521
Total equity and liabilities		36,259,144	36,502,458

The notes on pages 58 to 82 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 2024

	(Unaudited)	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Cash flows from operating activities		
Cash generated from operations	1,355,497	1,492,155
PRC enterprise income tax and withholding tax paid	(171,792)	(151,664)
Net cash flows generated from operating activities	1,183,705	1,340,491
Cash flows from investing activities		
Increase in long-term prepayments	(161,717)	(547,761)
Payments of construction costs under service concession upgrade services	(163,114)	(88,955)
Proceeds from disposal of property, plant and equipment	16	158
Purchase of property, plant and equipment and other intangible assets	(12,357)	(7,789)
Dividends received from associates	98,905	151,440
Dividend received from a joint venture	–	22,158
Interest received	17,406	14,025
Net cash flows used in investing activities	(220,861)	(456,724)
Cash flows from financing activities		
Proceeds from bank borrowings	1,160,000	1,544,000
Proceeds from issuance of notes payable	2,486,521	1,298,579
Repayment of bank borrowings	(610,989)	(1,703,268)
Repayment of notes payable	(970,000)	(2,000,000)
Repayment of corporate bonds	(2,000,000)	(87,000)
Payment of bank facility fees	(25)	(571)
Repayment of loan from a non-controlling interest of a subsidiary	(10,000)	(10,000)
Dividends paid to the shareholders of Company	(234,424)	(154,237)
Dividends paid to non-controlling interests	(253,753)	(108,389)
Interest paid	(319,247)	(371,537)
Payment for lease liabilities (including interest)	(5,677)	(6,143)
Net cash flows used in financing activities	(757,594)	(1,598,566)
Net increase/(decrease) in cash and cash equivalents	205,250	(714,799)
Cash and cash equivalents at 1 January	2,380,785	2,480,267
Effects of exchange rate changes on cash and cash equivalents	110	1,244
Cash and cash equivalents at 30 June	2,586,145	1,766,712
Analysis of cash and cash equivalents:		
Bank balances and cash	2,586,145	1,766,712

The notes on pages 58 to 82 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 2024

	Attributable to shareholders of the Company											
											Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Share option reserve	Exchange fluctuation reserve	Statutory reserve	Retained earnings	Asset revaluation reserve	Transaction with non-controlling interests	Total		
At 1 January 2024 (audited)	147,322	2,375,743	1,501,716	5,651	407,035	605,026	6,078,329	558,250	(65,735)	11,613,337	3,236,600	14,849,937
Comprehensive income:												
Profit for the period	-	-	-	-	-	-	313,938	-	-	313,938	153,657	467,595
Other comprehensive income:												
Currency translation differences	-	-	-	-	178	-	-	-	-	178	-	178
Total comprehensive income for the period	-	-	-	-	178	-	313,938	-	-	314,116	153,657	467,773
Transactions with owners:												
Equity-settled share option arrangements	-	-	-	(1,380)	-	-	-	-	-	(1,380)	-	(1,380)
Transfers	-	-	-	-	-	49,589	(49,589)	-	-	-	-	-
2023 Dividends	-	-	-	-	-	-	(234,424)	-	-	(234,424)	-	(234,424)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(253,753)	(253,753)
	-	-	-	(1,380)	-	49,589	(284,013)	-	-	(235,804)	(253,753)	(489,557)
At 30 June 2024 (unaudited)	147,322	2,375,743*	1,501,716**	4,271*	407,213*	654,615*	6,108,254*	558,250**	(65,735)*	11,691,649	3,136,504	14,828,153

* These reserves accounts comprise the consolidated other reserves of RMB11,544,327,000 (31 December 2023: RMB11,466,015,000) in the consolidated statement of financial position.

Capital reserve represents the difference between the nominal value of the shares/registered capital of the subsidiaries acquired and the nominal value of the shares issued by Kiu Fung Limited, a subsidiary of the Company, as consideration of the acquisition in 1996.

& The asset revaluation reserve represents the fair value gain on revaluation of the 40% equity interest in GNSR Company (as defined below) held by the Group as an associate in 2007 prior to the Group's further acquisition of an additional 20% equity interest to become a subsidiary.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to shareholders of the Company											
										Transaction with non- controlling		
	Share capital	Share premium	Capital reserve ^a	Share option reserve	Exchange fluctuation reserve	Statutory reserve	Retained earnings	Asset revaluation reserve ^b	interests reserve	Total	Non- controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023 (audited)	147,322	2,375,743	1,501,716	5,480	406,674	568,666	5,732,329	558,250	(65,735)	11,230,445	3,004,530	14,234,975
Comprehensive income:												
Profit for the period	-	-	-	-	-	-	427,106	-	-	427,106	185,461	612,567
Other comprehensive income:												
Currency translation differences	-	-	-	-	812	-	-	-	-	812	-	812
Total comprehensive income for the period	-	-	-	-	812	-	427,106	-	-	427,918	185,461	613,379
Transactions with owners:												
Equity-settled share option arrangements	-	-	-	(1,137)	-	-	-	-	-	(1,137)	-	(1,137)
Transfers	-	-	-	-	-	41,458	(41,458)	-	-	-	-	-
2022 Dividends	-	-	-	-	-	-	(154,237)	-	-	(154,237)	-	(154,237)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(108,389)	(108,389)
	-	-	-	(1,137)	-	41,458	(195,695)	-	-	(155,374)	(108,389)	(263,763)
At 30 June 2023 (unaudited)	147,322	2,375,743	1,501,716	4,343	407,486	610,124	5,963,740	558,250	(65,735)	11,502,989	3,081,602	14,584,591

The notes on pages 58 to 82 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 the investment, construction and development, operation and management of expressways and bridges mainly in Guangdong, Hubei 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 Clarendon House, 2 Church Street, Hamilton, HM 11, 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”) and all values are rounded to the nearest thousand except when otherwise indicated. This Financial Information has been approved for issue by the Board of Directors of the Company on 6 August 2024.

2 BASIS OF PREPARATION

This Financial Information for the six months ended 30 June 2024 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim Financial Reporting*. The Financial Information does not include all the 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 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

As at 30 June 2024, the Group’s current liabilities exceeded its current assets by RMB3,796,110,000. The Group’s current liabilities primarily comprise current portion of borrowings, notes payable and trade and other payables and accrued charges of RMB1,228,753,000, RMB4,366,837,000 and RMB906,364,000, respectively. Notwithstanding the above, the directors of the Company are confident that the Group will be able to meet its liabilities as they fall due in the next twelve months, taking into account the forecast cash flows including the banking facilities, unutilised quota for the issuance of corporate bonds and multiple types of debt financing instruments available to the Group and the internally generated funds from operations. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

3 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised HKFRSs for the first time for the current period's financial information.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the "2020 Amendments")
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The above revised HKFRSs effective for the financial year beginning 1 January 2024 do not have a material impact on the Group.

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 expenses. 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 2023.

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 and interest rate 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 2023.

There have been no changes in the risk management policies since 31 December 2023.

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 Group did not have any financial instruments measured at fair value as at 30 June 2024 and 31 December 2023.

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

The fair value of 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 notes payable and corporate bonds is determined by using valuation techniques as it is not traded in an active market and is categorised at level 2.

The carrying amount and fair value of the respective financial assets and liabilities measured at amortised cost are as follows:

	Carrying amount		Fair value	
	30 June 2024 RMB'000	31 December 2023 RMB'000	30 June 2024 RMB'000	31 December 2023 RMB'000
Loan to an associate	6,406	6,406	6,406	6,406
Non-current borrowings	8,944,522	8,457,900	8,635,961	8,179,107
Notes payable (due after one year)	2,018,754	1,498,746	2,075,885	1,537,531
Corporate bonds (due after one year)	499,548	499,667	518,415	523,975

The fair value of other financial assets and liabilities approximate to their carrying amount largely due to the short term maturities of these instruments.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

6 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the investment, construction and development, operation and management of expressways and bridges in the PRC.

The chief operating decision-maker (the “CODM”) has been identified as the 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. None of these operations constitutes a separate segment. There have been no sales carried out between segments. The financial information provided to the CODM is measured in a manner consistent with that of the Financial Information.

During the six months ended 30 June 2024, the construction service income was reclassified from “Revenue” to “Construction income from construction and upgrade services” as the CODM believes the revised classification could provide better presentation to the users of the financial information to evaluate the Group’s operating performance from toll roads operations. The comparative figures were not restated.

The following tables present revenue and profit information regarding the Group’s operating segments for the six months ended 30 June 2024 and 2023 respectively.

Six months ended 30 June 2024

	Toll roads operations RMB'000	All other segments RMB'000	Total RMB'000
Revenue (from external customers)			
– Toll revenue	1,787,552	–	1,787,552
– Income from service area and gas station	19,197	–	19,197
– Entrusted road management service income	17,508	–	17,508
– Other toll operating income	2,627	–	2,627
Total	1,826,884	–	1,826,884
Amortisation of			
– Intangible operating rights	(700,470)	–	(700,470)
– Other intangible assets	(3,116)	–	(3,116)
Depreciation of			
– Property, plant and equipment	(6,060)	(33)	(6,093)
– Right-of-use assets	(5,641)	–	(5,641)
Government subsidy	948	–	948
Operating profit	790,272	248	790,520
Finance income	17,199	–	17,199
Finance costs	(249,352)	–	(249,352)
Share of result of a joint venture, net of tax	35,313	–	35,313
Share of results of associates, net of tax	49,090	(8,052)	41,038
Profit/(loss) before income tax	642,522	(7,804)	634,718
Income tax expense	(167,123)	–	(167,123)
Profit/(loss) for the period	475,399	(7,804)	467,595

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

6 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2023

	Toll roads operations RMB'000	All other segments RMB'000	Total RMB'000
Revenue (from external customers)			
– Toll revenue	1,883,768	–	1,883,768
– Income from service area and gas station	16,349	–	16,349
– Entrusted road management service income	16,242	–	16,242
– Construction service income	16,373	–	16,373
– Other toll operating income	2,716	–	2,716
Total	1,935,448	–	1,935,448
Amortisation of			
– Intangible operating rights	(636,437)	–	(636,437)
– Other intangible assets	(3,018)	–	(3,018)
Depreciation of			
– Property, plant and equipment	(6,753)	(170)	(6,923)
– Right-of-use assets	(5,708)	–	(5,708)
Other compensation income	317	–	317
Government subsidy	2,492	–	2,492
Operating profit	971,114	153	971,267
Finance income	13,642	–	13,642
Finance costs	(283,934)	–	(283,934)
Share of result of a joint venture, net of tax	35,571	–	35,571
Share of results of associates, net of tax	100,783	(5,970)	94,813
Profit/(loss) before income tax	837,176	(5,817)	831,359
Income tax expense	(218,792)	–	(218,792)
Profit/(loss) for the period	618,384	(5,817)	612,567

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 2024 and 31 December 2023 respectively.

	Toll roads operations RMB'000	All other segments RMB'000	Total RMB'000
Assets and liabilities			
As at 30 June 2024			
Total segment assets	36,197,320	61,824	36,259,144
Addition to non-current assets (other than financial instruments)	284,688	–	284,688
Total segment assets include:			
Investment in a joint venture	514,126	–	514,126
Investments in associates	1,530,362	29,229	1,559,591
Total segment liabilities	(21,311,384)	(119,607)	(21,430,991)

	Toll roads operations RMB'000	All other segments RMB'000	Total RMB'000
Assets and liabilities			
As at 31 December 2023			
Total segment assets	36,432,839	69,619	36,502,458
Addition to non-current assets (other than financial instruments)	1,651,852	5	1,651,857
Total segment assets include:			
Investment in a joint venture	478,813	–	478,813
Investments in associates	1,562,703	37,280	1,599,983
Total segment liabilities	(21,645,902)	(6,619)	(21,652,521)

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.

Information about the Group's performance obligations is summarised below:

Toll revenue and other toll operating income

The performance obligation is satisfied when the relevant services have been provided upon the completion of passing through the road and bridge. Payment is due immediately when the service is provided.

Income from service area and gas station

The performance obligation is satisfied over time on a straight-line basis over the service period. Payment in advance is normally required for income from service area and gas station.

Entrusted road management service income

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Management service contracts are billed based on the time incurred.

Construction service income

The performance obligation is satisfied over time as services are rendered and payment in advance is normally required.

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	
	2024	2023
	RMB'000	RMB'000
Taxes and surcharges	10,495	7,070
Amortisation of		
– Intangible operating rights (note 13)	700,470	636,437
– Other intangible assets (note 13)	3,116	3,018
Depreciation of		
– Property, plant and equipment (note 13)	6,093	6,923
– Right-of-use assets (note 13)	5,641	5,708
Toll highways and bridges maintenance expenses	65,908	47,407
Toll highways and bridges operating expenses	45,209	57,532
Staff costs (including directors' emoluments)		
– Wages and salaries	139,061	125,810
– Pension costs (defined contribution plan)	19,519	19,420
– Social security costs	19,529	19,308
– Staff welfare and other benefits	15,608	17,057
– Equity-settled share option expense	(1,380)	(1,137)
Auditor's remuneration	1,526	1,526
Legal and professional fees	4,233	5,863

8 OTHER INCOME, GAINS AND LOSSES – NET

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Compensation for expressways and bridges damages	4,881	5,037
Other compensation income	–	317
Management service income	3,058	693
Government subsidy	948	2,492
Other rental income	–	352
Gain on disposal of property, plant and equipment	31	74
Others	1,157	1,621
Total	10,075	10,586

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

9 FINANCE INCOME/COSTS

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Bank interest income	17,072	13,516
Interest income on loan to an associate	127	126
Finance income	17,199	13,642
Interest expenses:		
– Bank borrowings	(156,432)	(154,840)
– Bank facility fees	(280)	(2,242)
– Loan from the immediate holding company	(1,542)	(1,584)
– Notes payable	(67,640)	(64,781)
– Corporate bonds	(25,020)	(54,665)
– Lease liabilities	(542)	(315)
Net other exchange gain	42	2,338
Others	(5,829)	(7,845)
Subtotal	(257,243)	(283,934)
Less: Interest capitalised in respect of intangible operating rights	7,891	–
Finance costs	(249,352)	(283,934)

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 2023: Nil).
- (b) During the six months ended 30 June 2024, 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 2024 is 25% (30 June 2023: 25%). Guangzhou North Second Ring Transport Technology Company Limited ("GNSR Company"), a subsidiary of the Group, has been recognised as an eligible entity to enjoy preferential tax treatment of income tax, at a preferential income tax rate of 15%, started from 2018. Guangxi Yuexiu Cangyu Expressway Company Limited, a subsidiary of the Group, was recognised as an eligible entity to enjoy preferential tax treatment of income tax, at a preferential income tax rate of 15%, started 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 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 2023: 5% or 10%).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

10 INCOME TAX EXPENSE (CONTINUED)

- (c) The amount of income tax charged/(credited) to the interim condensed consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Current income tax		
PRC enterprise income tax	178,985	210,270
Deferred income tax	(11,862)	8,522
Total	167,123	218,792

11 EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

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

	Six months ended 30 June	
	2024	2023
Earnings		
Profit attributable to shareholders of the Company (RMB'000)	313,938	427,106
Shares		
Weighted average number of ordinary shares in issue during the period ('000)	1,673,162	1,673,162

The diluted earnings per share for the six months ended 30 June 2024 equals to the basic earnings per share as there are no potential dilutive ordinary shares in issue during the period (30 June 2023: same).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

12 DIVIDENDS

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Final declared and paid – HK\$0.15 equivalent to approximately RMB0.1401 (2023: HK\$0.10 equivalent to approximately RMB0.0922) per share	234,424	154,237

On 6 August 2024, the board of directors has resolved to declare an interim dividend of HK\$0.12 per share (equivalent to approximately RMB0.1097) (30 June 2023: HK\$0.15 per share (equivalent to approximately RMB0.1372)), amounting to a total of approximately RMB183,534,000 (30 June 2023: RMB229,610,000).

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

	Intangible operating rights RMB'000	Property, plant and equipment RMB'000	Investment properties RMB'000	Right-of-use assets RMB'000	Other intangible assets RMB'000
Opening net book value at 1 January 2024	30,247,734	41,609	38,039	4,737	19,078
Exchange differences	–	11	164	–	–
Additions	90,605	2,620	–	29,296	450
Disposals	–	(56)	–	–	–
Amortisation/depreciation charge (note 7)	(700,470)	(6,093)	–	(5,641)	(3,116)
Closing net book value at 30 June 2024	29,637,869	38,091	38,203	28,392	16,412
Opening net book value at 1 January 2023	30,641,331	41,497	38,584	15,250	16,944
Exchange differences	–	23	758	–	–
Additions	41,064	5,047	–	490	855
Disposals	–	(106)	–	–	–
Amortisation/depreciation charge (note 7)	(636,437)	(6,923)	–	(5,708)	(3,018)
Closing net book value at 30 June 2023	30,045,958	39,538	39,342	10,032	14,781

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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

Amounts recognised in interim condensed consolidated statement of profit or loss for investment properties are insignificant to the Group.

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 2024.

As at 30 June 2024, toll highway operating rights with net book amount of RMB24,226,753,000 (31 December 2023: RMB24,655,239,000) were pledged to secure the Group's bank borrowings.

14 INVESTMENTS IN ASSOCIATES

Movements in the Group's investments in associates are as below:

	30 June 2024 RMB'000	31 December 2023 RMB'000
At 1 January	1,599,983	1,823,180
Share of results for the period		
– Profit before income tax	61,859	265,132
– Income tax expense	(20,821)	(64,134)
	41,038	200,998
Dividends	(81,430)	(324,027)
Impairment	–	(100,168)
At 30 June/31 December	1,559,591	1,599,983

There are no contingent liabilities relating to the Group's interests in associates. The amount of impairment recorded during the year ended 31 December 2023 represented impairment loss on investment in Shantou Bay Bridge.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

15 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2024 RMB'000	31 December 2023 RMB'000
Trade receivables	140,844	112,389
Other receivables, deposits and prepayments	1,157,370	1,019,715
Total	1,298,214	1,132,104
Less: non-current portion (note)	(1,078,643)	(916,926)
Current portion	219,571	215,178

Note: Non-current portion refers to prepayments made by the Group for the GNSR Expressway reconstruction and expansion project.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the date when trade receivables are recognised (i.e. date on which services are rendered), is as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Within 1 month	102,853	112,389
1 to 3 months	10,704	–
3 to 6 months	14,689	–
Over 6 months	12,598	–
Total	140,844	112,389

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 in China. No expected credit losses were provided as the directors consider that the expected credit risks of toll road revenue receivables are minimal.

The carrying amounts of trade and other receivables and deposits approximated to their fair values and were mainly denominated in RMB. The trade and other receivables are measured at amortised cost.

16 SHARE CAPITAL

	30 June 2024		31 December 2023	
	Number of shares	RMB'000	Number of shares	RMB'000
Issued and fully paid:				
Ordinary shares of RMB0.08805 each	1,673,162,295	147,322	1,673,162,295	147,322

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

17 BORROWINGS

	30 June 2024 RMB'000	31 December 2023 RMB'000
Bank borrowings	10,045,576	9,496,565
Loan from the immediate holding company	100,000	100,000
Loan from a non-controlling interest of a subsidiary	18,301	28,301
Interest payable	9,398	11,123
Total borrowings	10,173,275	9,635,989
Less: Amounts due within one year shown under current liabilities	(1,228,753)	(1,178,089)
Total non-current borrowings	8,944,522	8,457,900

Notes:

(a) Interest expenses on borrowings for the six months ended 30 June 2024 amounted to RMB157,974,000 (30 June 2023: RMB156,424,000).

(b) The Group's borrowings were repayable as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Within one year	1,228,753	1,178,089
Over 1 year but within 2 years	2,169,930	1,630,243
Over 2 years but within 5 years	3,325,235	3,620,006
Over 5 years	3,449,357	3,207,651
Total	10,173,275	9,635,989

(c) The bank borrowings of RMB7,970,128,000 (31 December 2023: RMB7,500,668,000) were secured by intangible operating rights of the Group. All bank borrowings were interest bearing at rates ranging from 2.45% to 4.15% (31 December 2023: 2.70% to 4.15%) per annum. The effective interest rate of these borrowings at 30 June 2024 was 2.93% (31 December 2023: 3.13%) per annum.

(d) Loan from the immediate holding company is unsecured, interest-bearing at a rate of 3.05% (31 December 2023: 3.15%) per annum and repayable within one year.

(e) Loan from a non-controlling interest of a subsidiary was unsecured and interest-free. The carrying amount of the interest-free loan approximated to its fair value which was calculated based on cash flows discounted at a rate of 4.35% (31 December 2023: 4.35%) per annum.

Loan from a non-controlling interest of a subsidiary was repayable between one and two years, except for the loan of RMB10,000,000 which is due within one year.

(f) All borrowings are denominated in RMB as at 30 June 2024 and 31 December 2023.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

18 CONTRACT LIABILITIES AND DEFERRED REVENUE

Contract liabilities and deferred revenue are mainly related to fees received in advance from contractors relating to operation of service areas and petrol stations along the toll highway for the remaining 1 to 19 years and construction service fees received in advance.

	Six months ended 30 June 2024 RMB'000	Year ended 31 December 2023 RMB'000
At 1 January	302,056	316,006
Addition	52,743	60,219
Credited to "Revenue"	(64,259)	(74,169)
At 30 June/31 December	290,540	302,056
Less: non-current portion	(267,140)	(286,264)
Current portion	23,400	15,792

19 DEFERRED INCOME TAX

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

	30 June 2024 RMB'000	31 December 2023 RMB'000
Deferred income tax assets		
– Tax losses of subsidiaries	(7,420)	(14,839)
– Deferred income	(9,285)	(9,810)
– Lease liabilities	(7,269)	–
	(23,974)	(24,649)
Deferred income tax liabilities		
– Accelerated tax amortisation of intangible operating rights	910,643	874,420
– Fair value gain on investment properties	230	230
– Fair value gain on interest in toll highway arising from acquisition of subsidiaries	2,113,201	2,165,772
– Withholding tax on undistributed profits of subsidiaries and associates	18,024	21,312
– Withholding tax on dividend distributed for reinvestment	35,000	35,000
– Right-of-use assets	7,099	–
	3,084,197	3,096,734
Total deferred income tax liabilities (net)	3,060,223	3,072,085

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

20 NOTES PAYABLE

	30 June 2024 RMB'000	31 December 2023 RMB'000
Notes payable	6,314,596	4,794,783
Notes interest payable	70,995	77,248
Total notes payable	6,385,591	4,872,031
Less: Amounts due within one year shown under current liabilities	(4,366,837)	(3,373,285)
Total non-current notes payable	2,018,754	1,498,746

On 28 January 2021, the Group issued 2021 Phase I Medium Term Notes with coupon rate of 3.78% per annum due January 2026 for an aggregate principal amount of RMB1,000,000,000 (the “2021 Phase I Notes”). The 2021 Phase I Notes were issued at 100% of the aggregate nominal amount with interest payable annually. The Company shall be entitled to adjust the coupon rate, and the investors shall be entitled to sell back the relevant notes to the Company, at the end of the third year. During the six months ended 30 June 2024, the Company has early redeemed the 2021 Phase I Notes partially with an aggregate principal amount of RMB970,000,000.

On 17 March 2022, the Group issued 2022 Phase I Medium Term Notes with coupon rate of 3.28% per annum due March 2027 for an aggregate principal amount of RMB1,000,000,000 (the “2022 Phase I Notes”). The 2022 Phase I Notes were issued at 100% of the aggregate nominal amount with interest payable annually. The Company shall be entitled to adjust the coupon rate, and the investors shall be entitled to sell back the relevant notes to the Company, at the end of the third year.

On 3 August 2023, the Group issued 2023 Phase I Medium Term Notes with coupon rate of 2.87% per annum due August 2026 for an aggregate principal amount of RMB500,000,000 (the “2023 Phase I Notes”). The 2023 Phase I Notes were issued at 100% of the aggregate nominal amount with interest payable annually.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

20 NOTES PAYABLE (CONTINUED)

On 10 October 2023, the Group issued the third tranche of super short-term commercial paper with coupon rate of 2.50% and a term of 270 days for an aggregate principal amount of RMB1,300,000,000 (the “2023 Tranche 3 SCP”).

On 18 October 2023, the Group issued the fourth tranche of super short-term commercial paper with coupon rate of 2.51% and a term of 270 days for an aggregate principal amount of RMB500,000,000 (the “2023 Tranche 4 SCP”).

On 14 December 2023, the Group issued the fifth tranche of super short-term commercial paper with coupon rate of 2.75% and a term of 270 days for an aggregate principal amount of RMB500,000,000 (the “2023 Tranche 5 SCP”).

On 17 January 2024, the Group issued the first tranche of super short-term commercial paper with coupon rate of 2.61% and a term of 270 days for an aggregate principal amount of RMB200,000,000 (the “2024 Tranche 1 SCP”).

On 16 April 2024, the Group issued 2024 Phase I Medium Term Notes with coupon rate of 2.84% per annum due April 2034 for an aggregate principal amount of RMB1,000,000,000 (the “2024 Phase I Notes”). The 2024 Phase I Notes were issued at 100% of the aggregate nominal amount with interest payable annually.

On 25 June 2024, the Group issued the second tranche of super short-term commercial paper with coupon rate of 1.86% and a term of 270 days for an aggregate principal amount of RMB800,000,000 (the “2024 Tranche 2 SCP”).

On 26 June 2024, the Group issued 2024 Phase II Medium Term Notes with coupon rate of 2.16% per annum due June 2027 for an aggregate principal amount of RMB500,000,000 (the “2024 Phase II Notes”). The 2024 Phase II Notes were issued at 100% of the aggregate nominal amount with interest payable annually.

2021 Phase I Notes, 2022 Phase I Notes, 2023 Phase I Notes, 2024 Phase I Notes and 2024 Phase II Notes (collectively, “MTN”) and 2023 Tranche 3 SCP, 2023 Tranche 4 SCP, 2023 Tranche 5 SCP, 2024 Tranche 1 SCP and 2024 Tranche 2 SCP (collectively, “SCP”) were recognised initially at fair values. The directly attributable costs of the issuance of MTN and SCP were capitalised and amortised over the estimated term of the MTN and SCP using the effective interest method.

The effective interest rate for notes payable as at 30 June 2024 was 2.80% (31 December 2023: 3.19%) per annum, which includes the interest charged as well as amortisation of the capitalised cost on issuance. The Group recognised interest expense of RMB67,640,000 (six months ended 30 June 2023: RMB64,781,000) on the notes for the six months ended 30 June 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

21 CORPORATE BONDS

	30 June 2024 RMB'000	31 December 2023 RMB'000
Corporate bonds	499,548	2,499,094
Bonds interest payable	2,589	68,323
Total corporate bonds	502,137	2,567,417
Less: Amounts due within one year shown under current liabilities	(2,589)	(2,067,750)
Total non-current corporate bonds	499,548	499,667

The Company received the Approval Document Zheng Jian Xu Ke No. [2020] 1004 from the China Securities Regulatory Commission on 26 May 2020, approving the application of the Company for a public issue of corporate bonds in an aggregate principal amount of up to RMB2,500,000,000 to the qualified investors in the PRC.

The first phase of 2021 corporate bonds ("First Phase 2021 Corporate Bonds") to qualified investors in the PRC was drawn down on 25 January 2021. The First Phase 2021 Corporate Bonds were issued with five-year corporate bonds of RMB1,000,000,000 with a coupon rate of 3.63% per annum; the Company shall be entitled to adjust the coupon rate and has 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. During the six months ended 30 June 2024, the Company has early redeemed the First Phase 2021 Corporate Bonds with aggregate principal amounts of RMB1,000,000,000.

The second phase of 2021 corporate bonds ("Second Phase 2021 Corporate Bonds") to qualified investors in the PRC was drawn down on 13 May 2021. The Second Phase 2021 Corporate Bonds were issued in two tranches:

- (i) five-year corporate bonds of RMB1,000,000,000 with a coupon rate of 3.48% per annum; the Company shall be entitled to adjust the coupon rate and has 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 RMB500,000,000 with a coupon rate of 3.84% per annum; the Company shall be entitled to adjust the coupon rate and has 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 six months ended 30 June 2024, the Company has early redeemed the five-year corporate bonds of the Second Phase 2021 Corporate Bonds with aggregate principal amounts of RMB1,000,000,000.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

21 CORPORATE BONDS (CONTINUED)

The First Phase 2021 Corporate Bonds, and Second Phase 2021 Corporate Bonds (collectively, "Corporate Bonds") were recognised initially at fair values. Debt issuance costs 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 as at 30 June 2024 was 3.97% (31 December 2023: 3.75%) per annum, which includes the interest charged on the Corporate Bonds as well as amortisation of the debt issuance cost. The Group recognised interest expense of RMB25,020,000 (six months ended 30 June 2023: RMB54,665,000) of finance cost on the Corporate Bonds for the six months ended 30 June 2024.

22 TRADE AND OTHER PAYABLES AND ACCRUED CHARGES

	30 June 2024 RMB'000	31 December 2023 RMB'000
Trade payables	49,656	46,542
Other payables and accrued charges	463,144	538,655
Construction related accruals and payables	393,564	532,135
Total	906,364	1,117,332

The ageing analysis of trade payables and construction related accruals and payables by invoice date is as follows:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Within 1 month	15,487	273,500
1 to 3 months	25,816	35,656
Over 3 months	401,917	269,521
Total	443,220	578,677

23 COMMITMENT

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2024 RMB'000	31 December 2023 RMB'000
Upgrade and construction of toll expressways under concession arrangements:		
Reconstruction and expansion project on the GNSR Expressway	7,463,045	7,732,983
Upgrade project on the other expressways	124,158	102,617
Total	7,587,203	7,835,600

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

24 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related parties

The Company's directors regard 廣州越秀集團股份有限公司 (Guangzhou Yue Xiu Holdings Limited) ("GZYY") (established in the PRC) as its ultimate holding company and the Guangzhou Municipal 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 2024:

Significant related parties	Relationship with the Company
Yue Xiu Enterprises (Holdings) Limited	The immediate holding company
Yuexiu Property Company Limited	A fellow subsidiary
Chong Hing Bank Limited	A fellow subsidiary
Chong Hing Insurance Co., Ltd	A fellow subsidiary
Guangzhou Yuexiu City Construction Jones Lang LaSalle Property Management Co., Ltd.	A fellow subsidiary
Guangzhou Yuexiu Property Development Co., Ltd.	A fellow subsidiary
Guangzhou Yuexihui Operation Management Co., Ltd.	A fellow subsidiary
Guangzhou City Construction & Development Holdings Co., Ltd.	A fellow subsidiary
Guangzhou Yuexiu Property Development Co., Ltd.	A fellow subsidiary
Shandong Qinbin Expressway Construction Co., Ltd.	A fellow subsidiary
Henan Yuexiu Pinglin Expressway Co., Ltd.	A fellow subsidiary
Guangzhou Yuexiu Foods Co., Ltd.	A fellow subsidiary
Guangzhou Junjing No.1 Real Estate Development Co., Ltd. Nansha Branch	A fellow subsidiary
Yue Xiu Property Management Limited	A fellow subsidiary
Guangzhou Western Second Ring Expressway Co., Ltd.	A joint venture
Guangdong Humen Bridge Co., Ltd.	An associate
Guangdong Qinglian Highway Development Co., Ltd.	An associate
Guangdong Shantou Bay Bridge Co., Ltd.	An associate
Guangzhou Northring Super Highway Co., Ltd.	An associate
Guangzhou Pazhou Port Company Limited	An associate
CAMC-Yuexiu Expressway Close-end Infrastructure Securities Investment Fund	An associate
Guangzhou Yue Xiu City Construction International Finance Center Co., Ltd.	An associate of a fellow subsidiary
Artlife Investment Limited	An associate of a fellow subsidiary
Poly Changda Engineering Co., Ltd.	Other related party

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

24 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the period:

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
The immediate holding company:		
Interest expense	1,542	1,584
Associates:		
Entrusted road management service income	17,508	16,242
Management service income	648	693
Interest income	127	126
Joint venture		
Management service income	280	303
Fellow subsidiaries:		
Administrative service fee	590	577
Commercial operation and management services fee	1,095	1,045
Property management service fee	3,672	2,406
Purchases of products	1,482	37
Interest income	1,506	1,896
Management service income	2,260	–
Purchases of services	994	791
Addition of right-of-use assets	618	–
Associates of a fellow subsidiary:		
Addition of right-of-use assets	28,678	490
Other related party:		
Purchases of services	30,149	–

(c) Balances with related parties

	30 June 2024 RMB'000	31 December 2023 RMB'000
Bank balance deposited in a fellow subsidiary	506,905	783,254
Loan to an associate	6,406	6,406
Loan from the immediate holding company	(100,000)	(100,000)
Loan from a non-controlling interest of a subsidiary	(18,301)	(28,301)
Trade payables to other related party	–	(11,848)
Amount due to a non-controlling interest of a subsidiary	(1,611)	(1,611)
Amount due from an associate	21,118	38,593
Lease liabilities to associates of a fellow subsidiary	(25,854)	(1,722)
Lease liabilities to a fellow subsidiary	(806)	(347)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

24 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Key management compensation

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Salaries and other short-term benefits	5,724	4,766

25 STATEMENT OF FINANCIAL POSITION, RESERVE MOVEMENT, STATEMENT OF PROFIT OR LOSS, STATEMENT OF CASH FLOWS OF THE COMPANY

Note (i) Statement of financial position of the Company

	(Unaudited) As at 30 June 2024 RMB'000	(Audited) As at 31 December 2023 RMB'000
ASSETS		
Non-current assets		
Property, plant and equipment	214	231
Investments in subsidiaries	5,932,302	5,933,531
Right-of-use assets	2,338	362
	5,934,854	5,934,124
Current assets		
Amounts due from subsidiaries	12,518,474	13,732,521
Deposits and prepayments	4,932	5,180
Cash and cash equivalents	1,603,521	794,864
	14,126,927	14,532,565
Total assets	20,061,781	20,466,689
EQUITY		
Equity attributable to the shareholders of the Company		
Share capital	147,322	147,322
Reserves (note (ii))	4,301,520	4,390,447
Total equity	4,448,842	4,537,769

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

25 STATEMENT OF FINANCIAL POSITION, RESERVE MOVEMENT, STATEMENT OF PROFIT OR LOSS, STATEMENT OF CASH FLOWS OF THE COMPANY (CONTINUED)

Note (i) Statement of financial position of the Company (Continued)

	(Unaudited) As at 30 June 2024 RMB'000	(Audited) As at 31 December 2023 RMB'000
LIABILITIES		
Non-current liabilities		
Notes payable	2,018,754	1,498,746
Corporate bonds	499,548	499,667
Deferred income tax liabilities	35,000	35,000
Lease liabilities	1,496	–
	2,554,798	2,033,413
Current liabilities		
Borrowings	151,228	151,234
Notes payable	4,366,837	3,373,285
Corporate bonds	2,589	2,067,750
Amounts due to subsidiaries	8,489,041	8,259,396
Other payables and accrued charges	47,592	43,495
Lease liabilities	854	347
	13,058,141	13,895,507
Total liabilities	15,612,939	15,928,920
Total equity and liabilities	20,061,781	20,466,689

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

25 STATEMENT OF FINANCIAL POSITION, RESERVE MOVEMENT, STATEMENT OF PROFIT OR LOSS, STATEMENT OF CASH FLOWS OF THE COMPANY (CONTINUED)

Note (ii) Reserve movement of the Company

	Share premium RMB'000	Share option reserve RMB'000	Contributed surplus (note) RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2024 (audited)	2,375,743	5,651	1,561,564	447,489	4,390,447
Profit for the period	–	–	–	146,877	146,877
Equity-settled share option arrangements	–	(1,380)	–	–	(1,380)
2023 final dividend	–	–	–	(234,424)	(234,424)
At 30 June 2024 (unaudited)	2,375,743	4,271	1,561,564	359,942	4,301,520
At 1 January 2023 (audited)	2,375,743	5,480	1,561,564	35,871	3,978,658
Profit for the period	–	–	–	548,587	548,587
Equity-settled share option arrangements	–	(1,137)	–	–	(1,137)
2022 final dividend	–	–	–	(154,237)	(154,237)
At 30 June 2023 (unaudited)	2,375,743	4,343	1,561,564	430,221	4,371,871

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

25 STATEMENT OF FINANCIAL POSITION, RESERVE MOVEMENT, STATEMENT OF PROFIT OR LOSS, STATEMENT OF CASH FLOWS OF THE COMPANY (CONTINUED)

Note (iii) Statement of profit or loss of the Company

	(Unaudited)	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Other income, gains and losses – net	200,000	600,000
General and administrative expenses	(14,870)	(14,850)
Operating profit	185,130	585,150
Finance income	61,259	97,253
Finance costs	(94,752)	(122,723)
Profit before income tax	151,637	559,680
Income tax expense	(4,760)	(11,093)
Profit for the period	146,877	548,587

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

25 STATEMENT OF FINANCIAL POSITION, RESERVE MOVEMENT, STATEMENT OF PROFIT OR LOSS, STATEMENT OF CASH FLOWS OF THE COMPANY (CONTINUED)

Note (iv) Statement of cash flows of the Company

	(Unaudited)	
	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Cash flows from operating activities		
Cash generated from operations	1,690,121	527,501
PRC enterprise income tax and withholding tax paid	(4,760)	(11,093)
Net cash flows generated from operating activities	1,685,361	516,408
Cash flows from investing activities		
Interest received	4,979	872
Net cash flows generated from investing activities	4,979	872
Cash flows from financing activities		
Proceeds from issuance of notes payable	2,486,521	1,298,579
Repayment of notes payable	(970,000)	(2,000,000)
Repayment of corporate bonds	(2,000,000)	(87,000)
Repayment of bank borrowings	–	(450,000)
Payment of bank facility fees	(25)	(571)
Dividend paid to the shareholders of the Company	(234,424)	(154,237)
Interest paid	(163,446)	(219,953)
Payment for lease liabilities (including interest)	(411)	(352)
Net cash flows used in financing activities	(881,785)	(1,613,534)
Net increase/(decrease) in cash and cash equivalents	808,555	(1,096,254)
Cash and cash equivalents at 1 January	794,864	1,131,953
Effect of exchange rate changes on cash and cash equivalents	102	1,154
Cash and cash equivalents at 30 June	1,603,521	36,853
Analysis of cash and cash equivalents:		
Bank balances and cash	1,603,521	36,853

OTHER INFORMATION

INTERESTS OF DIRECTORS

As at 30 June 2024, the interests and short positions of the Directors and chief executive 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 were 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") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

The Company

Long positions in shares and underlying shares of the Company:

Name of Director	Nature of interest	Beneficial interest in shares	Interests in underlying shares pursuant to share options	Aggregate interests	Approximate % of interest (Note 1)
Ms Liu Yan	Personal	485	–	485	0.00003
Mr He Baiqing	Personal	52,000	685,997 ^(Note 3)	737,997	0.04
Mr Cai Minghua	Personal	–	259,567 ^(Note 3)	259,567	0.02
Mr Pan Yongqiang	Personal/ Spouse Interest	264,000 ^(Note 2)	519,134 ^(Note 3)	783,134	0.05
Mr Lau Hon Chuen Ambrose	Personal	195,720	–	195,720	0.01
Mr Cheung Doi Shu	Personal	500,000	–	500,000	0.03

Notes:

- (1) The total number of 1,673,162,295 shares of the Company in issue as at 30 June 2024 was used for the calculation of the approximate percentage.
- (2) Mr Pan Yongqiang is interested in 264,000 shares, out of which 164,000 shares are owned by him as personal interest and 100,000 shares are held by his spouse.
- (3) The relevant interests are unlisted physically settled options granted pursuant to the Share Option Scheme.

OTHER INFORMATION

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 (Note)
Ms Liu Yan	Personal	3,400	0.00008
Mr Lau Hon Chuen Ambrose	Personal	1,258,712	0.03

Note: The total number of 4,025,392,913 shares of Yuexiu Property Company Limited in issue as at 30 June 2024 was used for the calculation of the approximate percentage.

Save as disclosed herein, as at 30 June 2024, none of the Directors and chief executive 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 were 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 SUBSTANTIAL SHAREHOLDERS UNDER THE SECURITIES AND FUTURES ORDINANCE

As at 30 June 2024, the following persons (other than the Directors and chief executive of the Company) 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:

Long positions in the shares of the Company

Name	Capacity in holding interest	Number of shares held	Approximate % of interest (Note 3)
Substantial Shareholders			
廣州越秀集團股份有限公司 (Guangzhou Yue Xiu Holdings Limited) (Note 1)	Interest of controlled corporations	739,526,200	44.20
Yue Xiu Enterprises (Holdings) Limited ("Yue Xiu") (Notes 1 & 2)	Beneficial owner and interest of controlled corporations	739,526,200	44.20
Grace Lord Group Limited (Note 2)	Beneficial owner	303,159,087	18.12
Housemaster Holdings Limited (Note 2)	Beneficial owner	367,500,000	21.96
招商局公路網絡科技控股股份有限公司 ("招商局公路") (Note 3)	Beneficial owner	201,941,000	12.07

Notes:

- (1) The entire issued shares of Yue Xiu are owned by 廣州越秀集團股份有限公司 (Guangzhou Yue Xiu Holdings Limited). By virtue of the SFO, 廣州越秀集團股份有限公司 (Guangzhou Yue Xiu Holdings Limited) was deemed to be interested in the shares of the Company in which Yue Xiu was interested as described in note (2) below.
- (2) Yue Xiu was interested in an aggregate of 739,526,200 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 739,517,547 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.
- (3) 招商局公路 was interested in an aggregate of 201,941,000 shares of the Company (long position), of which 175,650,000 shares were held by it as beneficial owner. By virtue of the SFO, 招商局公路 was also deemed to be interested in 26,291,000 shares (long position) through its wholly-owned subsidiary, namely, 佳選控股有限公司.
- (4) The total number of 1,673,162,295 shares of the Company in issue as at 30 June 2024 was used for the calculation of the approximate percentage.

Save as disclosed herein, the Directors of the Company are not aware of any other person (other than the Directors and chief executive of the Company) who, as at 30 June 2024, 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.

OTHER INFORMATION

EQUITY LINKED AGREEMENT

Share Option Incentive Scheme

Pursuant to an ordinary resolution of the Shareholders passed on 11 October 2021, the Company has adopted the Share Option Incentive Scheme (the Share Option Scheme) to recognise and acknowledge the contributions of the Eligible Participants to the Group by granting Options to them as incentives or rewards.

Set out below is a summary of the principal terms of the Share Option Scheme:

1. Purpose

The purpose of the Share Option Scheme is to recognise and acknowledge the contributions of the Eligible Participants to the Group by granting Options to them as incentives or rewards. The basis of eligibility of any of the Eligible Participants to the grant of Options shall be determined by the Board from time to time at its absolute discretion on the basis of his contribution or potential contribution to the development and growth of the Group.

2. Duration of the Share Option Scheme

The Share Option Scheme shall be valid and effective for the period commencing on the Adoption Date (the date on which the Share Option Scheme is adopted by an ordinary resolution of the Shareholders on 11 October 2021) and expiring at 5:00 p.m. on the Business Day immediately preceding the tenth anniversary of the Adoption Date unless terminated earlier by the Shareholders in general meeting (Scheme Period). Upon termination of the Share Option Scheme, no further Options may be granted but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect.

3. Participants

Only the Eligible Participants may be granted Options. On and subject to the terms of the Share Option Scheme, the Board may, on a Business Day during the Scheme Period, at its absolute discretion (and subject to any conditions as it may think fit, including but not limited to the achievement of any performance target and/or any minimum period for which an Option must be held before it can be exercised) make an offer in writing (in such form as the Board may from time to time determine) to an Eligible Participant an Option to subscribe at the Exercise Price for such number of ordinary shares ("Shares") as the Board may determine.

"Eligible Participant" refers to any employee (whether full-time or part-time) or director of any member of the Group, other than an Excluded Person. "Excluded Person" refers to (i) any person who is an independent non-executive director of any member of the Group; (ii) any person alone or together with his family member(s) is interested in 5% or more of the issued Shares at the time of any proposed grant; or (iii) the spouse, father, mother or child of the person referred to in (i) or (ii) above and who is not an employee of any member of the Group.

OTHER INFORMATION

4. Acceptance of a grant

Any grant may be accepted on or before the date specified in the grant (or at such other time and in such other manner as the Board may otherwise determine, including but not limited to an agreement in relation to the grant of the Options between an Eligible Participant and the Company) provided that no grant shall be open for acceptance after the expiry of the Scheme Period or after the Share Option Scheme has been terminated in accordance with the provisions thereof. An amount of HK\$1.00 is payable by an Eligible Participant on acceptance of a grant.

5. Exercise price

The price per Share payable on the exercise of an Option as determined by the Board and shall at least be the highest of: (a) the nominal value of the Shares; (b) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which shall be a Business Day; and (c) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of grant; or (where applicable) such price as from time to time adjusted pursuant to the Share Option Scheme.

The total subscription price payable upon exercise of an Option shall be an amount equal to the Exercise Price multiplied by the relevant number of Shares in respect of which the Option is exercised.

6. Maximum number of shares for which options may be granted

The total number of Shares which may be issued in aggregate upon exercise of all Options to be granted under the Share Option Scheme and any Other Schemes (i.e. schemes analogous to a share option scheme as described in Chapter 17 of the Listing Rules) shall not exceed 10% (167,316,229 Shares) of the Shares in issue as at the date of adoption of Share Option Incentive Scheme. The number of options available for grant under the Share Option Scheme at the beginning of 2024 and the end of the Reporting Period were 155,262,723 Shares and 159,323,806 Shares, respectively.

As at the date of this report, the total number of Shares available for issue under the Share Option Scheme is 159,323,806 Shares, representing approximately 9.52% of the total number of the Shares in issue.

OTHER INFORMATION

7. Maximum number of options to each participant

The total number of Shares issued and to be issued upon the exercise of all Options granted to each Eligible Participant (including both exercised and outstanding Options) in any period of twelve (12) consecutive months shall not exceed 1% of the Shares in issue.

The Company may grant further Options in excess of the limit set out in the preceding paragraph, subject to the Shareholders' approval in general meeting, at which the Eligible Participant involved and his close associates (or his associates if the Eligible Participant is a connected person) shall abstain from voting, and the following provisions shall apply:

- (a) a circular containing the identity of the Eligible Participant involved, the number and terms of Options granted and to be granted and the information required under Rule 17.02(2)(c) of the Listing Rules shall be despatched to the Shareholders together with the notice of the relevant general meeting;
- (b) the number and terms (including the Exercise Price) of Options to be granted to the Eligible Participant involved shall be fixed before the general meeting; and
- (c) the date of the meeting of the Board for proposing such further grant of Options should be taken as the date of grant for the purpose of calculating the Exercise Price.

8. Exercise period of the options

Subject to the provisions of the Share Option Scheme and the terms and conditions of the relevant grant(s), Options may be exercised by an Eligible Participant (or in the case of his death, his designated successor or legal successor and including the personal representative(s)), in whole or in part, at any time during the Option Period.

In order for the exercise of an Option to be effective, the secretary of the Company (or such other officers or department as the Board may designate from time to time) must, prior to the expiry of the Option Period, have received, among other things, a written notice exercising the Option and payment in full of the Subscription Price. Unless otherwise agreed between the Company and the Option Holder, Shares in respect of an Option shall be issued within twenty-eight (28) days of the date upon which the exercise of the Option becomes effective.

OTHER INFORMATION

9. The remaining life of the share option

The Share Option Scheme became effective since 11 October 2021. Unless otherwise cancelled or amended, it will remain in force for ten years from that date.

A summary of the principal terms and conditions of the Share Option Scheme is set out in the Appendix to the circular of the Company dated 20 September 2021.

The details and the movement of the options granted under the Share Option Scheme during the six months ended 30 June 2024 are as below:

Grantees	Date of the conditional grant	Exercise price per share (HK\$)	Closing price per share before the date of the conditional grant (HK\$)	Vesting period/ Exercise period	Number of options				
					Balance as at 1 January 2024	Granted during the period	Exercised during the period	Lapsed or cancelled during the period (Note 6)	Balance as at 30 June 2024
Directors									
He Baiqing	25 June 2021	4.43	4.44	(Note 1)	1,028,995	–	N/A (Note 5)	(342,998)	685,997
Cai Minghua	9 July 2021	4.45	4.37	(Note 2)	389,349	–	N/A (Note 5)	(129,782)	259,567
Pan Yongqiang	25 June 2021	4.43	4.44	(Note 1)	778,700	–	N/A (Note 5)	(259,566)	519,134
Other employees of the Group	25 June 2021	4.43	4.44	(Note 1)	9,467,113	–	N/A (Note 5)	(3,198,955)	6,268,158
(in aggregate)	25 August 2021	4.68	4.64	(Note 3)	389,349	–	N/A (Note 5)	(129,782)	259,567
Total					12,053,506	–	N/A (Note 5)	(4,061,083)	7,992,423

Notes:

- Subject to the terms of the share option scheme and the terms of the initial grant proposal, as well as the Vesting Conditions as set out in note 4 below, these options shall be vested and become exercisable until 10 years from the date of the conditional grant in four tranches each comprising 25% of the options conditionally granted as described below: the first tranche shall be vested on the second anniversary of the date of the conditional grant (i.e. 25 June 2023); the second tranche shall be vested on the third anniversary of the date of the conditional grant (i.e. 25 June 2024); the third tranche shall be vested on the fourth anniversary of the date of the conditional grant (i.e. 25 June 2025); the fourth tranche shall be vested on the fifth anniversary of the date of the conditional grant (i.e. 25 June 2026).
- Subject to the terms of the share option scheme and the terms of the initial grant proposal, as well as the Vesting Conditions as set out in note 4 below, these options shall be vested and become exercisable until 10 years from the date of the conditional grant in four tranches each comprising 25% of the options conditionally granted as described below: the first tranche shall be vested on the second anniversary of the date of the conditional grant (i.e. 9 July 2023); the second tranche shall be vested on the third anniversary of the date of the conditional grant (i.e. 9 July 2024); the third tranche shall be vested on the fourth anniversary of the date of the conditional grant (i.e. 9 July 2025); the fourth tranche shall be vested on the fifth anniversary of the date of the conditional grant (i.e. 9 July 2026).
- Subject to the terms of the share option scheme and the terms of the initial grant proposal, as well as the Vesting Conditions as set out in note 4 below, these options shall be vested and become exercisable until 10 years from the date of the conditional grant in four tranches each comprising 25% of the options conditionally granted as described below: the first tranche shall be vested on the second anniversary of the date of the conditional grant (i.e. 25 August 2023); the second tranche shall be vested on the third anniversary of the date of the conditional grant (i.e. 25 August 2024); the third tranche shall be vested on the fourth anniversary of the date of the conditional grant (i.e. 25 August 2025); the fourth tranche shall be vested on the fifth anniversary of the date of the conditional grant (i.e. 25 August 2026).

OTHER INFORMATION

4. Vesting Conditions for such Options are as follows:

- (i) Vesting Conditions: in relation to the Company and in respect of each tranche of 25% of the Options granted:
 - (A) the EOE (earnings before interests, tax, depreciation and amortisation on average equity) for the most recent full financial year shall not be less than (I) 22.55% and (II) that of the Peer Benchmark Companies;
 - (B) the growth in the market capitalisation of the Company as compared with the previous financial year shall not be less than (I) 4.65% and (II) that of the Peer Benchmark Companies;
 - (C) revenue derived from the principal business of the Company in the last financial year shall not be less than 85% of the total revenue of the Company in that financial year;
 - (D) cash dividend declared in respect of the last financial year shall not be less than 30% of the net profit of the Company of that financial year; and
 - (E) none of the following circumstances having occurred:
 - (I) issue of the financial and accounting report of the Company for the most recent financial year in which a certified public accountant gave a negative opinion or was unable to give an opinion;
 - (II) imposition of administrative penalties by regulatory authorities as a result of material breach of rules and regulations in the preceding year; and
 - (III) other circumstances under which implementation of share option incentive schemes is prohibited as determined by regulatory authorities.
- (ii) Vesting Conditions: in relation to an Eligible Participant who has accepted a grant of Options and in respect of each tranche of 25% of the Options granted:
 - (A) he has obtained an assessment grade of "B" (or 80 marks) or above in the year preceding the scheduled vesting date in which case the entire tranche of 25% of the Options granted will be vested (for the avoidance of doubt, if an Eligible Participant who has accepted a grant of Options fails to obtain the aforesaid assessment result, the entire tranche of 25% of the Options granted will lapse); and
 - (B) none of the following circumstances having occurred:
 - (I) he is publicly reprimanded by the Stock Exchange in the last three years;
 - (II) imposition of administrative penalties by regulatory authorities as a result of material breach of rules and regulations in the last three years; and
 - (III) he is prohibited by the relevant laws and regulations from acting as a director or a member of the senior management of a company.

Please refer to the circular of the Company dated 20 September 2021 for the details of the Vesting Conditions.

- 5. None of the options had become exercisable during the six months ended 30 June 2024.
- 6. Options lapsed during the six months ended 30 June 2024 in accordance with the terms of the Share Option Scheme.

OTHER INFORMATION

CORPORATE GOVERNANCE

Throughout the six months ended 30 June 2024, the Company has complied with the code provisions as set out in the Corporate Governance Code.

REVIEW OF INTERIM RESULTS

The results of the Group for the six months ended 30 June 2024 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 C3 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 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save as disclosed herein, the Company has not redeemed any of its listed securities during the six months ended 30 June 2024. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the Reporting Period.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 5 November 2024 to Thursday, 7 November 2024, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:30 p.m. on Monday, 4 November 2024.

CORPORATE AND INVESTOR RELATIONS INFORMATION

BOARD OF DIRECTORS

Executive directors

Ms Liu Yan (*Chairman*)*
Mr He Baiqing
Ms Chen Jing
Mr Cai Minghua
Mr Pan Yongqiang

Independent non-executive directors & audit committee members

Mr Fung Ka Pun
Mr Lau Hon Chuen Ambrose
Mr Cheung Doi Shu
Mr Peng Vincent Shen

COMPANY SECRETARY

Mr Yu Tat Fung

AUDITOR

Ernst & Young
Hong Kong Certified Public Accountants
Registered Public Interest Entity Auditor

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
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
17/F, Far East Finance Centre
16 Harcourt Road
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

* Ms Liu Yan was appointed as the Chairman and an executive Director of the Company on 17 April 2024. Please refer to the announcement of the Company dated 17 April 2024 for further details.

Bonds and notes

Shanghai Stock Exchange
RMB500,000,000 3.84 per cent. Corporate Bonds due 2028 (code: 188058)

Beijing Financial Assets Exchange
RMB30,000,000 2.70 per cent. Medium Term Notes due 2026 (code: 102100198)

RMB1,000,000,000 3.28 per cent. Medium Term Notes due 2027 (code: 102280559)

RMB500,000,000 2.87 per cent. Medium Term Notes due 2026 (code: 102381956)

RMB1,000,000,000 2.84 per cent. Medium Term Notes due 2034 (code: 102481528)

RMB500,000,000 2.16 per cent. Medium Term Notes due 2027 (code: 102482759)

RMB500,000,000 2.27 per cent. Medium Term Notes due 2029 (code: 102482856)

RMB1,300,000,000 2.50 per cent. Super Short-term Commercial Paper due 2024 (code: 012383686) (repaid in full on 7 July 2024)

RMB500,000,000 2.51 per cent. Super Short-term Commercial Paper due 2024 (code: 012383814) (repaid in full on 15 July 2024)

RMB500,000,000 2.75 per cent. Super Short-term Commercial Paper due 2024 (code: 012384479)

RMB200,000,000 2.61 per cent. Super Short-term Commercial Paper due 2024 (code: 012480226)

RMB800,000,000 1.86 per cent. Super Short-term Commercial Paper due 2025 (code: 012481961)

INVESTOR RELATIONS

For further information about
Yuexiu Transport Infrastructure Limited, please contact:
Ms Grace Li
Telephone : (852) 2865 2205
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>