



越秀交通基建有限公司

YUEXIU TRANSPORT INFRASTRUCTURE LIMITED

(Stock Code: 01052)

CREATING EXCELLENT VALUES

2024
Annual Report





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FIVE YEARS FINANCIAL SUMMARY

STATEMENTS OF PROFIT OR LOSS

Year ended 31 December

(RMB'000)	2024	2023	2022	2021	2020
Income from operations	3,867,119	3,966,726	3,288,923	3,702,276	2,919,838
Earnings before interests, tax, depreciation and amortisation ("EBITDA") ¹	3,262,980	3,519,724	2,866,872	3,292,190	2,452,006
Profit before income tax	1,297,605	1,548,906	1,065,340	2,218,350	682,421
Profit for the year	964,360	1,121,643	737,811	1,792,694	404,336
Profit attributable to:					
Shareholders of the Company	656,781	765,309	453,114	1,464,984	160,491
Non-controlling interests	307,579	356,334	284,697	327,710	243,845
Basic earnings per share for profit attributable to the shareholders of the Company	RMB0.3925	RMB0.4574	RMB0.2708	RMB0.8756	RMB0.0959
Dividend per share	RMB0.2297	RMB0.2734	RMB0.1744	RMB0.4980	RMB0.0584

STATEMENTS OF FINANCIAL POSITION

As at 31 December

(RMB'000)	2024	2023	2022	2021	2020
Total Assets	37,506,791	36,502,458	36,337,410	35,661,108	36,367,600
Total Liabilities	22,100,654	21,652,521	22,102,435	21,188,359	22,713,855
Total Equity	15,406,137	14,849,937	14,234,975	14,472,749	13,653,745
Equity attributable to:					
Shareholders of the Company	11,848,306	11,613,337	11,230,445	11,511,515	10,424,891
Non-controlling interests	3,557,831	3,236,600	3,004,530	2,961,234	3,228,854
Net assets per share to shareholders of the Company	RMB7.08	RMB6.94	RMB6.71	RMB6.88	RMB6.23

FINANCIAL RATIOS

Year ended 31 December

	2024	2023	2022	2021	2020
Return on equity attributable to shareholders of the Company	5.54%	6.59%	4.03%	12.73%	1.54%
EBITDA Interest Coverage	6.9 times	6.4 times	4.7 times	4.6 times	3.1 times
Gearing ratio ²	50.0%	49.5%	51.4%	48.5%	54.3%
Total liabilities/Total assets ratio ³	58.9%	59.3%	60.8%	59.4%	62.5%

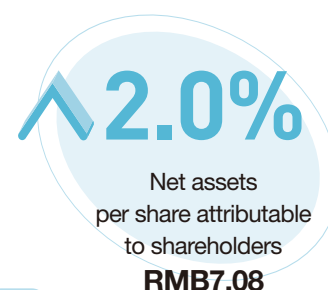
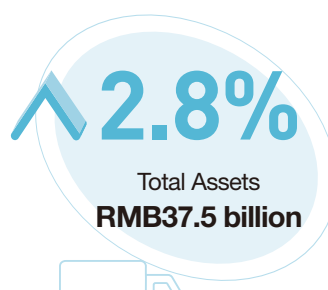
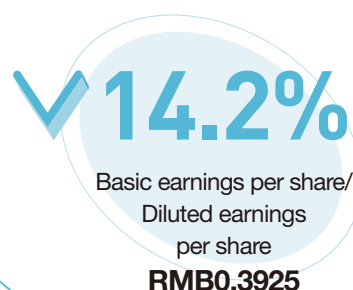
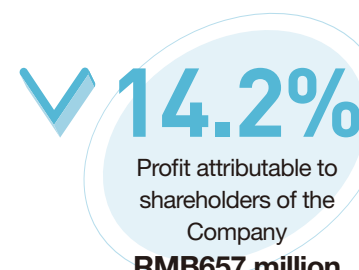
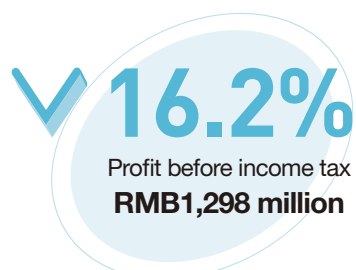
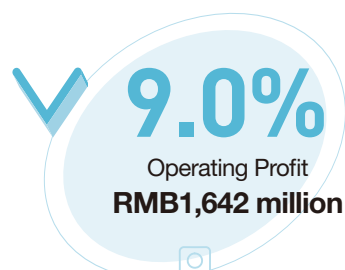
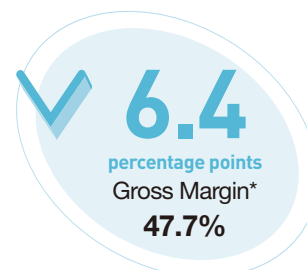
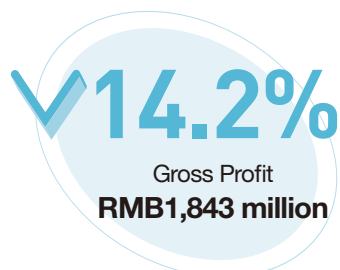
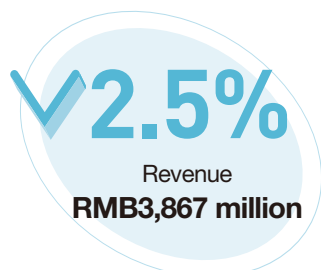
1: EBITDA includes profit from associates and a joint venture, but excludes non-cash gains and losses.

2: net debts ÷ total capitalization

3: total liabilities ÷ total assets

FINANCIAL HIGHLIGHTS

RESULTS HIGHLIGHTS FOR 2024



* Gross Margin = Gross profit/Revenue

CORPORATE PROFILE



- GNSR Expressway / 60%
- Suiyuenan Expressway / 70%
- Hancai Expressway / 67%
- Han'e Expressway / 100%
- Daquangnan Expressway / 90%
- Weixu Expressway / 100%
- Lanwei Expressway / 100%
- Pinglin Expressway / 55%⁽³⁾
- Changzhu Expressway / 100%
- Cangyu Expressway / 100%
- Jinxiong Expressway / Sold⁽⁴⁾

- Han-Xiao Expressway / 30%
- GWSR Expressway / 35%
- Northern Ring Road / 24.30%⁽²⁾
- Humen Bridge / 27.78%⁽¹⁾
- Shantou Bay Bridge / 30%
- Qinglian Expressway / 23.63%
- Pazhou Port / 45%

- (1) The Group's profit sharing ratio in Humen Bridge could be referred to notes of "Business Review" on pages 22-23.
- (2) 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.
- (3) The Group completed the acquisition of 55% of the equity interest in Pinglin Expressway on 26 November 2024.
- (4) The Group completed the disposal of 60% of the equity interest in Jinxiong Expressway on 18 December 2024.

- subsidiaries
- associates and a joint venture

CORPORATE PROFILE

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

As at 31 December 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 (“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”), Lanwei Expressway (“Lanwei Expressway”) and Pinglin Expressway (“Pinglin Expressway”) in Henan Province; Changzhu Expressway (“Changzhu Expressway”) in Hunan Province; and Cangyu Expressway in Guangxi Zhuang Autonomous Region (“Cangyu Expressway”). Besides, 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 completed the acquisition of 55% of the equity interest in Pinglin Expressway on 26 November 2024 and the disposal of 60% of the equity interest in Jinxiong Expressway on 18 December 2024.

As at 31 December 2024, the attributable toll mileage of the Group’s subsidiaries was 521.9 km (total toll mileage was approximately 638.8 km), the attributable toll mileage of the Group’s associates and a joint venture was approximately 83.5 km and the attributable toll mileage of all expressways and bridges was approximately 605.4 km.



道道
车车
超行

LOCATION MAPS OF PROJECTS



LOCATION

PROJECT NAME

TIANJIN

1 Tianjin City

Jinxiong Expressway^{Note}

HENAN

2 Xuchang City
3 Kaifeng City
4 Pingdingshan City

Weixu Expressway
Lanwei Expressway
Pinglin Expressway

HUBEI

5 Wuhan City

Han-Xiao Expressway
Hancai Expressway
Han'e Expressway
Suiyuan Expressway
Daguangnan Expressway

5 Ezhou City
6 Jingzhou City
7 Huangshi City

HUNAN

8 Changsha City

Changzhu Expressway

GUANGXI

9 Wuzhou City

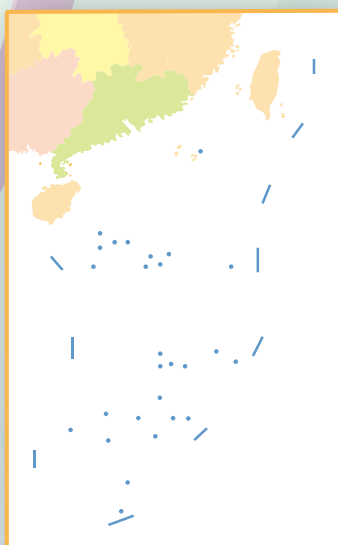
Cangyu Expressway

GUANGDONG

10 Dongguan City
11 Guangzhou City

Humen Bridge
GNSR Expressway
Northern Ring Road^{Note}
GWSR Expressway
Pazhou Port
Qinglian Expressway
Shantou Bay Bridge

12 Qingyuan City
13 Shantou City



Note: The Group completed the disposal of 60% of the equity interest in Jinxiong Expressway on 18 December 2024. 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



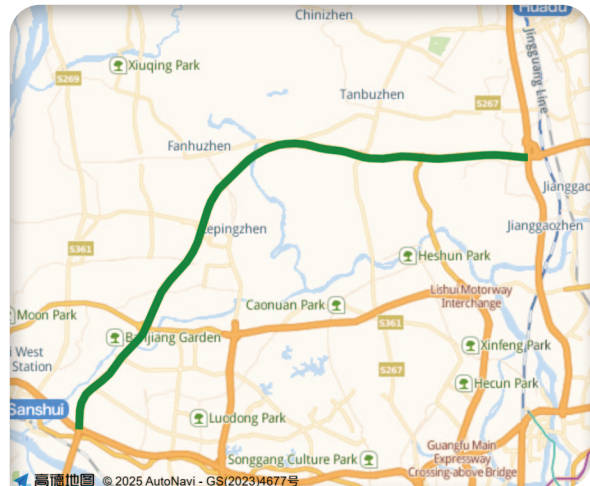
GNSR EXPRESSWAY

It has a toll length of approximately 42.5 km, of which there are eight lanes for the section from Huocun to Luogang, and six 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.



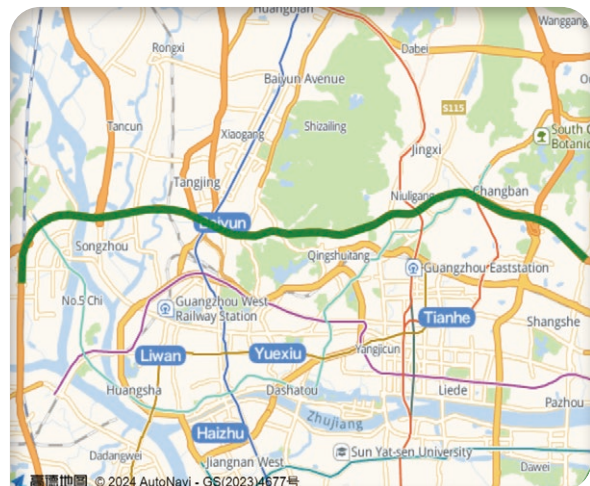
GWSR EXPRESSWAY

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 eight lanes for the section from Shabei to Bainihe Bridge and six 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.

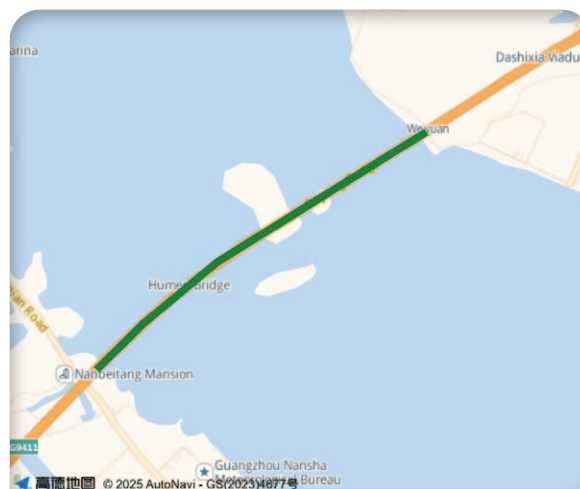


LOCATION MAPS OF PROJECTS

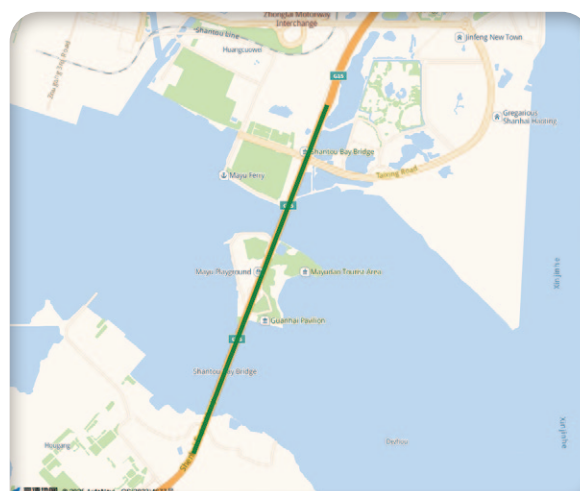
GUANGDONG

**HUMEN BRIDGE**

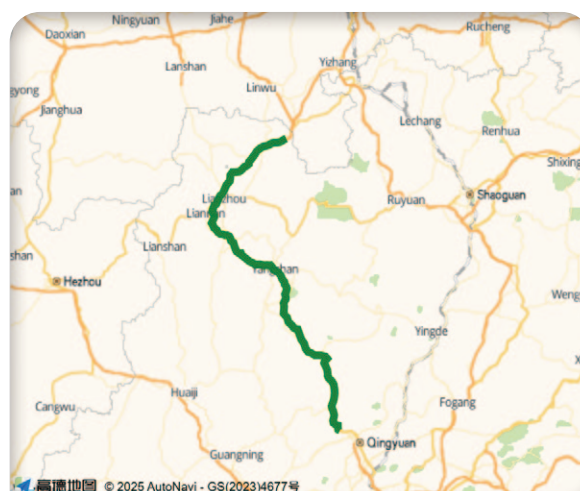
It is a six-lane suspension highway bridge with a toll length of approximately 15.8 km, linking Nansha District of Guangzhou City and Humen District of Dongguan City. Its two ends are connected to the Guangzhou Macau Expressway, Guangshen Yanjiang Expressway and GS Superhighway.

**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 two passenger ferries (two self-owned). At present, Pazhou has opened two routes to and from urban areas and airport of Hong Kong.



HUBEI



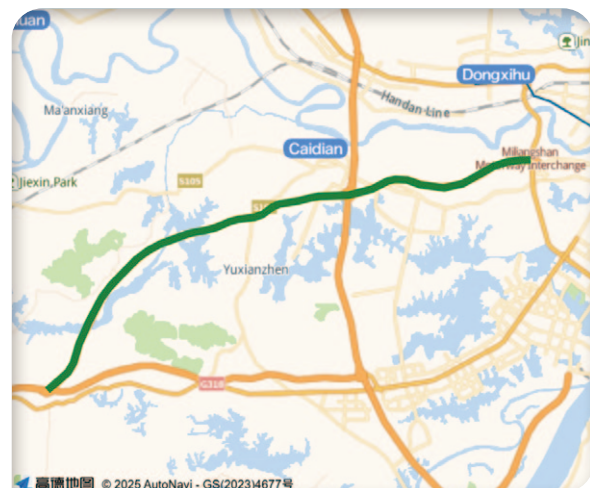
SUIYUANAN EXPRESSWAY

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



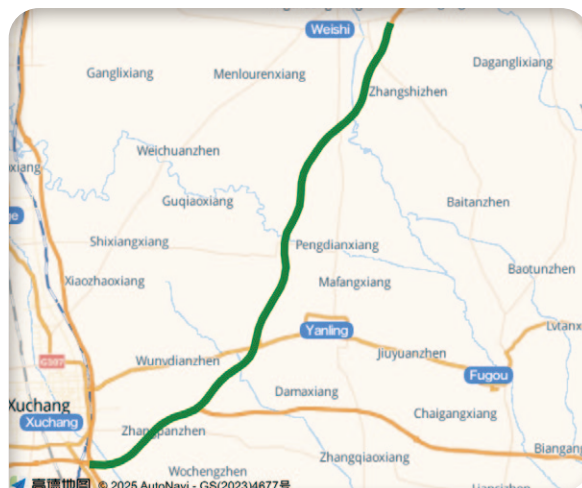
LOCATION MAPS OF PROJECTS

HENAN



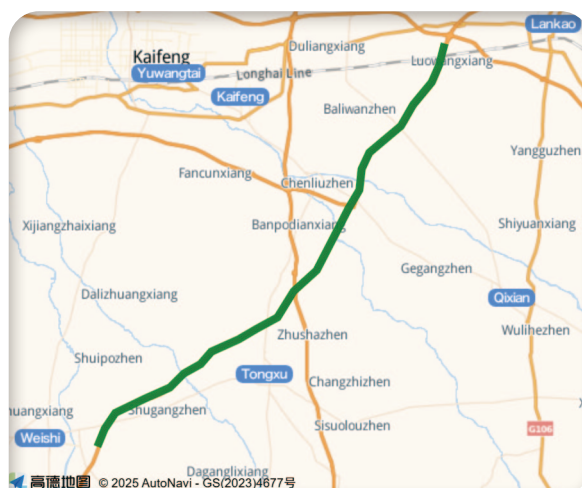
WEIXU EXPRESSWAY

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.



PINGLIN EXPRESSWAY

Pinglin Expressway is an important component of Nanjing-Luoyang Expressway. Connecting Erenhot-Guangzhou Expressway (G55), Jiaozuo-Tanghe Expressway (S49), Zhengzhou-Luanchuan Expressway (S88) and Lankao-Nanyang Expressway (S83) in Henan Province, it has a toll length of approximately 106.5 km with four lanes.



LOCATION MAPS OF PROJECTS

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.



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).



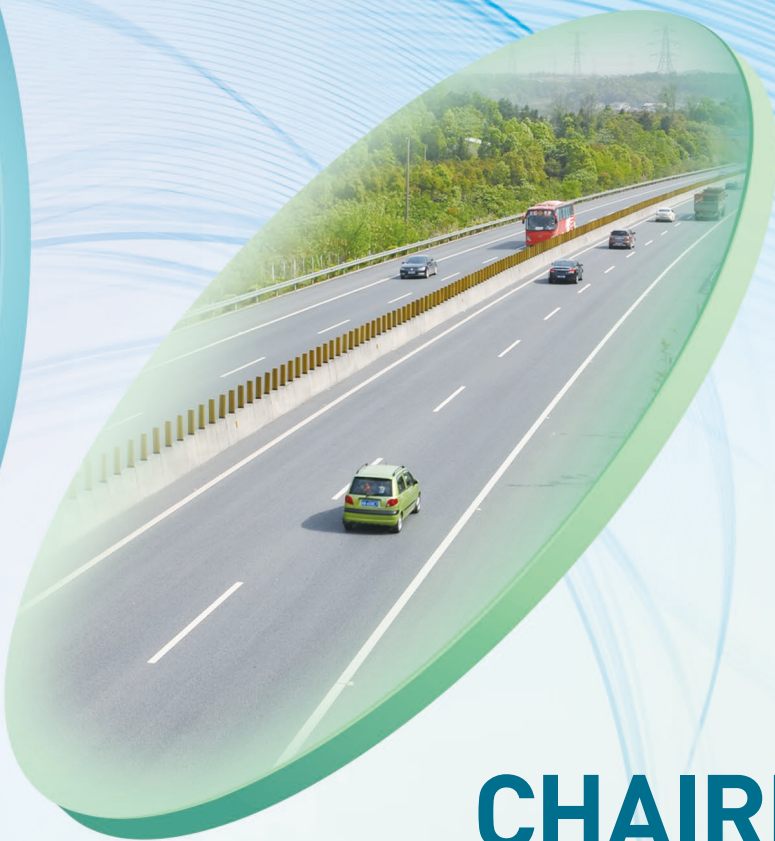
TIANJIN

**JINXIONG EXPRESSWAY**

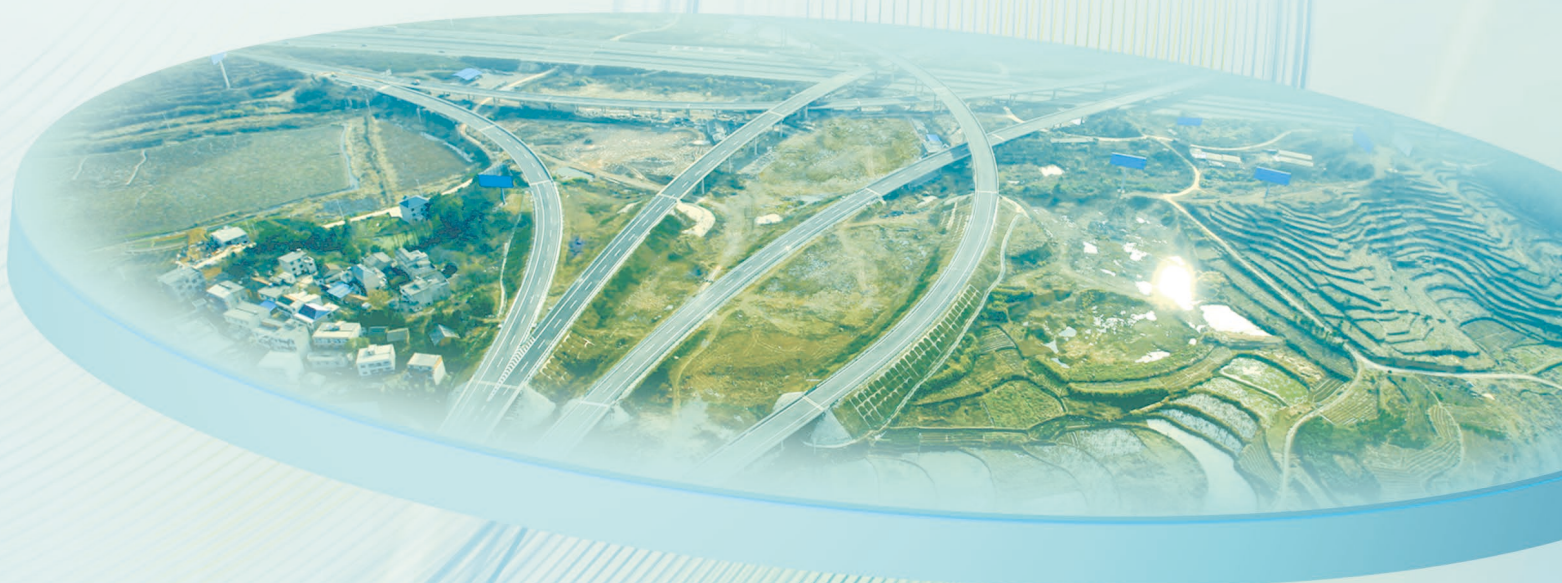
It is located in the west of Tianjin Municipality, and Hebei Province at the junction, and linking the Jinxiong Expressway (Hebei section), Jinghu Expressway and Tianjin Waihuan Lane etc. with a toll length of approximately 23.9 km with four lanes. The Group completed the disposal of 60% of the equity interest in Jinxiong Expressway on 18 December 2024.







CHAIRMAN'S STATEMENT



CHAIRMAN'S STATEMENT



LIU YAN

CHAIRMAN

OPERATING RESULTS AND DIVIDEND

During the year ended 31 December 2024 (the "Reporting Year"), the Group recorded revenue of RMB3,867 million, representing a year-on-year decrease of 2.5%; and profit attributable to shareholders of RMB657 million, representing a year-on-year decrease of 14.2% (2023: RMB3,967 million and RMB765 million). The decrease in revenue was mainly attributable to: ① the impact of the widespread rain, snow, cold and freezing weather in 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 3 more days of toll-free holidays for passenger vehicles with 7 seats or less (including 7 seats) in 2024 compared to last year; and ③ the traffic diversion some of the projects encountered. The decrease in profit was mainly due to drop in revenue during the Reporting Year and the toll collection right of Northern Ring Road expired on 22 March 2024.

The Board has recommended the payment of a final dividend for 2024 of HK\$0.13 per share. Together with the interim dividend of HK\$0.12 per share paid, the total dividend for the Reporting Year is HK\$0.25 per share, which is equivalent to RMB0.2297 per share, and the annual dividend payout ratio of the year is 58.5%.

CHAIRMAN'S STATEMENT

ANNUAL REVIEW

Macro-Economy and Regulatory Environment of the Sector

In 2024, the global economy grew in general against the shocks of geopolitical tensions and extreme weather events to energy resources and grains, with inflation falling steadily towards the central banks' target levels. The International Monetary Fund (IMF) projected that the global economic growth rate in 2024 would be 3.2%. Facing the complex and ever-changing environment and challenges, China's economy rebounded steadily throughout the year, with gross domestic product (GDP) increasing by 5.0% year-on-year in 2024.

Over the past year, in the face of a complex and challenging international environment, China's economy sustained growth while maintaining stability, and witnessed increasingly stronger positive momentum. In terms of investment in transportation infrastructure construction, according to the Ministry of Transport, it is expected that fixed asset investment in transportation in 2024 will be more than RMB3.8 trillion. From January to November 2024, highway passenger traffic was 10,790 million, representing a year-on-year increase of 7.4%, and highway cargo turnover was 38,110 million tonnes, representing a year-on-year increase of 3.3%.

Business Development

During the Reporting Year, Guangzhou North Second Ring Transport Technology Company Limited ("GNSR Company") received the land occupation approval from the Ministry of Natural Resources and the construction permit from the Department of Transport of Guangdong Province for the whole project of the GNSR Expressway R&E Project, and advanced the GNSR Expressway R&E Project to the new stage of comprehensive construction. GNSR Expressway, as the artery for transportation in the north of Guangzhou City, is a part of the expressway network that connects Guangzhou City and Shenzhen City, the two core first-tier cities in the Guangdong-Hong Kong-Macau Greater Bay Area, as well as other important cities such as Foshan City and Dongguan City, and an important component of the transportation network in the Greater Bay Area, and plays a major role in the Group. The R&E Project is expected to significantly improve the current traffic conditions, service quality and traffic capacity of the GNSR Expressway, while reducing traffic accidents to secure travel safety. Meanwhile, it is expected that the R&E Project will help extend the toll operating period of the GNSR Expressway by up to 25 years from the completion date of the GNSR Expressway R&E Project, which in turn allows the Group to continue to benefit from the development of the Greater Bay Area, helps the Group to enhance the development capacity of its principal toll road business and improve its core advantages in investment, construction and operation, thereby scaling up its core business on an ongoing basis.

In the Reporting Year, the Group entered into an agreement with Guangzhou Yue Xiu Holdings Limited, the ultimate controlling shareholder of the Company, for the purpose of acquiring the 55% equity interest held in Henan Yuexiu Pinglin Expressway Company Limited at a consideration of RMB758.45 million. The transaction was approved by the independent shareholders at the special general meeting convened on 22 November 2024, and the completion was materialised on 26 November 2024. Henan Yuexiu Pinglin Expressway Company Limited owns the toll collection right over the Pingdingshan to Linru section of the Henan Pinglin Expressway (河南平臨高速公路平頂山至臨汝段) (the "Henan Pinglin Expressway"). Henan Pinglin Expressway is located in the core development region of Zhongyuan (中原) city cluster and is an important component of the G36 Nanjing-Luoyang Expressway (寧洛高速公路G36), one of the 18 east-west trunk lines in the national "71118" expressway network. The acquisition represents another practical case of interaction between the incubation platform and the listed platform, aligns with the Group's regional expansion strategy, and promotes further business development in Central China, thus sharing the benefits of economic development.

Jinxiong Expressway under the management of the Group reported a limited remaining toll collection period in the Reporting Year. Considering that the extension is subject to regulatory approval and would incur extra capital expenditure, the Group seized the opportunity to withdraw from Jinxiong Expressway through transferring the 60% equity interest held in Tianjin Jinfu Expressway Co., Ltd. to Tianjin Expressway Group Co., Ltd. at the consideration of RMB190.8 million by way of public tender on 18 December 2024. Upon completion of the disposal, the Group ceased to have any interest in Tianjin Jinfu Expressway Co., Ltd.

CHAIRMAN'S STATEMENT

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 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.

The Group has always maintained sound operation and a healthy financial condition. During the Reporting Year, the Group maintained investment-grade ratings from international rating agencies Moody’s and Fitch. In particular, Moody’s and Fitch maintained the Group’s investment grade rating of Baa2 and BBB, respectively.

FUTURE PROSPECT AND OUTLOOK

Outlook of Macro-Economy and Industry Development Prospect

During the Reporting Year, despite the intensified geopolitical tension and the persistent inflation pressure in some countries, inflation has eased to a large extent globally. According to the “World Economic Situation and Prospects 2025” released by the United Nations in January 2025, the global economy is expected to see a growth rate of 2.8%, remaining at a similar level compared to 2024. The report clarifies that although the global economy remains in growth and withstands a series of intertwined shocks, the economic growth still lingers below the average level of 3.2% prior to 2019 due to weak investment sentiment and sluggish productivity growth. In January 2025, the International Monetary Fund (IMF) raised the Chinese economic growth forecast and the global economic growth forecast for 2025 by 0.1 percentage point, compared to its forecasts in October 2024, to 4.6% and 3.3% respectively. In March 2025, the Chinese government stated in its work report that the target for gross domestic product growth in 2025 would be around 5%.

During the Reporting Year, against the complex situation of intensifying external pressures and increasing internal difficulties, China’s economy recorded steady advancement amid sustained stability. In 2024, its gross domestic product achieved a year-on-year growth rate of 5.0%. According to the statistics of the Ministry of Public Security, domestic motor vehicle ownership reached 453 million vehicles, of which car ownership was 353 million vehicles with new energy vehicle ownership reaching 31.40 million vehicles. Motor vehicle ownership recorded a year-on-year increase of 4.14%. Toll roads are an important part of the modern comprehensive transportation system, and are of great significance to the long-term development of the domestic economy. In June 2024, the Ministry of Transport issued the “Statistical Bulletin on the Development of the Transportation Industry in 2023” (《二〇二三年交通運輸行業發展統計公報》) (hereinafter referred to as the “Bulletin”). According to the Bulletin, China’s arterial traffic network has been developing. With the rising income levels and the increasing travel demand, room for growth in car ownership, steady growth in freight transport along with social economy development, the operating performance of expressway assets remains promising. Taking into account the above factors, the Group remains optimistic about the development prospects of the industry.

During the 40 days of 2025 Spring Festival travel rush (14 January to 22 February), nationwide passenger turnover was 9,025 million, representing an increase of 7.1% compared to the same period of 2024, marking a record high. Among the nationwide passenger turnover during 2025 Spring Festival travel rush, highway passenger turnover was 8,390 million, and self-driving trips were 7,170 million, representing approximately 79.4% of the nationwide passenger turnover, serving as a stable and sustainable source for revenue generated from passenger vehicles to promote future growth of the toll road industry and generating new impetus for the development of the industry.

CHAIRMAN'S STATEMENT

Development Strategies and Investment Opportunities

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 improving the three platforms (listed platform, REITs platform and incubation platform), enhancing the three core abilities (investment ability, operation and maintenance and construction management ability and capital operation ability) and focusing on three directions (expressway main business, key areas and expansion of related auxiliary businesses). The Group will continue to grasp the strategic opportunity period for expressway investment and mergers and acquisitions. Gaining its foothold in Guangdong-Hong Kong-Macau Greater Bay Area and Central and Eastern China, expanding its presence in other developing areas benefiting from continued urbanisation and industrialisation going forward, making full use of the incubation platform model and exploring opportunities of investing in reconstruction and expansion of quality assets, the Group insists on strengthening and expanding its infrastructure business mainly based on toll roads.

APPRECIATION

During the Reporting Year, our directors, senior management and all our staff continued to adhere to their pragmatic, diligent and resolute working attitude, in pursuit of excellent performance and quality work. On behalf of all members of our Group, I would like to express my gratitude and appreciation to all our shareholders, banks, business community and partners for their dedicated support over the years.

LIU YAN

Chairman

Hong Kong, 13 March 2025





MANAGEMENT DISCUSSION AND ANALYSIS



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) ⁽⁵⁾
SUBSIDIARIES						
GNSR Expressway	42.5	6/8 ⁽²⁾	6	Expressway	60.00	2032/01/10 ⁽⁶⁾
Gangyu Expressway	22.0	4	0	Expressway	100.00	2030/12/28
Jinxiong Expressway ⁽³⁾	23.9	4	2	Expressway	Sold ⁽³⁾	2030/03/17 ⁽³⁾
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
Pinglin Expressway ⁽¹⁾	106.5	4	6	Expressway	55.00	2033/10/24
Suiyuenan Expressway	98.1	4	4	Expressway	70.00	2040/03/09
Hancai Expressway	36.0	4/6 ⁽²⁾	2	Expressway	67.00	2038/08/27
Han'e Expressway	54.8	4	5	Expressway	100.00	2042/06/30
Daguangnan Expressway	107.1	4	6	Expressway	90.00	2042/04/29
ASSOCIATES AND JOINT VENTURE						
Han-Xiao Expressway	38.5	4/6 ⁽²⁾	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 ⁽⁴⁾	2029/05/08
Northern Ring Road ⁽⁷⁾	22.0	6/8 ⁽²⁾	8	Expressway	24.30 ⁽⁷⁾	2024/03/22 ⁽⁷⁾
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			5	2 (self-owned)	45.00	

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- (1) The Group completed the acquisition of 55% of the equity interest in Pinglin Expressway on 26 November 2024.
- (2)
 - 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.
- (3) The Group completed the disposal of 60% of the equity interest in Jinxiong Expressway on 18 December 2024.
- (4) The profit-sharing ratio was 18.446% from 2010 onwards.
- (5)
 - 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 and Henan Province: Pursuant to the supporting and protective policies from the relevant authorities in the Guangxi Autonomous Region, Hunan Province, Hubei Province, Tianjin 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 and Henan Province were postponed for 79 days.
- (6) 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.
- (7) 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Toll Summary of Toll Roads, Bridges and Port

For the twelve months ended 31 December 2024

	Average daily toll revenue ⁽¹⁾		Average daily toll traffic volume	
	2024 (RMB/day)	Y-O-Y Change %	2024 (Vehicle/day)	Y-O-Y Change %
SUBSIDIARIES				
GNSR Expressway	2,841,019	-6.2%	303,502	1.8%
Cangyu Expressway	268,271	-3.1%	17,723	-5.1%
Jinxiong Expressway ⁽²⁾	231,698	N/A	39,409	N/A
Changzhu Expressway	708,520	0.7%	71,769	-0.5%
Weixu Expressway	928,936	-10.1%	25,451	-4.0%
Lanwei Expressway	767,768	-9.2%	31,841	-4.1%
Pinglin Expressway ⁽³⁾	1,463,586	-5.6%	39,317	0.6%
Suiyuanan Expressway	1,974,588	0.8%	31,382	-6.4%
Hancai Expressway	682,040	-8.3%	51,017	-14.0%
Han'e Expressway	706,512	58.1%	51,712	39.9%
Daguanqnan Expressway	1,103,623	-11.9%	23,668	-17.0%
ASSOCIATES AND JOINT VENTURE				
Han-Xiao Expressway	603,858	-6.9%	32,397	-0.5%
GWSR Expressway	1,394,594	2.1%	96,113	3.7%
Humen Bridge	2,576,804	-8.8%	96,471	-6.9%
Northern Ring Road ⁽⁴⁾	1,931,720	N/A	359,708	N/A
Shantou Bay Bridge	280,864	-3.7%	17,882	-3.6%
Qinglian Expressway	1,728,773	-7.2%	49,314	-4.9%
	Average daily ticket business revenue		Average daily passenger volume	
	2024 (RMB/day)	Y-O-Y Change %	2024 (People/day)	Y-O-Y Change %
ASSOCIATE				
Pazhou Port ⁽⁵⁾	140,446	N/A	423	N/A

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- (1) Average daily toll revenue does not include value-added tax.
- (2) The Group completed the disposal of 60% of the equity interest in Jinxiong Expressway on 18 December 2024. The figures of average daily toll revenue and the average daily toll traffic volume were for the periods from 1 January to 18 December for the year 2024 and from 1 January to 31 December for the year 2023 respectively. Thus, the year-on-year change is not applicable.
- (3) The Group completed the acquisition of 55% of the equity interest in Pinglin Expressway on 26 November 2024. The figures of average daily toll revenue and the average daily toll traffic volume for the years 2023 and 2024 were both for the period from 1 January to 31 December. The figures for the same period in 2023 and the period prior to 27 November 2024 were recorded prior to the Group's acquisition. These figures were external in nature and not attributable to the Group, therefore were provided for information purposes only.
- (4) 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 31 December for the year 2023 respectively. Thus, the year-on-year change is not applicable.
- (5) 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 31 December for the year 2024 and from 14 April to 31 December 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

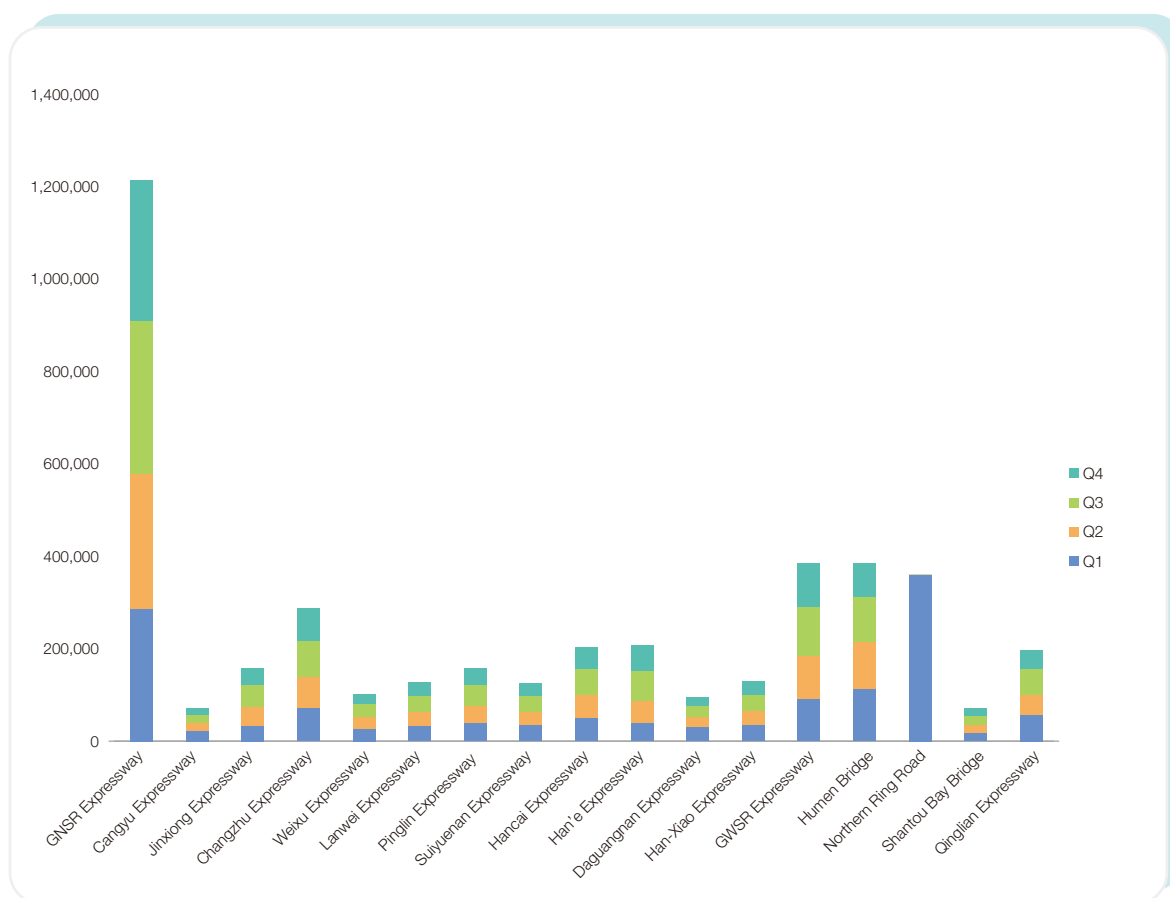
	Average daily toll traffic volume of the first quarter in 2024 (Vehicle/day)	Average daily toll traffic volume of the second quarter in 2024 (Vehicle/day)	Average daily toll traffic volume of the third quarter in 2024 (Vehicle/day)	Average daily toll traffic volume of the fourth quarter in 2024 (Vehicle/day)
SUBSIDIARIES				
GNSR Expressway	286,046	291,510	330,205	305,927
Cangyu Expressway	22,005	15,661	18,494	14,757
Jinxiong Expressway ⁽¹⁾	32,650	40,089	48,498	35,825
Changzhu Expressway	69,715	68,440	78,475	70,389
Weixu Expressway	26,553	24,007	28,257	22,981
Lanwei Expressway	31,134	30,787	35,262	30,161
Pinglin Expressway ⁽²⁾	37,495	38,110	44,726	36,903
Suiyuanan Expressway	34,196	28,583	34,542	28,206
Hancai Expressway	48,902	50,778	55,563	48,797
Han'e Expressway	38,120	49,371	63,714	55,472
Daguanqnan Expressway	30,025	22,139	23,196	19,363
ASSOCIATES AND JOINT VENTURE				
Han-Xiao Expressway	33,390	30,942	35,341	29,908
GWSR Expressway	88,998	94,433	106,218	94,707
Humen Bridge	110,516	103,928	96,542	75,132
Northern Ring Road ⁽³⁾	359,708	N/A	N/A	N/A
Shantou Bay Bridge	17,220	16,836	20,525	16,929
Qinglian Expressway	56,942	42,967	55,803	41,558

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

- (1) The Group completed the disposal of 60% of the equity interest in Jinxiang Expressway on 18 December 2024. The figures of average daily toll traffic volume for the fourth quarter of 2024 were for the period from 1 October to 18 December.
- (2) The Group completed the acquisition of 55% of the equity interest in Pinglin Expressway on 26 November 2024. The figures of average daily toll traffic volume for the year 2024 were for the period from 1 January to 31 December. The figures for the period prior to 27 November 2024 were recorded prior to the Group's acquisition. These figures were external in nature and not attributable to the Group, therefore were provided for information purposes only.
- (3) 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.

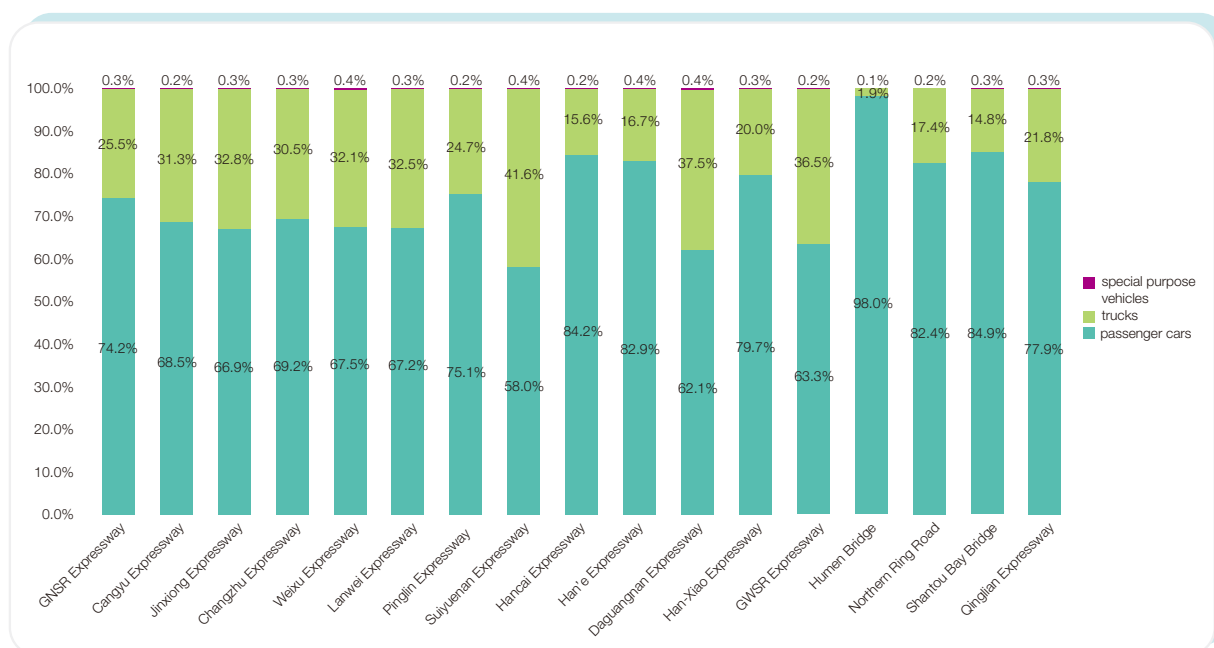
Unit: Vehicle/day



MANAGEMENT DISCUSSION AND ANALYSIS

Vehicle Type Analysis (by Traffic Volume)

During the Reporting Year, 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 vehicles refer to cars that have special equipment or apparatus installed, and used in engineering special projects, health care and other operations.
- (2) The Group completed the acquisition of 55% of the equity interest in Pinglin Expressway on 26 November 2024. The figures of vehicle type analysis (by traffic volume) for the year 2024 were for the period from 1 January to 31 December when it comes to Pinglin Expressway. The figures for the period prior to 27 November 2024 were recorded prior to the Group's acquisition. These figures were external in nature and not attributable to the Group, therefore were provided for information purposes only.

SUMMARY OF OPERATING PERFORMANCE

Macro-economic Environment

Amidst a complex and challenging environment characterised by intensifying external pressures and mounting domestic difficulties, the PRC stayed true to the general principle of pursuing progress while ensuring stability. By fully, accurately and comprehensively implementing the new development philosophy, accelerating the establishment of a new development pattern, and vigorously advancing high-quality growth, China's national economy has sustained generally stable operations with measured progress. According to the information released by the National Bureau of Statistics, the gross domestic product (GDP) for 2024 amounted to RMB134,908.4 billion, representing a year-on-year increase of 5.0%; and by quarter, the GDP for the first quarter, the second quarter, the third quarter and the fourth quarter recorded a year-on-year increase of 5.3%, 4.7%, 4.6% and 5.4%, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

According to the Ministry of Public Security, domestic car ownership maintained a steady growth momentum; as of 31 December 2024, domestic car ownership reached 353 million vehicles, representing a year-on-year increase of 5.1%; and new energy vehicle ownership reached 31.4 million, representing a year-on-year increase of 53.8% and reaching 8.9% of total number of vehicles.

During the Reporting Year, 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 2024 increased by 3.5%, 5.1%, 4.2%, 4.8%, 5.8% and 5.1% year-on-year, respectively.

(Unit: RMB100 million)

	National	Guangdong Province	Tianjin Municipality	Guangxi Autonomous Region	Hunan Province	Hubei Province	Henan Province
GDP for the year of 2024	1,349,084	141,634	18,024	28,649	53,231	60,013	63,590
GDP changes for the year of 2024	5.0%	3.5%	5.1%	4.2%	4.8%	5.8%	5.1%
GDP changes for the year of 2023	5.2%	4.8%	4.3%	4.1%	4.6%	6.0%	4.1%

Source: National Bureau 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》) (the “Measures”) 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 9 December 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. The meeting stressed that China 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, and solidly promote high-quality development. In March 2025, the Chinese government stated in its work report that the target for gross domestic product growth in 2025 would be around 5%.

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 Year, the Group focused on “improving efficiency, effectiveness and cost reduction”, proactively implemented refined management, established related working systems, and steadily enhanced the operation and management quality of the Company. The Group achieved significant improvement in maintenance and finance cost control, operational efficiency and increasing revenue of certain subsidiaries.

During the Reporting Year, the Group proactively expanded revenue sources. For toll revenue, the Group firstly continued to implement measures, including “navigating and introducing traffic, linking scenic spots, improving road signage, ensuring smooth traffic flow, promoting brands and new media promotions” to attract traffic and increase toll revenue. Secondly, the Group strived to prevent toll evasion and avoidance to ensure that all tolls were collected. In particular, an intelligent inspection system dedicated to prevent toll avoidance has been deployed across the routes of all subsidiaries, and its processing efficiency was enhanced through the advanced automation of the inspection work order system. Thirdly, a travel service online platform was rolled out by the Group to all its subsidiaries, which has accumulated a total of about 310,000 registered vehicle-owner members, laying a solid foundation for further tapping into the value of customer resources. For other revenue, the Group continued to reinforce the concept of “Expressway+” and promote the use of resources such as service areas on expressways, ancillary lands and facilities along expressways and billboards to diversify its sources of revenue. Secondly, the Group developed and utilised auxiliary assets and resources of expressways to promote the implementation of projects such as photovoltaic power generation (with an aggregate installed capacity of approximately 6.5 MW and a power generation capacity of approximately 7.3 million kWh in 2024, which reduced carbon dioxide emissions by about 7,277 tons in 2024) along expressways. Thirdly, the transformation and upgrade of service areas was completed. In particular, the “Zero-Carbon Service Area” project of Changsha East on Changzhu Expressway has become one of the first seven “Zero-Carbon Service Area” pilot projects recognised by the Ministry of Transport. Fourthly, the Group adhered to the concept of green development and transportation, realising the 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.

During the Reporting Year, the Group actively embraced China’s vision of building a strong transportation network featuring “enjoyable travel for passengers and smooth transport of goods” and advocated the concept of “creating excellent values” with its action. Firstly, 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 standards, provided the public with a “green, clean, smooth, beautiful and safe” traveling environment. Secondly, the Group enhanced service quality of its tolling business and optimised the efficiency and service level of the expressways and toll stations. Thirdly, it continued to maintain, adjust and optimise key toll collection facilities and equipment, to ensure stable ongoing operation. As a result, the annual average ETC calculation success rate and car plate automatic identification rate throughout the year were 99.43% and 98.02% respectively, which were better than the industry averages. Fourthly, the Group continued to enhance its foundational safety capabilities and improve the safety management standards and build a safety management system with the characteristics of the transportation industry. All subsidiaries have obtained certificates of Work Safety Standardisation Grade 2 or above.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Year, 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.

During the Reporting Year, the Group newly obtained 5 invention patents, 13 utility patents and 16 software copyrights. GNSR Company remained 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" since 2023.

During the Reporting Year, the Group is committed to improving its management and control and level of talent development. It continued to optimise organisational management mechanisms and further enhanced management efficiency. It also expanded the vision of talents and improved their compound management capacities through solid implementation of measures on talent 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 Year, the Group continued to grasp the strategic opportunity period for expressway investment and mergers and acquisitions. Gaining its foothold in Guangdong-Hong Kong-Macau Greater Bay Area and Central and Eastern China, expanding its presence in other developing areas benefiting from continued urbanisation and industrialisation going forward, making full use of the incubation platform model and exploring opportunities of investing in reconstruction and expansion of quality assets, the Group insisted on strengthening and expanding its infrastructure business mainly based on toll roads.

In the Reporting Year, the Group entered into an agreement with Guangzhou Yue Xiu Holdings Limited, the ultimate controlling shareholder of the Company, for the purpose of acquiring the 55% equity interest held in Henan Yuexiu Pinglin Expressway Company Limited at a consideration of RMB758.45 million. The transaction was approved by the independent shareholders at the special general meeting convened on 22 November 2024, and the completion was materialised on 26 November 2024. Henan Yuexiu Pinglin Expressway Company Limited owns the toll collection right over the Henan Pinglin Expressway. Henan Pinglin Expressway is located in the core development region of Zhongyuan (中原) city cluster and is an important component of the G36 Nanjing-Luoyang Expressway (寧洛高速公路G36), one of the 18 east-west trunk lines in the national "71118" expressway network. The acquisition represents another practical case of interaction between the incubation platform and the listed platform, aligns with the Group's regional expansion strategy, and promotes further business development in Central China, thus sharing the benefits of economic development.

MANAGEMENT DISCUSSION AND ANALYSIS

Jinxiong Expressway under the management of the Group reported a limited remaining toll collection period in the Reporting Year. Considering that the extension is subject to regulatory approval and would incur extra capital expenditure, the Group seized the opportunity to withdraw from Jinxiong Expressway through transferring the 60% equity interest held in Tianjin Jinfu Expressway Co., Ltd. to Tianjin Expressway Group Co., Ltd. at the consideration of RMB190.8 million by way of public tender on 18 December 2024. Upon completion of the disposal, the Group ceased to have any interest in Tianjin Jinfu Expressway Co., Ltd.

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 unrelenting 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. As of the end of 2024, the land expropriation and engineering construction and installation both went well under way. The next step for the Group will be to fully advance the remaining 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

During the Reporting Year, the Group further improved the comprehensive risk management system. As in previous years, the risks exposure of the Group were mainly market risk and operational risk, including changes in road network planning and impact of natural disasters, etc. The Group will closely monitor the following risks and adopt effective counter measures proactively in the future.

(I) Risk of Competition from Parallel Expressways

Risk analysis:

In 2024, the commencement of operation of the road networks (such as Congpu Expressway, Wuyang Expressway and Shenzhen-Zhongshan Link) related to the Group's subsidiary and associated expressways (GNSR Expressway, Daguangnan Expressway and Humen Bridge) impacted the traffic flow of the relevant projects, and in turn affected the Group's toll revenue.

Counter measures:

Step up efforts in marketing and promotion as well as traffic volume attraction to promote the return of vehicles and mitigate the diversion effects of parallel road sections or alternative routes. Further promote the membership points platform and travel services platform, and drive the platform layout to cover the expressway derivative business ecosystem, thereby empowering the membership points system to facilitate user value conversion.

(II) Impact of Natural Disasters

In 2024, a total of 33 cold air weather occurred across the country, of which four reached the level of cold snap. In February, two rounds of cold, rainy, snowy and freezing weather processes occurred in most parts of the central and eastern China, with the impact range and intensity being the strongest since 2009. The weather processes were characterised by long duration, wide impact range, heavy rain and snow intensity and complex precipitation types, which, overlapping 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, Han-Xiao Expressway and Changzhu Expressway to be affected to a greater extent. In 2024, the national average precipitation was 697.7 millimeters, 9% more than that 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.
- (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.

MANAGEMENT DISCUSSION AND ANALYSIS

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)”.

(III) Possible Risk Exposure Faced by GNSR Expressway R&E Project

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 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.

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 design stage of construction drawing, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

Expressways, Bridges and Port

During the Reporting Year, 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 in 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 3 more days of toll-free holidays for passenger vehicles with 7 seats or less (including 7 seats) in 2024 compared to last year (hereinafter referred to as the "Increase in Toll-free holidays"); and ③ the traffic diversion some of the projects encountered.

Subsidiaries

GNSR Expressway

During the Reporting Year, the average daily toll revenue was RMB2,841,000, representing a year-on-year decrease of 6.2% from 2023. The average daily toll traffic volume was 303,502 vehicles, representing a year-on-year increase of 1.8% from 2023.

The year-on-year increase 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Cangyu Expressway

During the Reporting Year, the average daily toll revenue was RMB268,000, representing a year-on-year decrease of 3.1% from 2023. The average daily toll traffic volume was 17,723 vehicles, representing a year-on-year decrease of 5.1% from 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 Increase in Toll-free holidays and the rainy weather in the second quarter.

Jinxiong Expressway

The Group completed the disposal of 60% of the equity interest in Jinxiong Expressway on 18 December 2024.

During the Reporting Year, the average daily toll revenue was RMB232,000 and the average daily toll traffic volume was 39,409 vehicles.

Changzhu Expressway

During the Reporting Year, the average daily toll revenue was RMB709,000, representing a year-on-year increase of 0.7% from 2023. The average daily toll traffic volume was 71,769 vehicles, representing a year-on-year decrease of 0.5% from 2023.

The slight year-on-year decrease of average daily toll traffic volume was mainly due to the impact of the widespread rain, snow, cold and freezing weather around the Chinese New Year, the Increase in Toll-free holidays and the decrease of the traffic volume of passenger cars. The slight year-on-year increase of the average daily toll revenue was mainly due to the increase of the traffic volume of trucks, which contributed higher toll charges than passenger cars.

Weixu Expressway

During the Reporting Year, the average daily toll revenue was RMB929,000, representing a year-on-year decrease of 10.1% from 2023. The average daily toll traffic volume was 25,451 vehicles, representing a year-on-year decrease of 4.0% from 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, the Increase in Toll-free holidays and the decrease in traffic volume of trucks.

Lanwei Expressway

During the Reporting Year, the average daily toll revenue was RMB768,000, representing a year-on-year decrease of 9.2% from 2023. The average daily toll traffic volume was 31,841 vehicles, representing a year-on-year decrease of 4.1% from 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, the Increase in Toll-free holidays and the decrease in traffic volume of trucks.

MANAGEMENT DISCUSSION AND ANALYSIS

Pinglin Expressway

The Group completed the acquisition of 55% of the equity interest in Pinglin Expressway on 26 November 2024. The figures of average daily toll revenue and the average daily toll traffic volume for the years 2023 and 2024 were both for the period from 1 January to 31 December. The figures for the same period in 2023 and the period prior to 27 November 2024 were recorded prior to the Group's acquisition. These figures were external in nature and not attributable to the Group, therefore were provided for information purposes only.

During the Reporting Year, the average daily toll revenue was RMB1,464,000, representing a year-on-year decrease of 5.6% from 2023. The average daily toll traffic volume was 39,317 vehicles, representing a year-on-year increase of 0.6% from 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 increase in traffic volume of short-distance vehicles and the decrease in traffic volume of long-distance vehicles.

Suiyuanan Expressway

During the Reporting Year, the average daily toll revenue was RMB1,975,000, representing a year-on-year increase of 0.8% from 2023. The average daily toll traffic volume was 31,382 vehicles, representing a year-on-year decrease of 6.4% from 2023.

The year-on-year decrease of the average daily toll traffic volume was mainly due to the impact of the widespread rain, snow, cold and freezing weather around the Chinese New Year, the Increase in Toll-free holidays and the decrease of the traffic volume of passenger cars. The slight year-on-year increase of the average daily toll revenue was mainly due to the increase of the traffic volume of trucks, which contributed higher toll charges than passenger cars.

Hancai Expressway

During the Reporting Year, the average daily toll revenue was RMB682,000, representing a year-on-year decrease of 8.3% from 2023. The average daily toll traffic volume was 51,017 vehicles, representing a year-on-year decrease of 14.0% from 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 last year.

Han'e Expressway

During the Reporting Year, the average daily toll revenue was RMB707,000, representing a year-on-year increase of 58.1% from 2023. The average daily toll traffic volume was 51,712 vehicles, representing a year-on-year increase of 39.9% from 2023.

The year-on-year increases 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 Year, the average daily toll revenue was RMB1,104,000, representing a year-on-year decrease of 11.9% from 2023. The average daily toll traffic volume was 23,668 vehicles, representing a year-on-year decrease of 17.0% from 2023.

The year-on-year decreases of the average daily toll revenue and the average daily toll traffic volume were mainly due to the diversion impact of the commencement of operation of Wuyang Expressway, the competitive section of this project, on 20 October 2023; 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 the Increase in Toll-free holidays.

Associates and Joint Venture

Han-Xiao Expressway

During the Reporting Year, the average daily toll revenue was RMB604,000, representing a year-on-year decrease of 6.9% from 2023. The average daily toll traffic volume was 32,397 vehicles, representing a year-on-year decrease of 0.5% from 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, the Increase in Toll-free holidays, and the decrease in traffic volume of trucks ever diverted to the Han-Xiao Expressway with the intensified influence brought about by the reconstruction, maintenance and expansion of the north section of Beijing-Hong Kong-Macao Expressway, which is adjacent to the Han-Xiao Expressway, since July 2024, while trucks contributed higher toll charges than passenger cars.

GWSR Expressway

During the Reporting Year, the average daily toll revenue was RMB1,395,000, representing a year-on-year increase of 2.1% from 2023. The average daily toll traffic volume was 96,113 vehicles, representing a year-on-year increase of 3.7% from 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 Year, the average daily toll revenue was RMB2,577,000, representing a year-on-year decrease of 8.8% from 2023. The average daily toll traffic volume was 96,471 vehicles, representing a year-on-year decrease of 6.9% from 2023.

The year-on-year decreases of the average daily toll revenue and the average daily toll traffic volume were mainly due to Shenzhen-Zhongshan Link (which competes with the project) opening to traffic on 30 June 2024, causing in a diversion impact on the Humen Bridge.

Northern Ring Road

The toll collection right of Northern Ring Road expired at 24:00 on 22 March 2024.

During the Reporting Year, 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 Year, the average daily toll revenue was RMB281,000, representing a year-on-year decrease of 3.7% from 2023. The average daily toll traffic volume was 17,882 vehicles, representing a year-on-year decrease of 3.6% from 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 Year, the average daily toll revenue was RMB1,729,000, representing a year-on-year decrease of 7.2% from 2023. The average daily toll traffic volume was 49,314 vehicles, representing a year-on-year decrease of 4.9% from 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 Increase in Toll-free holidays and the closure of half of Qinglian Expressway for construction since 5 November 2024, leading to the decrease in toll traffic volume.

Pazhou Port Project

The trial operation of Pazhou Port commenced on 14 April 2023, and the formal operation commenced on 4 May 2023. 10.5 ferry services were operated daily at Pazhou Port on average during 2024.

During the Reporting Year, the average daily ticket business revenue was RMB140,000, and the average daily passenger volume was 423 person-time.

FINANCIAL REVIEW

Key operating results figures

	Reporting Year RMB'000	2023 RMB'000	Change %
Revenue	3,867,119	3,966,726	-2.5
Gross profit	1,842,882	2,147,343	-14.2
Operating profit	1,641,738	1,804,404	-9.0
Earnings before interests, tax, depreciation and amortisation ("EBITDA") ⁽¹⁾	3,262,980	3,519,724	-7.3
Finance costs	(481,226)	(562,395)	-14.4
Share of result of a joint venture, net of tax	72,302	75,708	-4.5
Share of results of associates, net of tax	35,009	200,998	-82.6
Profit attributable to shareholders of the Company	656,781	765,309	-14.2
Basic earnings per share	RMB0.3925	RMB0.4574	-14.2
Diluted earnings per share	RMB0.3925	RMB0.4574	-14.2
Dividend	384,271	457,447	-16.0

(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 Year and as compared with the previous reporting year, the Group's revenue decreased by 2.5 percent to RMB3.87 billion; operating profit decreased by 9.0 percent to RMB1.64 billion; and profit attributable to shareholders of the Company decreased by 14.2 percent to RMB657 million.

The decrease in the Group's revenue during the Reporting Year 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 Year and the traffic diversion some of the projects encountered.

In the Reporting Year, the revenue decreased by 2.5% and the profit attributable to shareholders of the Company decreased by 14.2% as compared with 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 82.6% or RMB166 million during the Reporting Year as a result of the expiry of toll collection right on the Northern Ring Road, project of an associate, on 22 March 2024, and the expense incurred and provision for estimated expense before its return to the government.

The Board has recommended the payment of final dividend for 2024 of HK\$0.13 which is equivalent to approximately RMB0.12 (2023: HK\$0.15 which was equivalent to approximately RMB0.1362) per share. Together with the interim dividend of HK\$0.12 which is equivalent to approximately RMB0.1097 (2023: HK\$0.15 which was equivalent to approximately RMB0.1372) per share, the total dividend for the year ended 31 December 2024 amounts to HK\$0.25 which is equivalent to approximately RMB0.2297 (2023: HK\$0.30 which was equivalent to approximately RMB0.2734), representing a dividend payout ratio of 58.5 percent (2023: 59.8 percent).

II. ANALYSIS OF OPERATING RESULTS

Revenue

The Group recorded total revenue of RMB3.87 billion in the Reporting Year, which comprised total toll revenue of RMB3.79 billion and other revenue related to normal toll roads operation of RMB80.89 million.

Toll revenue

The Group recorded total toll revenue of RMB3.79 billion in the Reporting Year, representing a decrease of 1.4 percent from RMB3.84 billion as compared with 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 and the traffic diversion some of the projects encountered. 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 Year RMB'000	Percentage of total toll revenue %	2023 RMB'000	Percentage of total toll revenue %	Change %
GNSR Expressway	1,039,813	27.5	1,105,475	28.8	-5.9
Suiyuanan Expressway	722,699	19.0	715,064	18.6	1.1
Daguangnan Expressway	403,926	10.7	457,172	11.9	-11.6
Weixu Expressway	339,990	9.0	377,060	9.8	-9.8
Lanwei Expressway	281,003	7.4	308,629	8.0	-9.0
Changzhu Expressway	259,318	6.8	256,880	6.7	0.9
Han'e Expressway	258,584	6.8	163,102	4.3	58.5
Hancai Expressway	249,627	6.6	271,598	7.1	-8.1
Cangyu Expressway	98,187	2.6	101,047	2.6	-2.8
Jinxiong Expressway	81,790 ⁽¹⁾	2.2	85,292	2.2	N/A
Pinglin Expressway	51,297 ⁽²⁾	1.4	—	—	N/A
Total toll revenue	3,786,234	100.0	3,841,319	100.0	-1.4

(1) The Group completed the disposal of 60% of the equity interest in Jinxiong Expressway in December 2024. This figure represented the toll revenue accounted for the period from 1 January 2024 to 18 December 2024.

(2) The Group completed the acquisition of 55% of the equity interest in Pinglin Expressway in November 2024. This figure represented the toll revenue accounted for the period from 27 November 2024 to 31 December 2024.

Other revenue

In the Reporting Year, the Group recorded other revenue related to normal toll roads operation of RMB80.89 million (2023: RMB125 million), mainly comprising income from service area and gas station of RMB38.17 million (2023: RMB35.46 million) and entrusted road management service income of RMB34.93 million (2023: RMB35.91 million). In the Reporting Year, 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" during the Reporting Year in order to provide better presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of services

In the Reporting Year, the Group's total cost of services amounted to RMB2.02 billion, representing an increase of 11.3 percent from RMB1.82 billion as compared with 2023. In the Reporting Year, the total cost of services of the Group's controlled projects amounted to RMB2.01 billion. Overall cost ratio (cost of services/revenue) was 52.3 percent in the Reporting Year, which was 6.4 percentage points higher than that of 2023. The increase was mainly due to the increase in the amortisation of intangible operating rights and the severe weather conditions which led to the increase in costs of services during the Reporting Year. In the Reporting Year, 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 Year in order to provide better presentation.

Analysis of cost of services by each controlled project

Controlled Projects	Reporting Year RMB'000	Percentage of total %	2023 RMB'000	Percentage of total %	Change %
GNSR Expressway	409,437	20.4	468,890	26.0	-12.7
Suiyuan Expressway	356,579	17.8	257,699	14.3	38.4
Daguangnan Expressway	273,115	13.6	249,709	13.9	9.4
Weixu Expressway	166,996	8.3	153,328	8.5	8.9
Lanwei Expressway	205,084	10.2	184,805	10.3	11.0
Changzhu Expressway	156,174	7.8	141,613	7.9	10.3
Han'e Expressway	120,697	6.0	85,331	4.7	41.4
Hancai Expressway	185,606	9.2	156,613	8.7	18.5
Cangyu Expressway	47,935	2.4	44,974	2.5	6.6
Jinxiong Expressway	57,833 ⁽¹⁾	2.9	57,767	3.2	N/A
Pinglin Expressway	28,650 ⁽²⁾	1.4	—	—	N/A
Total	2,008,106	100.0	1,800,729	100.0	11.5

(1) The Group completed the disposal of 60% of the equity interest in Jinxiong Expressway in December 2024. This figure represented cost of services accounted for the period from 1 January 2024 to 18 December 2024.

(2) The Group completed the acquisition of 55% of the equity interest in Pinglin Expressway in November 2024. This figure represented the cost of services accounted for the period from 27 November 2024 to 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of controlled projects' cost of services by nature

	Reporting Year RMB'000	Percentage of total %	2023 RMB'000	Percentage of total %	Change %
Amortisation of intangible operating rights	1,514,463	75.4	1,277,869	71.0	18.5
Staff costs	182,080	9.1	190,012	10.5	-4.2
Toll highways and bridges maintenance expenses	176,884	8.8	145,647	8.1	21.4
Toll highways and bridges operating expenses	110,619	5.5	165,036	9.2	-33.0
Taxes and surcharges	15,336	0.8	14,939	0.8	2.7
Depreciation of other fixed assets	8,724	0.4	7,226	0.4	20.7
Total	2,008,106	100.0	1,800,729	100.0	11.5

Gross Profit

Gross profit in the Reporting Year was RMB1.84 billion, representing a decrease of 14.2 percent from RMB2.15 billion in 2023. The total gross profit of the Group's controlled projects in the Reporting Year was RMB1.82 billion. Overall gross profit margin in the Reporting Year was 47.7 percent, which was 6.4 percentage points lower than that of 2023, mainly due to the increase in the amortisation of intangible operating rights and the severe weather conditions which led to the increase in cost of services.

Analysis of gross profit by each controlled project

Controlled Projects	Reporting Year		2023	
	Gross Profit RMB'000	Gross Margin ⁽¹⁾	Gross Profit RMB'000	Gross Margin ⁽¹⁾
GNSR Expressway	636,353	60.8%	688,652	59.5%
Suiyuan Expressway	378,226	51.5%	469,739	64.6%
Daguan Expressway	143,119	34.4%	218,746	46.7%
Weixu Expressway	174,254	51.1%	224,892	59.5%
Lanwei Expressway	75,922	27.0%	123,824	40.1%
Changzhu Expressway	103,988	40.0%	115,878	45.0%
Han'e Expressway	147,429	55.0%	86,468	50.3%
Hancai Expressway	67,167	26.6%	117,260	42.8%
Cangyu Expressway	50,332	51.2%	56,123	55.5%
Jinxiong Expressway	24,617 ⁽²⁾	29.9%	28,028	32.7%
Pinglin Expressway	22,647 ⁽³⁾	44.1%	—	—
Total	1,824,054	47.6%	2,129,610	54.2%

(1) Gross margin = Gross profit/revenue

(2) The Group completed the disposal of 60% of the equity interest in Jinxiong Expressway in December 2024. This figure represented the gross profit accounted for the period from 1 January 2024 to 18 December 2024.

(3) The Group completed the acquisition of 55% of the equity interest in Pinglin Expressway in November 2024. This figure represented the gross profit accounted for the period from 27 November 2024 to 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

General and administrative expenses

The Group's general and administrative expenses in the Reporting Year amounted to RMB298 million, representing an increase of 11.4 percent from RMB268 million in 2023. The increase is mainly due to the increase in staff cost of RMB12.64 million during the Reporting Year.

Other income, gains and losses – net

The Group's other income, gains and losses – net was RMB97.09 million in the Reporting Year (2023: loss of RMB75.16 million). The change was mainly due to the gain on disposal of Jinxiong Expressway amounting to RMB65.84 million recognised during the Reporting Year. In addition, there was no impairment loss on investment recognised during the Reporting Year. In 2023, an impairment loss on investment in Shantou Bay Bridge of RMB100 million was recognised.

Finance income/Finance costs

The Group's finance income in the Reporting Year amounted to RMB29.78 million (2023: RMB30.19 million), which was 1.4 percent lower than that of 2023.

The Group's finance costs in the Reporting Year decreased by 14.4 percent to RMB481 million (exclusive of amount capitalized in construction in progress of RMB16.76 million) as compared with RMB562 million 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 Year was 2.92 percent (2023: 3.28 percent).

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 61.2 percent to RMB107 million in the Reporting Year (2023: RMB277 million). The decrease was mainly due to the expiration of toll collection right of Northern Ring Road on 22 March 2024, and the expense incurred and provision for estimated expense before its return to the government. 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 Year decreased by 18.2 percent to RMB72.28 million mainly due to Shenzhen-Zhongshan Link (which competes with the project) opening to traffic on 30 June 2024, causing in a diversion impact on the Humen Bridge. Share of post-tax profit of Qinglian Expressway in the Reporting Year decreased by 52.3 percent to RMB9.67 million mainly due to the impact of the Increase in Toll-free holidays and the closure of half of Qinglian Expressway for construction commenced from 5 November 2024, leading to the decrease in toll traffic volume. Share of post-tax profit of Huaxia Yuexiu Expressway REIT in the Reporting Year decreased by 42.5 percent to RMB8.64 million, mainly due to the impact of the widespread rain, snow, cold and freezing weather around the Chinese New Year, the Increase in Toll-free holidays, and the decrease in traffic volume of trucks more diverted to the Huaxia Yuexiu Expressway REIT with the intensified influence brought about by the reconstruction, maintenance and expansion of the north section of Beijing-Hong Kong-Macao Expressway, which is adjacent to the Huaxia Yuexiu Expressway REIT, since July 2024. Share of post-tax profit of Shantou Bay Bridge in the Reporting Year decreased by 26.1 percent to RMB8.08 million. The decrease was mainly due to the Increase in Toll-free holidays during the Reporting Year. Share of post-tax loss of Pazhou Port in the Reporting Year amounted to RMB18.07 million (2023: RMB19.08 million). Share of post-tax loss of Northern Ring Road in the Reporting Year amounted to RMB45.60 million (2023: share of post-tax profit of RMB85.51 million), the change was mainly due to the expiration of toll collection right of Northern Ring Road on 22 March 2024, and the expense incurred and provision for estimated expense before its return to the government. Share of post-tax profit of GWSR Expressway in the Reporting Year decreased by 4.5 percent to RMB72.30 million.

MANAGEMENT DISCUSSION AND ANALYSIS

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	Y-O-Y change %	Share of results, net of tax	
		Reporting Year RMB'000		Reporting Year RMB'000	
Associates					
Humen Bridge	18.446	978,575	-8.1	72,283	-18.2
Qinglian Expressway	23.63	638,162	-6.5	9,668	-52.3
Huaxia Yuexiu Expressway REIT	30.0	225,331	-7.1	8,639	-42.5
Shantou Bay Bridge	30.0	103,272	-4.1	8,082	-26.1
Pazhou Port ⁽¹⁾	45.0	51,691	N/A	(18,067)	loss decrease
Northern Ring Road ⁽²⁾	24.3	159,281	N/A	(45,596)	turned losses
Joint venture					
GWSR Expressway	35.0	515,615	2.5	72,302	-4.5

(1) The trial operation of Pazhou Port commenced on 14 April 2023, and the formal operation commenced on 4 May 2023. The data for 2023 only covered the period from 14 April 2023 to 31 December 2023.

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

Income tax expense

Total income tax expense of the Group in the Reporting Year decreased by 22.0 percent to RMB333 million (2023: RMB427 million). The decrease was mainly due to the decrease in profit before tax mainly brought by the decrease in the revenue during the Reporting Year.

MANAGEMENT DISCUSSION AND ANALYSIS

Profit attributable to shareholders of the Company

The Company reported a profit attributable to its shareholders of RMB657 million in the Reporting Year, representing a decrease of 14.2 percent from RMB765 million 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, and the expense incurred and provision for estimated expense before its return to the government, which led to the drop in share of results of associates, net of tax during the Reporting Year.

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 Year RMB'000	Percentage of total %	2023 RMB'000	Percentage of total %	Change %
Net profit from controlled projects	918,862	89.5	1,104,845	86.2	-16.8
Net profit from non-controlled projects ⁽¹⁾	107,311	10.5	176,538	13.8	-39.2
Net profit from projects	1,026,173	100.0	1,281,383	100.0	-19.9
Withholding tax on PRC dividend/ interest income	(27,474)		(44,488)		-38.2
Holding companies expenses	(214,439)		(187,018)		14.7
Holding companies income/ gains, net	18,538		19,650		-5.7
Gain on disposal of a subsidiary	65,840		—		N/A
Holding companies finance income	21,064		19,885		5.9
Holding companies finance costs	(232,921)		(324,103)		-28.1
Profit attributable to shareholders of the Company	656,781		765,309		-14.2

(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 Year RMB'000	Percentage of total net profit from projects %	2023 RMB'000	Percentage of total net profit from projects %	Change %
GNSR Expressway	333,258	32.5	358,467	28.0	-7.0
Suiyuan Expressway	185,193	18.0	237,473	18.5	-22.0
Weixu Expressway	129,426	12.6	163,928	12.8	-21.0
Han'e Expressway	65,501	6.4	(6,004)	-0.5	turned profit
Changzhu Expressway	49,751	4.8	88,817	6.9	-44.0
Cangyu Expressway	39,979	3.9	44,079	3.5	-9.3
Daguangnan Expressway	39,266	3.8	89,446	7.0	-56.1
Lanwei Expressway	31,579	3.1	61,714	4.8	-48.8
Hancai Expressway	28,023	2.7	57,548	4.5	-51.3
Pinglin Expressway	8,731 ⁽¹⁾	0.9	—	—	N/A
Jinxiong Expressway	8,155 ⁽²⁾	0.8	9,377	0.7	N/A
Total	918,862	89.5	1,104,845	86.2	-16.8

(1) The Group completed the acquisition of 55% of the equity interest in Pinglin Expressway in November 2024. This figure represented the net profit (after elimination of inter-company loan interests) accounted for the period from 27 November 2024 to 31 December 2024.

(2) The Group completed the disposal of 60% of the equity interest in Jinxiong Expressway in December 2024. This figure represented the net profit (after elimination of inter-company loan interests) accounted for the period from 1 January 2024 to 18 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

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

Controlled Projects	Reporting Year RMB'000	Percentage of total net profit from projects ⁽¹⁾ %	2023 RMB'000	Percentage of total net profit from projects ⁽¹⁾ %	Change %
GNSR Expressway	333,258	35.2	358,467	31.6	-7.0
Suiyuan Expressway	185,193	19.6	229,576	20.2	-19.3
Weixu Expressway	132,210	14.0	166,423	14.7	-20.6
Han'e Expressway	52,126	5.5	(23,752)	-2.1	turned profit
Changzhu Expressway	49,226	5.2	50,846	4.5	-3.2
Cangyu Expressway	41,308	4.4	45,672	4.0	-9.6
Daguan Expressway	(15,695)	-1.7	28,725	2.5	turned losses
Lanwei Expressway	32,860	3.5	62,576	5.5	-47.5
Hancai Expressway	9,522	1.0	29,057	2.6	-67.2
Pinglin Expressway	8,732 ⁽²⁾	0.9	—	—	N/A
Jinxiong Expressway	9,111 ⁽³⁾	1.0	10,153	0.9	N/A
Total	837,851	88.6	957,743	84.4	-12.5

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

(2) The Group completed the acquisition of 55% of the equity interest in Pinglin Expressway in November 2024. This figure represented the net profit (before elimination of inter-company loan interests) accounted for the period from 27 November 2024 to 31 December 2024.

(3) The Group completed the disposal of 60% of the equity interest in Jinxiong Expressway in December 2024. This figure represented the net profit (before elimination of inter-company loan interests) accounted for the period from 1 January 2024 to 18 December 2024.

In the Reporting Year, net profit from non-controlled projects decreased by 39.2 percent to RMB107 million (2023: RMB177 million) as compared with 2023. The decrease was mainly due to the expiration of toll collection right of Northern Ring Road on 22 March 2024.

During the Reporting Year and at the holding companies level, the withholding tax on PRC dividend/interest income decreased by RMB17.01 million; holding companies expenses increased by RMB27.42 million; holding companies income/gains, net decreased by RMB1.11 million during the Reporting Year; and holding companies finance income increased by RMB1.18 million, mainly due to the increase in interest income from banks at holding companies level during the Reporting Year. In addition, holding companies finance cost decreased by RMB91.18 million, mainly due to management's optimisation of debt portfolio and lowering the interest rate on outstanding debts during the Reporting Year. There was a gain on disposal of Jinxiong Expressway amounting to RMB65.84 million recognised during the Reporting Year.

MANAGEMENT DISCUSSION AND ANALYSIS

Final dividend

The Board has recommended the payment of final dividend for 2024 of HK\$0.13 which is equivalent to approximately RMB0.12 (2023: HK\$0.15 which was equivalent to approximately RMB0.1362) per share payable to shareholders whose names appear on the register of members of the Company on 20 June 2025. Subject to the approval of shareholders at the Annual General Meeting to be held on 12 June 2025, the final dividend will be paid on or about 30 June 2025. Together with the interim dividend of HK\$0.12 which is equivalent to approximately RMB0.1097 (2023: HK\$0.15 which was equivalent to approximately RMB0.1372) per share, the total dividend for the year ended 31 December 2024 amounts to HK\$0.25 which is equivalent to approximately RMB0.2297 (2023: HK\$0.30 which was equivalent to approximately RMB0.2734), representing a dividend payout ratio of 58.5 percent (2023: 59.8 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.

III. ANALYSIS OF FINANCIAL POSITION

Key financial position figures

	Reporting Year RMB'000	2023 RMB'000	Change %
Total assets	37,506,791	36,502,458	2.8
Total liabilities	22,100,654	21,652,521	2.1
Cash and cash equivalents	1,978,432	2,380,785	-16.9
Total debts	17,387,700	16,923,816	2.7
of which: Bank borrowings*	11,153,548	9,496,565	17.4
Corporate bonds*	499,667	2,499,094	-80.0
Notes payable*	5,611,386	4,794,783	17.0
Current ratio	0.4 times	0.3 times	
EBITDA interest coverage	6.9 times	6.4 times	
Equity attributable to the shareholders of the Company	11,848,306	11,613,337	2.0

* excluding interest payable

MANAGEMENT DISCUSSION AND ANALYSIS

Assets, liabilities and equity

As at 31 December 2024, the Group's total assets amounted to RMB37.51 billion, which was 2.8 percent higher than the balance as at 31 December 2023. The Group's total assets consisted mainly of intangible operating rights of RMB31.63 billion (31 December 2023: RMB30.25 billion); investments in a joint venture and associates of RMB2.01 billion (31 December 2023: RMB2.08 billion); and cash and cash equivalents of RMB1.98 billion (31 December 2023: RMB2.38 billion).

As at 31 December 2024, the Group's total liabilities amounted to RMB22.10 billion, which was 2.1 percent higher than the balance as at 31 December 2023. The Group's total liabilities consisted mainly of bank borrowings of RMB11.15 billion (31 December 2023: RMB9.50 billion); corporate bonds of RMB500 million (31 December 2023: RMB2.50 billion); notes payable of RMB5.61 billion (31 December 2023: RMB4.79 billion); loan from the immediate holding company of RMB100 million (31 December 2023: RMB100 million); and deferred income tax liabilities of RMB2.99 billion (31 December 2023: RMB3.07 billion). There was no loan from a non-controlling interest of a subsidiary (31 December 2023: RMB28.30 million) as at 31 December 2024.

As at 31 December 2024, the Group's total equity increased by RMB556 million to RMB15.41 billion (31 December 2023: RMB14.85 billion), of which RMB11.85 billion was equity attributable to the shareholders of the Company (31 December 2023: RMB11.61 billion).

Analysis of major assets, liabilities and equity items

Items	Reporting Year RMB'000	2023 RMB'000	Change %
Total assets	37,506,791	36,502,458	2.8
Approximately 90.0% of which:			
Intangible operating rights	31,626,346	30,247,734	4.6
Investments in a joint venture and associates	2,011,880	2,078,796	-3.2
Cash and cash equivalents	1,978,432	2,380,785	-16.9
Total liabilities	22,100,654	21,652,521	2.1
Approximately 90.0% of which:			
Bank borrowings* – due within 1 year	1,905,720	1,056,966	80.3
– long-term portion	9,247,828	8,439,599	9.6
Corporate bonds* – due within 1 year	—	1,999,427	-100.0
– long-term portion	499,667	499,667	—
Notes payable* – due within 1 year	1,795,402	3,296,037	-45.5
– long-term portion	3,815,984	1,498,746	154.6
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	-100.0
– long-term portion	—	18,301	-100.0
Deferred income tax liabilities	2,988,563	3,072,085	-2.7
Total equity	15,406,137	14,849,937	3.7
Of which: Equity attributable to the shareholders of the Company	11,848,306	11,613,337	2.0

* 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 Year, the Group's cash and cash equivalents amounted to RMB1.98 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

	Reporting Year RMB'000	2023 RMB'000
Net cash generated from operating activities	2,658,390	2,797,682
Net cash used in investing activities	(1,301,097)	(1,162,424)
Net cash used in financing activities	(1,759,690)	(1,734,791)
Decrease in cash and cash equivalents	(402,397)	(99,533)
Cash and cash equivalents at 1 January	2,380,785	2,480,267
Effect of exchange rate changes on cash and cash equivalents	44	51
Cash and cash equivalents at 31 December	1,978,432	2,380,785

Net cash generated from operating activities during the Reporting Year amounted to RMB2.66 billion (2023: RMB2.80 billion), which was the sum of cash generated from operations of RMB3.0 billion (2023: RMB3.17 billion) less PRC enterprise income tax and withholding tax paid of RMB337 million (2023: RMB375 million).

Net cash used in investing activities during the Reporting Year amounted to RMB1.30 billion (2023: RMB1.16 billion). The outflow mainly consisted of capital expenditures of RMB1.64 billion (2023: RMB1.55 billion). The inflow mainly consisted of proceeds from disposal of a subsidiary of RMB93.98 million (2023: Nil); dividend distributions from associates and a joint venture of RMB213 million (2023: RMB358 million), interest received in aggregate of RMB30.01 million (2023: RMB30.37 million) and proceeds from disposal of property, plant and equipment of RMB248,000 (2023: RMB338,000).

Net cash used in financing activities during the Reporting Year amounted to RMB1.76 billion (2023: RMB1.73 billion). The outflow mainly included repayment of corporate bonds of RMB2.0 billion (2023: RMB617 million); repayment of notes payable of RMB3.47 billion (2023: RMB4.30 billion); repayment of bank borrowings of RMB1.13 billion (2023: RMB2.61 billion); dividend paid to the shareholders of the Company of RMB422 million (2023: RMB383 million); payment of interests and related financing fees of RMB538 million (2023: RMB581 million); dividend paid to non-controlling interests of RMB389 million (2023: RMB284 million); repayment of loan from the immediate holding company of RMB100 million (2023: RMB100 million), repayment of loan from a non-controlling interest of a subsidiary of RMB10.0 million (2023: RMB22.0 million) and payment for lease liabilities (including interest) of RMB12.22 million (2023: RMB12.32 million). The inflow mainly included the net proceeds from notes payable of RMB4.28 billion (2023: RMB4.09 billion), drawdown of bank borrowings of RMB1.93 billion (2023: RMB2.82 billion) and drawdown of loan from the immediate holding company of RMB100 million (2023: RMB100 million). There was no capital contribution from non-controlling interests during the Reporting Year (2023: RMB160 million).

MANAGEMENT DISCUSSION AND ANALYSIS

Current ratio

The current ratio (current assets over current liabilities) as at 31 December 2024 was 0.4 times (31 December 2023: 0.3 times). As at 31 December 2024, current assets balance was RMB2.25 billion (31 December 2023: RMB2.63 billion) and current liabilities balance was RMB5.26 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 RMB1.98 billion as at 31 December 2024 (31 December 2023: RMB2.38 billion). As at 31 December 2024, the Group's current liabilities mainly included external debts with maturities within one year (excluding interest payable) of RMB3.70 billion (31 December 2023: RMB6.35 billion), which consisted of bank borrowings of RMB1.91 billion and notes payable of RMB1.80 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 year ended 31 December 2024 was 6.9 times (31 December 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 year ended 31 December 2024 was 18.9 percent (31 December 2023: 21.0 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 year ended 31 December 2024 was 3.7 times (31 December 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 year ended 31 December 2024 was 6.6 times (31 December 2023: 6.5 times), which was measured as the ratio of cash generated from operating activities and interest expenses (cashflow impact) to interest expenses (cashflow impact).

Capital expenditures and investments

During the Reporting Year, total capital expenditures amounted to RMB1.64 billion (2023: RMB1.55 billion). Capital expenditures related to investment in subsidiary include payment of considerations to the acquisition of Henan Pinglin Expressway (net of cash acquired) of approximately RMB614 million (2023: Nil). Capital expenditures related to intangible operating rights and fixed assets included: (1) payments of construction costs of toll highways and bridges upgrade services of RMB946 million (2023: RMB606 million); (2) payments of prepayment related to GNSR Expressway R&E Project of RMB50.57 million (2023: RMB917 million); and (3) purchase of property, plant and equipment of RMB27.7 million (2023: RMB27.63 million). Apart from the aforementioned, no material capital expenditure was incurred during the Reporting Year. 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 financing 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

	Reporting Year RMB'000	2023 RMB'000
External debts*		
Bank borrowings	11,153,548	9,496,565
Corporate bonds ⁽¹⁾	499,667	2,499,094
Notes payable ⁽²⁾	5,611,386	4,794,783
Loan from the immediate holding company*	100,000	100,000
Loan from a non-controlling interest of a subsidiary	—	28,301
Lease liabilities	23,099	5,073
Total debts	17,387,700	16,923,816
Less: cash and cash equivalents	(1,978,432)	(2,380,785)
Net debt	15,409,268	14,543,031
Total equity	15,406,137	14,849,937
Total capitalisation (net debt + total equity)	30,815,405	29,392,968

* excluding interest payable

Financial ratios

Gearing ratio (net debt/total capitalisation)	50.0%	49.5%
Debt to equity ratio (net debt/total equity)	100.0%	97.9%
Total liabilities/total assets ratio	58.9%	59.3%

(1) As at 31 December 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 31 December 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 2025
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
RMB500 million five-year medium term notes (2024 Phase 3)	5 July 2024	RMB500 million	5 July 2029	2.27%	5 July 2025
RMB700 million three-year medium term notes (2024 Phase 4)	26 August 2024	RMB700 million	26 August 2027	2.14%	26 August 2025
RMB600 million two-year medium term notes (2024 Phase 5)	10 December 2024	RMB600 million	10 December 2026	1.93%	10 December 2025
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 a 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 Year, the Company redeemed notes payable and corporate bonds issued by the Company on the Beijing Financial Assets Exchange and the Shanghai Stock Exchange, in an aggregate principal amount of RMB970 million and RMB2.0 billion, respectively (2023: nil), at 100% of their aggregate nominal value. As at the end of the Reporting Year, the Group's total debts comprised bank borrowings, corporate bonds, notes payable, loan from the immediate holding company and lease liabilities. There was no debt with material foreign exchange risk exposure as at 31 December 2024 (31 December 2023: Nil).

As at 31 December 2024, the Group's total external debts (excluding interest payable) in aggregate were RMB17.26 billion (31 December 2023: RMB16.79 billion), which consisted of bank borrowings of RMB11.15 billion (31 December 2023: RMB9.50 billion), corporate bonds of RMB500 million (31 December 2023: RMB2.50 billion) and notes payable of RMB5.61 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 50.9 percent (31 December 2023: 44.7 percent). The effective interest rate of total external debts at 31 December 2024 was 2.72 percent (31 December 2023: 3.24 percent). Of the bank borrowings, RMB10.88 billion was at floating rates and RMB277 million was at fixed rates with the overall effective interest rate of 2.70 percent as at 31 December 2024 (31 December 2023: 3.13 percent). Corporate bonds (in one type) were at fixed rate with coupon rate of 3.84 percent with the overall effective interest rate at 3.97 percent as at 31 December 2024 (31 December 2023: 3.75 percent). Notes payable included medium term notes (in eight tranches) were at fixed rates with coupon rates ranged from 1.93 percent to 3.28 percent, respectively, and super short-term commercial paper (in one tranche) was at fixed rate with coupon rate of 1.86 percent with overall effective interest rate of 2.64 percent as at 31 December 2024 (31 December 2023: 3.19 percent).

MANAGEMENT DISCUSSION AND ANALYSIS

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

	Reporting Year Percentage of total	2023 Percentage of total
Source		
Onshore	99.7%	99.7%
Offshore	0.3%	0.3%
	100.0%	100.0%
Repayment term		
Within 1 year	21.4%	37.8%
Over 1 year but within 2 years	20.7%	15.6%
Over 2 years but within 5 years	30.6%	27.5%
Over 5 years	27.3%	19.1%
	100.0%	100.0%
Currency		
RMB	100.0%	100.0%
Interest rate		
Fixed	37.0%	45.2%
Floating	63.0%	54.8%
	100.0%	100.0%
Terms of credit		
Secured	50.9%	44.7%
Unsecured	49.1%	55.3%
	100.0%	100.0%
Financing method		
Direct financing	35.4%	43.4%
Indirect financing	64.6%	56.6%
	100.0%	100.0%

* excluding interest payable

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2024, loan from the immediate holding company was unsecured, interest-bearing at an annual rate of 3.05 percent (31 December 2023: 3.15 percent), denominated in RMB and repayable in 2025.

As at 31 December 2024, there was no loan from a non-controlling interest of a subsidiary. As at 31 December 2023, there was loan from a non-controlling interest of a subsidiary that was unsecured, interest-free, denominated in RMB and its carrying amount approximated its fair value, calculated based on cash flows discounted at a rate of 4.35 percent per annum.

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 Year, 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 31 December 2024, the Group had contractual commitments of approximately RMB8.75 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 31 December 2024. There were no significant contingent liabilities as at 31 December 2024.

V. EMPLOYEES

As at 31 December 2024, the Group had approximately 2,317 employees, of whom about 2,089 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 2024 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 31 December 2024, the loan balance subject to the above conditions was RMB50.0 million. Such facility agreement will expire on 9 December 2025.

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 year ended 31 December 2024.

INVESTOR RELATIONS REPORT

INVESTOR RELATIONS AND COMMUNICATIONS

The Group is committed to maintaining a high level of corporate governance as well as good and effective communication mechanism with capital markets. In this regard, the Group has been maintaining open dialogues with investors and industry researchers and, subject to compliance with disclosure requirements, will proactively provide timely and accurate information, including monthly operational data for each project and strategic business developments.

On the basis of strict compliance requirements on information disclosure of the regulatory authorities, the Group, including executive directors and senior management, initiated proactive communication continuously by meeting and communicating with shareholders, industry researchers, domestic and foreign investors who are concerned about the Group regularly through various platforms and channels, including conducting conferences for results announcement, participating in roadshows for results announcement and various industry seminars, to disseminate positive information and stabilise market confidence. Furthermore, in the process of communicating with investors and other groups, the Group extensively collected feedback from the market and used it as a reference for improving its governance and management standards.

During the Reporting Year, investment banks such as HTSC, DBS Bank, HSBC, CICC, Dongxing Securities, Haitong Securities, Guolian Securities, CMB International, GF Securities, Western Securities released research coverage reports on the Group successively. Institutions such as HTSC, DBS Bank and HSBC also organised market briefings on the Group successively and arranged meetings with international and domestic institutional investors, which was a sufficient reflection of the Group's popularity and impact in the capital market.

During the Reporting Year, major investor relations activities of the Group included the following:

- Provided feedback of investors' enquiries in a timely manner through e-mail, telephone and other forms, and released monthly operational data to investors on regular basis.
- Initiated in-depth communication with investors and industry researchers in the form of online and offline meetings.
- Communicated with domestic and worldwide investors through launching activities such as press conferences for results announcement, participating in results roadshows, which included:

Month	Venue and Form	Event	Organiser
March	Hong Kong Physical Meeting	2023 Annual Results Roadshow	HSBC
March	Guangzhou On-line Meeting	2023 Annual Results Roadshow	CMB International
March	Beijing and Shanghai Physical Meetings	2023 Annual Results Roadshow	HTSC
March	Shenzhen Physical Meeting	2023 Annual Results Roadshow	Company
April	Hong Kong Physical Meeting	2023 Annual Results Roadshow	Company
June	Shenzhen Physical Meeting	Strategy Meeting	Haitong Securities
June	Henan Physical	Reverse Roadshow	Company
August	Hong Kong Physical Meeting	2024 Interim Results Roadshow	DBS Bank
August	Hong Kong Physical Meeting	2024 Interim Results Roadshow	HSBC
August	Shanghai Physical Meeting	2024 Interim Results Roadshow	Zheshang Securities
August	Shanghai Physical Meeting	2024 Interim Results Roadshow	Western Securities

INVESTOR RELATIONS REPORT

Month	Venue and Form	Event	Organiser
August	Shanghai Physical Meeting, Guangzhou On-line Meeting	2024 Interim Results Roadshow	HTSC
August	Shanghai Physical Meeting	2024 Interim Results Roadshow	Changjiang Securities
August	Shanghai Physical Meeting	2024 Interim Results Roadshow	Sinolink Securities
August	Guangzhou On-line Meeting	2024 Interim Results Roadshow	GF Securities
August	Guangzhou On-line Meeting	2024 Interim Results Roadshow	Gransing Securities
September	Shenzhen Physical Meeting	Communication Meeting	Changjiang Securities
September	Beijing Physical Meeting	2024 Interim Results Roadshow	CICC
September	Beijing Physical Meeting	2024 Interim Results Roadshow	China Merchants Securities
October	Guangzhou On-line Meeting	Strategy Meeting	Gransing Securities
October	Guangzhou On-line Meeting	Project Roadshow	Company
November	Beijing, Shanghai and Hong Kong Physical Meetings	Project Roadshow	Company

During the year, while fully communicating with domestic and international institutional investors, the Group also won awards issued by well-known financial media as the recognition of our performance, corporate governance standards and investor relations efforts. The Group received the following awards during the Reporting Year:

Capital Magazine: Listed Enterprises Excellence Awards 2023

LACP Annual Report Design Awards: 2023 Vision Awards:
Gold

Top 50 Chinese Annual Reports
Technology Achievement Award

CONSISTENT RETURN TO SHAREHOLDERS

While leveraging on the capital market for rapid development, the Group also understands that a positive return to shareholders should be regarded as an important mission and the operation philosophy for an enterprise. Since listing, the Group has distributed cash dividends for over 20 consecutive years, which served as stable return to our shareholders while we recorded consistent growth of our operating results.

	2018	2019	2020	2021	2022	2023	2024
Earnings per share (RMB)	0.6300	0.6799	0.0959	0.8756	0.2708	0.4574	0.3925
Dividend per share (HKD)	0.39	0.39	0.07	0.61	0.20	0.30	0.25
Dividend payout ratio	53.6%	51.5%	60.9%	56.9%	64.4%	59.8%	58.5%

DIRECTORS' PROFILES

EXECUTIVE DIRECTORS

Ms Liu Yan, aged 46, was appointed as an executive director of the Company and Chairman of the Company on 17 April 2024. Ms Liu is the chief operating officer and chief human resources officer of Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團股份有限公司) ("Guangzhou Yue Xiu"), the ultimate holding company of the Company, and Yue Xiu Enterprises (Holdings) Limited ("Yue Xiu"). Ms Liu is also an executive director of Yuexiu Property Company Limited ("Yuexiu Property") (Stock Code: 123), which is listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange"), a director of Guangzhou City Construction & Development Co. Ltd.* (廣州市城市建設開發有限公司) and Guangzhou Paper Group Limited, and the vice chairman of Guangzhou Yuexiu Shared Services Co., Ltd.* (廣州越秀共享服務有限公司).

Ms Liu graduated from Nankai University with a Master's degree in law and an Executive Master of Business Administration degree from Shanghai Jiao Tong University. She obtained the qualification of Intermediate Economics (Human Resources Management). Ms Liu joined Guangzhou Yue Xiu in July 2002 and was a director of Guangzhou Yuexiu Capital Holdings Group Co., Ltd.* (廣州越秀資本控股集團股份有限公司) (formerly known as Guangzhou Yuexiu Financial Holdings Group Co., Ltd.* (廣州越秀金融控股集團股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000987.SZ), Guangzhou Yuexiu Capital Holdings Company Limited (廣州越秀資本控股集團有限公司) (formerly known as Guangzhou Yuexiu Financial Holdings Co., Ltd.* (廣州越秀金融控股集團有限公司)), Guangzhou Yuexiu Financial Leasing Co., Limited and Shanghai Yuexiu Finance Leasing Co., Limited, Guangzhou Yuexiu Dairy Group Co., Ltd.* (廣州越秀乳業集團有限公司), and Liaoning Yuexiu Huishan Holdings Co., Ltd.* (遼寧越秀輝山控股股份有限公司), and the director of human resources of Guangzhou Yue Xiu and Yue Xiu. She has led the implementation of several major projects for Guangzhou Yue Xiu on operation management, refined management, establishment of systems and regimes, as well as changes in human resources. She has extensive work experience in operation management, organisational management and human resources management, etc. in large business enterprises.

Ms Chen Jing, aged 53, was appointed as an executive director of the Company on 13 April 2018. Ms Chen is the chief financial officer of Guangzhou Yue Xiu and Yue Xiu. She is an executive director of Yuexiu Property (Stock Code: 123), a director of Guangzhou City Construction & Development Co. Ltd. and Guangzhou Yuexiu Agriculture and Animal Husbandry Food Technology Co., Ltd.. She is a non-executive director of Yuexiu Financial Holdings Limited and Chong Hing Bank Limited. She is also a director of each of Grace Lord Group Limited and Housemaster Holdings Limited, the substantial shareholders of the Company. Ms Chen graduated from the Xi'an Jiaotong University in audit studies, and holds a master of business administration degree of the School of Management and Economics of the Beijing Institute of Technology and the qualification of auditor and certified internal auditor. Ms Chen joined Guangzhou Yue Xiu in July 2004 and was the deputy general manager of the supervisory (audit) office, the general manager of the audit department and the chairman of the board of directors of Yue Xiu Securities Holdings Company Limited, the general manager of the finance department of Guangzhou Yue Xiu and Yue Xiu and the chief financial officer of Yuexiu Property. Ms Chen has participated in establishing systems to monitor the major risks and finance of Guangzhou Yue Xiu. Ms Chen is well versed in risk and internal control management, financial management of listed companies and has extensive experience in establishing a sound system for risk management and internal control, financial management for enterprises. Prior to joining Guangzhou Yue Xiu, Ms Chen worked in school of business of the Hubei University and Hisense Kelon Electrical Holdings Company Limited.

DIRECTORS' PROFILES

Mr Cai Minghua, aged 47, was appointed as an executive director of the Company on 9 July 2021. In July 2005, Mr Cai joined the Yue Xiu Group and has served as the general manager of the human resources department of the Company, the chief business director of the human resources (organization) department of Guangzhou Yue Xiu and the chief business director of the human resources department of Yue Xiu. Mr Cai took the lead in the establishment and enhancement of the information system of human resources management in Guangzhou Yue Xiu and the optimization of the human resources management systems in respect of remuneration management, performance appraisals and talent management and development. Mr Cai possesses extensive experience and expertise in remuneration management, administration and management, performance appraisals and human resources management. Mr Cai obtained a Bachelor's degree in economics from Wuhan University with a major in international economics and trade. Subsequently, he graduated from Wuhan University with a major in world economics and obtained a master's degree in economics.

Mr Pan Yongqiang, aged 49, was appointed an executive director of the Company on 8 May 2023. Mr Pan joined the Company in November 2009 and has served as a deputy general manager since then. From November 2009 to September 2010, he was also the general manager of the investor relations management department of the Company. Mr Pan served as an assistant to the chief executive officer of Yuexiu REIT Asset Management Limited from March 2009 to November 2009. He has over 10 years of senior management experience in the business operations of the Group. Mr Pan obtained a Bachelor's degree in economics majoring in international trade from Sun Yat-Sen University in the People's Republic of China in June 1998. Prior to joining the Yue Xiu Group, Mr Pan served in Ingram Micro (China) Investment Co., Ltd.* (英邁(中國)投資有限公司), a subsidiary of an international distributor of information technology products and services and held the last position as the senior business development manager of the business development department.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Fung Ka Pun, aged 79, has been an independent non-executive director of the Company since 20 November 1996. Mr Fung is the founder and chairman of Goodwill International (Holdings) Limited. Mr Fung has over 30 years of experience in finance, stockbroking, securities trading and corporate finance. He is a member of the Institute of Chartered Secretaries and Administrators and a member of the Association of International Accountants. Mr Fung was an independent non-executive director of Lee Hing Development Limited ("Lee Hing"), which shares were delisted from the Stock Exchange on 18 October 2022, while he remains as a director of Lee Hing after delisting.

Mr Lau Hon Chuen, GBS, JP, alias Ambrose Lau, aged 77, has been an independent non-executive director of the Company since 20 November 1996. He obtained a Bachelor of Laws degree from the University of London and is a Solicitor of the High Court of Hong Kong, a China-Appointed Attesting Officer and a Notary Public. Mr Lau is the Senior Partner of Messrs. Chu & Lau, Solicitors & Notaries. Mr Lau is currently an independent non-executive director of Glorious Sun Enterprises Limited (Stock Code: 393), Yuexiu Property (Stock Code: 123) and Joy City Property Limited (Stock Code: 207). The shares of the companies mentioned above are listed on the Stock Exchange. He is also a director of Bank of China Group Insurance Company Limited, BOC Group Life Assurance Company Limited, Nanyang Commercial Bank, Limited, OCBC Wing Hang Bank Limited, Sun Hon Investment & Finance Limited, Wydoff Limited, Wytex Limited, Trillions Profit Nominees & Secretarial Services Limited, Helicoil Limited, Wyman Investments Limited and Cinda Financial Holdings Co., Limited. Mr Lau served as the Chairman of the Central and Western District Board between 1988 and 1994, the President of the Law Society of Hong Kong between 1992 and 1993, a Member of the Bilingual Laws Advisory Committee between 1988 and 1997 and a Member of the Legislative Council of Hong Kong from 1995 to 2004 (between 1997 and 1998 he was a member of the Provisional Legislative Council). He served as a Standing Committee Member of the 10th, 11th and 12th National Committee of the Chinese People's Political Consultative Conference.

DIRECTORS' PROFILES

Mr Cheung Doi Shu, aged 63, has been an independent non-executive director of the Company since 24 July 1997. He is a qualified solicitor in Hong Kong and received his Bachelor's and Master's degrees in law from the University of London. He is the senior partner of D.S. Cheung & Co., Solicitors.

Mr Peng Vincent Shen, aged 56, was appointed an independent non-executive director on 8 May 2023. Mr Peng is also the managing director of GLP since October 2018 and the chairman of China Merchants Capital Investment Co., Ltd.* (招商局資本投資有限責任公司) since April 2023. He has extensive experience in investment, fund management and investment banking. He worked with Goldman Sachs from March 2006 to September 2012 with previous positions including managing director, co-head of Asia real estate, and responsible officer for Goldman Sachs (Asia) LLC, primarily responsible for the business operations of the Goldman Sachs group in Asia.

CORPORATE GOVERNANCE REPORT

The Company recognises the importance of good corporate governance to the Company's healthy growth and has devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the conduct and growth of its business.

The Company's corporate governance practices are based on the principles and code provisions ("Code Provisions") as set out in the Corporate Governance Code ("CG Code") contained in Appendix C1 to The Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange").

The Company has complied with the Code Provisions throughout the year ended 31 December 2024 (the "Reporting Year").

The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

The board of directors ("Board") of the Company plays a crucial role in sustaining high standards of corporate governance and transparency and accountability of the Group's operations.

The key corporate governance principles and practices of the Company are summarised below.

THE BOARD

Responsibilities

The overall management of the Group's business is vested in the Board, which assumes the responsibility for leadership and control of the Group and is collectively responsible for promoting the success of the Group by directing and supervising its affairs in the interests of the Group. The Board focuses its attention on matters affecting the Group's overall strategic policies and finances, including the approval and monitoring of all policy matters, overall strategies and budgets, corporate governance, internal control and risk management systems, financial statements, dividend policy, major financial arrangements and major investments, treasury policies, appointment of directors and other significant financial and operational matters.

The Board of the Company attaches great importance to sustainability management, undertakes overall responsibility for the Environment, Social and Governance ("ESG") of the Company and oversees the ESG direction and strategies of the Company. It regularly discusses and reviews the Company's ESG development risks and opportunities. The ESG Committee is responsible for managing and supervising the ESG impact of the Company, and reports the ESG-related performance to the Board on a regular basis. It updates the Company's ESG issues every year and conducts materiality assessment of the ESG issues through stakeholders study, questionnaire survey, expert assessment, discussion within the Board, etc. The Board has established, reviewed and discussed the relevant targets for greenhouse gas emissions, waste disposal, energy use and water resource utilization, and will continue to evaluate and pay attention to their progress.

All directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary or external legal advisors, where appropriate, with a view to ensuring compliance of all Board procedures and applicable rules and regulations.

Each director is able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

CORPORATE GOVERNANCE REPORT

Composition

The composition of the Board ensures a balance of skills and experience appropriate to the requirements of the business of the Group and to the exercise of independent judgment. As at 31 December 2024, the Board comprised five executive directors and four independent non-executive directors.

For the list of directors during the year ended 31 December 2024 and up to the date of this annual report, please refer to page 79 of the Report of the Directors. The latest list of directors is also available on the Company's website (www.yuexiutransportinfrastructure.com) and the Stock Exchange's website.

Ms Liu Yan, who was appointed to the Board on 17 April 2024, had obtained legal advice from an external law firm as required under Rule 3.09D of the Listing Rules on 10 April 2024. She has confirmed her understanding of the obligations as a Director of the Company.

Selection of Board members is based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision is based on merit and contribution that the selected Board members could bring to the Board, with due regard to the benefits of diversity on the Board. The Board will review and monitor the implementation of the policy to ensure its effectiveness and application from time to time.

None of the members of the Board is related to one another.

During the Reporting Year, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise. The number of independent non-executive directors on the Board meets one-third requirement under the Listing Rules throughout the Reporting Year.

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considered all independent non-executive directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all independent non-executive directors made valuable contributions to the effective direction of the Company.

Mr Peng Vincent Shen has entered into a letter of appointment with the Company for an initial fixed term of three years commencing on 8 May 2023. Other than Mr Peng, none of the independent non-executive directors of the Company has been appointed for a specific term. However, in accordance with the Company's amended and restated Bye-Laws, all directors of the Company, including independent non-executive directors, are subject to retirement by rotation at least once every three years. All the independent non-executive directors of the Company retired by rotation, offered themselves for re-election, and were re-elected during the past three years.

Shareholders may propose a candidate for election as Director in accordance with the amended and restated Bye-Laws of the Company. The procedures for such proposal are available on the websites of the Company and the Stock Exchange.

CORPORATE GOVERNANCE REPORT

Training for Directors

On appointment to the Board, each Director receives a comprehensive induction package covering business operations, policy and procedures of the Group as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is fully aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, all Directors and senior executives are encouraged to participate in continuous professional development relating to the Listing Rules, companies ordinance/act and corporate governance practices to continuously update and further improve their relevant knowledge and skills. From time to time, Directors are provided with training materials to develop and refresh their professional skills.

During the Reporting Year, the Company arranged training programme and provided training materials to the Directors with new quality productive forces, digital transformation, high-quality development of transportation in the new era, refined management, integrity lectures for financial services practitioners, and connected transactions of listed companies, etc. According to the records maintained by the Company, the Directors received trainings in the following areas:

Directors	Corporate Governance/ Updates on Laws, Rules and Regulations Attended	
	Read Materials	Seminars/ Briefings
<i>Executive Directors</i>		
Liu Yan (appointed on 17 April 2024)	✓	✓
Li Feng (resigned on 17 April 2024)	✓	✓
He Baiqing (resigned on 28 February 2025)	✓	✓
Chen Jing	✓	✓
Cai Minghua	✓	✓
Pan Yongqiang	✓	✓
<i>Independent Non-Executive Directors</i>		
Fung Ka Pun	✓	✓
Lau Hon Chuen Ambrose	✓	✓
Cheung Doi Shu	✓	✓
Peng Vincent Shen	✓	✓

CORPORATE GOVERNANCE REPORT

Board Meetings

Number of Meetings and Directors' Attendance

The attendance record of each member of the Board for the Reporting Year is set out below:

Directors	Attendance/Number of Meetings		
	Board meetings	Annual General Meeting	Special General Meeting
<i>Executive Directors</i>			
Liu Yan (appointed on 17 April 2024)	3/3	1/1	1/1
Li Feng (resigned on 17 April 2024)	1/1	–	–
He Baiqing (resigned on 28 February 2025)	4/4	1/1	1/1
Chen Jing	4/4	1/1	1/1
Cai Minghua	4/4	1/1	1/1
Pan Yongqiang	4/4	1/1	1/1
<i>Independent Non-Executive Directors</i>			
Fung Ka Pun	4/4	1/1	1/1
Lau Hon Chuen Ambrose	4/4	1/1	1/1
Cheung Doi Shu	4/4	1/1	1/1
Peng Vincent Shen	4/4	1/1	1/1

Practices and Conduct of Meetings

Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least three days before each Board meeting or committee meeting to keep the directors apprised of the latest developments and financial position of the Group and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management as and when they think appropriate.

Minutes of all Board meetings and committee meetings are kept by the Company Secretary. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's amended and restated Bye-Laws also contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their close associates have a material interest.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company fully supports the division of responsibility between the Chairman of the Board and General Manager to ensure a balance of power and authority.

As at 31 December 2024, the position of the Chairman was held by Ms Liu Yan while the position of the General Manager was held by Mr He Baiqing. Mr He Baiqing resigned as an executive Director, deputy chairman of the Board and general manager of the Company with effect from 28 February 2025 due to retirement. Upon his resignation, he also ceased to be a member of the ESG Committee of the Board. The Company is in the process of appointing a new general manager and the Board will oversee the management of the Group until the appointment of a new general manager.

The Chairman provides leadership and is responsible for the effective functioning of the Board in accordance with good corporate governance practices. With the support of the senior management, the Chairman is also responsible for ensuring that the directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings.

The General Manager focuses on implementing objectives, policies and strategies approved and delegated by the Board.

BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the ESG Committee for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The full terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are available on the Company's website (www.yuexiutransportinfrastructure.com) and the Stock Exchange's website.

Audit Committee

The Audit Committee comprises four independent non-executive directors (including one independent non-executive director who possesses the appropriate professional qualifications or accounting or related financial management expertise) and Mr Lau Hon Chuen Ambrose is the chairman of the committee. None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The main duties of the Audit Committee include the following:

- (a) To review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditor.
- (b) To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant or external auditor before submission to the Board.
- (c) To review the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control systems and associated procedures.

CORPORATE GOVERNANCE REPORT

The Audit Committee held two meetings during Reporting Year to review the financial results and reports, financial reporting and compliance procedures, internal control and risk management systems and the re-appointment of the external auditor. The composition of the Audit Committee and attendance record of each Audit Committee member are set out below:

Members	Meetings Attended
<i>Independent Non-Executive Directors</i>	
Fung Ka Pun	2/2
Lau Hon Chuen Ambrose	2/2
Cheung Doi Shu	2/2
Peng Vincent Shen	2/2

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

Remuneration Committee

During the Reporting Year, the Remuneration Committee comprised one executive director and four independent non-executive directors, it was chaired by Mr Lau Hon Chuen Ambrose with Mr Li Feng (resigned on 17 April 2024), Ms Liu Yan (appointed on 17 April 2024), Mr Fung Ka Pun, Mr Cheung Doi Shu and Mr Peng Vincent Shen as members.

The primary objectives of the Remuneration Committee include making recommendations to the Board on the remuneration policy and structure and remuneration packages of the executive directors and the senior management, including benefits in kind, pension rights and compensation payments such as compensation payable for loss or termination of their office or appointment. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Group as well as market practice and conditions. The Remuneration Committee is also responsible for reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

The composition of the Remuneration Committee and attendance record of each Remuneration Committee member are set out below:

Members	Meeting Attended
<i>Executive Directors</i>	
Liu Yan (appointed on 17 April 2024)	–
Li Feng (resigned on 17 April 2024)	1/1
<i>Independent Non-Executive Directors</i>	
Fung Ka Pun	1/1
Lau Hon Chuen Ambrose	1/1
Cheung Doi Shu	1/1
Peng Vincent Shen	1/1

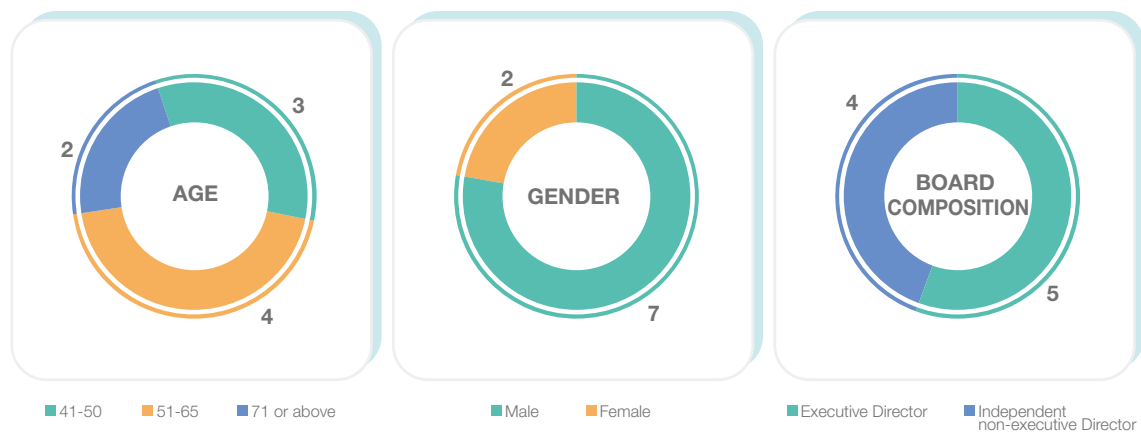
The Remuneration Committee held one meeting during the Reporting Year to review and make recommendations on the remuneration policy and structure of the Company and remuneration packages of the executive directors and senior management for the year under review.

CORPORATE GOVERNANCE REPORT

Nomination Committee

During the Reporting Year, the Nomination Committee comprised one executive director and four independent non-executive directors, it was chaired by Mr Li Feng (resigned on 17 April 2024) and Ms Liu Yan (appointed on 17 April 2024) with Mr Fung Ka Pun, Mr Lau Hon Chuen Ambrose, Mr Cheung Doi Shu and Mr Peng Vincent Shen as members.

The role and function of the Nomination Committee includes reviewing the structure, size and composition of the Board, assessing the independence of the independent non-executive directors and making recommendations on the selection of individuals nominated for directorship, the appointment or re-appointment of directors and succession planning for directors. In assessing the Board composition and the candidate proposed to the Nomination Committee for consideration, the Nomination Committee would take into account various aspects set out in the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. Board members' appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board. During the Reporting Year, the Board comprises diversified members, including nine directors, two of whom were female (2023: one). Five directors are experienced in finance, toll road construction/operation, financial, capital operations, administrative management and human resource management and the other four directors, being the independent non-executive directors, contribute extensive experiences in the legal and compliance, acquisitions and mergers as well as financial businesses to the Board. In order to ensure that the Board possesses experiences and skills relevant to its strategy and the ability and mindset to manage changes from time to time, the Nomination Committee formulates the following measurable objectives: gender, age, length of tenure, professional experience and knowledge (e.g. legal, accounting, establishment/operation of highways, finance and capital management, etc.), reviews the diversity of the Board and makes proposal to the Board if necessary.



CORPORATE GOVERNANCE REPORT

Process of appointment of directors

In accordance with the strategic needs of the Board, suitable candidates are identified for consideration by the Nomination Committee. The Nomination Committee would consider such candidates based on various factors such as gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service set out in the Board Diversity Policy. Recommendation will be made to the Board based on meritocracy and objective criteria, having due regard to the benefits of diversity on the Board. The Board will ultimately decide on the merits of the candidate and their potential contributions to the Board. New directors so appointed shall be re-elected at the Company's general meeting as required by the amended and restated Bye-Laws of the Company.

The composition of the Nomination Committee and the attendance record of each Nomination Committee member are set out below:

Members	Meeting Attended
<i>Executive Directors</i>	
Liu Yan (appointed on 17 April 2024)	–
Li Feng (resigned on 17 April 2024)	1/1
<i>Independent Non-Executive Directors</i>	
Fung Ka Pun	1/1
Lau Hon Chuen Ambrose	1/1
Cheung Doi Shu	1/1
Peng Vincent Shen	1/1

The Nomination Committee held one meeting during the Reporting Year to review the structure, size and composition of the Board. During the Reporting Year, the Nomination Committee also made recommendation to the Board on the appointment of the new Executive Director.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

During the Reporting Year, the ESG Committee comprised two executive directors and four independent non-executive directors, it was chaired by Mr Li Feng (resigned on 17 April 2024) and Ms Liu Yan (appointed on 17 April 2024) with Mr He Baiqing (resigned on 28 February 2025), Mr Fung Ka Pun, Mr Lau Hon Chuen Ambrose, Mr Cheung Doi Shu and Mr Peng Vincent Shen as members.

The main duties of the ESG Committee include the following:

- to review, formulate and approve the Group's vision, goals, strategies and management policies regarding ESG issues, and make recommendations to the Board on the relevant ESG matters;
- to review and evaluate the adequacy and effectiveness of the management framework for ESG matters at the Group level;
- to review and monitor the Group's policies on ESG to ensure compliance with legal and regulatory requirement; and
- to review and report to the Board on major international trends in legislation and regulations of corporate ESG, identify and assess the ESG related risks and opportunities that may have an impact on the Group's operation.

The ESG Committee held two meetings during the Reporting Year to review both the 2023 annual ESG work and the mid-year ESG work for 2024. It also reviewed and recommended to the Board the approval of the 2023 ESG Report.

CORPORATE GOVERNANCE REPORT

The composition of the ESG Committee and the attendance record of each ESG Committee member are set out below:

Members	Meetings Attended
<i>Executive Directors</i>	
Liu Yan (appointed on 17 April 2024)	1/1
Li Feng (resigned on 17 April 2024)	1/1
He Baiqing (resigned on 28 February 2025)	2/2
<i>Independent Non-Executive Directors</i>	
Fung Ka Pun	2/2
Lau Hon Chuen Ambrose	2/2
Cheung Doi Shu	2/2
Peng Vincent Shen	2/2

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 Reporting Year.

Specific employees who are likely to be in possession of inside information of the Group have been requested to comply with the provisions of the Model Code. No incident of non-compliance was noted by the Company.

COMPANY SECRETARY

Mr Yu Tat Fung has been the company secretary of the Company since 2004. He is the Group General Counsel of Yue Xiu, and also the company secretary of Yue Xiu, Yuexiu Property Company Limited (Stock Code: 123), Yuexiu Services Group Limited (Stock Code: 6626) and Yue Xiu REIT Asset Management Limited (the manager of Yuexiu Real Estate Investment Trust (Stock Code: 405)). Mr Yu obtained a bachelor's degree in Social Sciences from the University of Hong Kong in 1981. He attained the Solicitors Final Examination in England in 1983. He was admitted as a solicitor of the Supreme Court of Hong Kong in 1986. He was also admitted to the Bar of the Province of British Columbia in Canada in 1995. Prior to joining the Company in 1997, he was engaged in private practice with an emphasis on corporate and commercial law. Mr Yu is responsible for advising the Board on governance matters. During 2024, Mr Yu has taken no less than 15 hours of relevant professional training.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Responsibilities in Respect of the Financial Statements and Auditor's Remuneration

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements.

The directors acknowledge their responsibilities for preparing the consolidated financial statements of the Company for the Reporting Year.

The statement of the external auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the "Independent Auditor's Report".

During the Reporting Year, the remuneration paid or payable to Ernst & Young (Certified Public Accountants and Registered Public Interest Entity Auditor), the external auditor of the Company, in respect of audit related services amounted to approximately RMB2,980,000 and in respect of non-audit services fees amounted to RMB5,177,000. The non-audit services conducted mainly include tax services and assurance services on financing and corporate transactions.

RISK MANAGEMENT AND INTERNAL CONTROLS

Role of the Board

The Board has overall responsibility for evaluating and determining the nature and extent of the risks (including environmental, social and governance risks) taken by the Group to achieve its strategic business objectives. The Board, through its Audit Committee and ESG Committee, regularly reviews the effectiveness of the risk management and internal control systems and monitors the corporate governance practices, compliance procedures and environmental, social and governance practices on an ongoing basis. To assist the Audit Committee and ESG Committee to fulfill its responsibilities, the management has formed a task force, comprising representatives from major departments of the Company, to identify, update and report the key risk areas which covered all aspects of corporate strategies, operation, finance, environmental, social and governance performance and reporting to the Board quarterly. The possible risk exposure of the Group is set out on pages 32 to 36 of this Annual Report.

During the Reporting Year, the Audit and Risk Management Department submitted to the Audit Committee the Risk Management and Internal Control Report for review on a half-yearly basis. The Board has reviewed, through the Audit Committee, the various reports on the risk management and internal control systems and conducted a comprehensive review of the Group's risk management and internal control systems, and agreed that the Group's risk management and internal control systems for the Reporting Year is adequate and effective and it will continue to enhance the implementation of the corporate risk management framework and risk control procedures.

CORPORATE GOVERNANCE REPORT

Risk management structural framework

The Group's risk management structural framework comprises the following components:

Audit Committee of the Board

- Approve the Company's annual risk appetite policy and measures
- Consider the risk appetite report from the management and monitor the implementation continuously
- Assess the appropriateness of risk appetite with respect to business environment and development strategy and encourage the management for improvement

Management

- Review the risk appetite policy and measures and submit them for the Audit Committee's approval
- Approve the risk limit indicators with reference to the Company's annual risk appetite policy
- Review the implementation of risk appetite and report to the Audit Committee

Audit and risk management department

- Prepare and revise the risk appetite measures
- Initiate the risk management work plan regularly. With the support from various departments and subsidiaries, determine various risk appetite indicators and measurements and submit them for the management's approval
- Responsible for monitoring risk appetite indicators, collecting and summarising the implementation situation of the risk appetite. Arrange and coordinate relevant departments to provide solutions for abnormal indicator and make timely report to the management
- Gather comment and feedback from various departments and subsidiaries during the implementation process and provide recommendations to the management

Internal control system

The internal control system of the Company is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage risks and to safeguard the assets of the Company against loss or fraud. The main features of internal control system consist of five elements including, internal environment, risk assessment, monitoring activities, information and communication and internal monitoring. However, any internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives; and can provide only reasonable but not absolute assurance of full protection against material errors, losses, fraud or failure to meet its business objectives.

The Company's internal control system is operated through segregation of duties (e.g. between toll collecting staff and supervision staff), staff management, budget management, toll collection audit, financial accounting system controls, repairs and maintenance project management and so forth. Apart from periodic review by senior management including financial controllers designated by the Company to each major operation, internal audit department of the Company or audit groups of each major toll road operation were responsible for inspecting and assessing the performance of such operation. In financial accounting system control, the Company has adopted relevant procedures including strict compliance with approval procedures, proper safekeeping of fixed assets, verification and maintenance of accounting records, so as to ensure financial information, whether applied in operation or for public disclosure purposes, are reliable.

CORPORATE GOVERNANCE REPORT

Internal audit

The Group's audit and risk management department plays an important role in reviewing and monitoring the overall internal compliance and governance systems of the Group. The department directly reports to the Audit Committee and performs specific internal audit projects. The department has unrestricted access to review all the Group's business activities, departments and subsidiaries and identify the areas of concern. During the Reporting Year, the department has completed 16 internal audit projects covering performance auditing, economic responsibility auditing and special projects auditing.

Handling and dissemination of inside information

For the purpose of handling and disseminating inside information in accordance with the Listing Rules and the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong), the Group has taken various procedures and measures, including arousing the awareness to preserve confidentiality of inside information within the Group, sending blackout period and securities dealing restrictions notification to the directors and relevant employees regularly, disseminating information to specified persons on a need-to-know basis and regarding closely to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make informed investment decisions.

The general meetings of the Company provide a forum for communication between the shareholders and the Board. The Chairman of the Board as well as chairman of the board committees are available to answer questions at the shareholders' meetings. Separate resolutions are proposed at shareholders' meetings on each substantial issue.

The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner.

To promote effective communication, the Company also maintains a website at www.yuexiutransportinfrastructure.com, where extensive information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are posted.

Resolutions put to vote at the general meetings of the Company (other than on procedural and administrative matters) are taken by poll. Procedures regarding the conduct of the poll are explained to the shareholders at the commencement of each general meeting, and questions from shareholders regarding the voting procedures are answered. The poll results are posted on the websites of the Stock Exchange and the Company respectively on the same day as the poll.

CORPORATE GOVERNANCE REPORT

Shareholders are encouraged to attend all general meetings of the Company. Pursuant to the Company's amended and restated Bye-Laws, the Directors may whenever they think fit call special general meetings, and one or more shareholders holding at the date of deposit of the requisition not less than one tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis, shall at all times have the right, by written requisition to the Directors or the Company Secretary, to require a special general meeting to be called by the Directors for the transaction of any business or resolution specified in such requisition; and such meeting shall be held in the form of a physical meeting only and within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the shareholder(s) concerned, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of 3 months from the said date in accordance with the provisions of Section 74(3) of the Companies Act of Bermuda. Shareholders representing not less than one-twentieth of the total voting rights or not less than 100 shareholders, may put forward resolutions for consideration at a general meeting of the Company by depositing at the registered office a written request for such resolutions according to the Companies Act of Bermuda.

The Board has reviewed the shareholders' communication policy during the Reporting Year and was satisfied with the implementation and effectiveness of the shareholders' communication policy conducted.

PROCEDURES FOR RAISING ENQUIRIES

To ensure effective communication between the Company and the Shareholders:

- (1) Shareholders may direct their questions about their shareholdings to the Company's Hong Kong branch share registrar.
- (2) Shareholders may at any time send their enquiries and concerns to the Board in writing to the Capital Management Department of the Company whose contact details are as follows:

Capital Management Department
 Yuexiu Transport Infrastructure Limited
 17A Yue Xiu Building
 160 Lockhart Road
 Wanchai
 Hong Kong

- (3) Shareholders may also make enquiries with the Board at the general meetings of the Company.

DIVIDEND POLICY

The Company is committed to maintaining a relatively stable and sustainable dividend policy. The dividend policy is based on the principle of balancing shareholders' expectations and maintaining the Company's sustainable development, with consideration of various factors, such as current business position, future operations and income, and financial position of the Company, current and future macro-economic environment and development, capital needs and capital reserves, future major investment or acquisition plans, adjustments to industry policies and continuity of past dividend policies. Generally speaking, the total dividend of the Company for a year represents approximately 50% to 60% of the profit attributable to shareholder. During the Reporting Year, the payout ratio was 58.5%. The Board will review and monitor the implementation of said policy from time to time to ensure its effectiveness and application.

CORPORATE GOVERNANCE REPORT

CONSTITUTIONAL DOCUMENTS

In 2023, the new amended and restated Bye-Laws of the Company was adopted to incorporate certain amendments concerning (i) the updated Appendix 3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") with respect to core shareholder protection standards, the applicable laws of Bermuda, and other consequential and housekeeping amendments to the Listing Rules and (ii) the consultation conclusions of the "Proposals to Expand the Paperless Listing Regime and Other Rule Amendments" published by the Stock Exchange in June 2023 with respect to corporate communications amendments. The special resolution in respect of the adoption of the new amended and restated Bye-Laws of the Company was duly passed by the Shareholders at the special general meeting held on 24 November 2023. For further details, please refer to the Company's circular dated 1 November 2023.

The Company's amended and restated Bye-Laws is available on the websites of the Company and the Stock Exchange. During the Reporting Year, there is no change in the Company's constitutional documents.

REPORT OF THE DIRECTORS

The Directors submit their report together with the audited consolidated financial statements for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Group is principally engaged in investment, construction and development, operation and management of expressways and bridges in Guangdong Province and other high-growth provinces in the PRC.

RESULTS AND APPROPRIATIONS

The results for the Reporting Year are set out in the consolidated statement of profit or loss on page 99.

The Directors have declared and recommended the following dividends in respect of the year ended 31 December 2024:

	RMB'000
Interim dividend of HK\$0.12 equivalent to approximately RMB0.1097 per share paid on 29 November 2024	183,534
Proposed final dividend of HK\$0.13 equivalent to approximately RMB0.12 per share	200,737
	384,271

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 9 June 2025 to Thursday, 12 June 2025, both days inclusive, during which period no transfer of shares will be registered. For the purpose of ascertaining the shareholders' eligibility to participate in the forthcoming annual general meeting of the Company to be held on 12 June 2025, 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 Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Friday, 6 June 2025.

In addition, the register of members of the Company will be closed from Thursday, 19 June 2025 to Friday, 20 June 2025, both days inclusive, for the purpose of ascertaining the shareholders' entitlement to the final dividend. In order to qualify for the final 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 Investor Services Limited, no later than 4:30 p.m. on Wednesday, 18 June 2025.

DONATIONS

During the Reporting Year, the Group did not make any charitable donation.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2024 is set out in the section headed "Management Discussion And Analysis" on pages 20 to 58 of this Annual Report.

SHARE CAPITAL

Details of the movements in the issued share capital of the Company during the Reporting Year are set out in note 23 to the consolidated financial statements.

REPORT OF THE DIRECTORS

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

Save as disclosed in this annual report, during the Reporting Year, the Company has not redeemed any of its listed securities. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the Reporting Year.

PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 December 2024 are set out in note 40 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the distributable reserves of the Company available for distribution amounted to RMB1,881,483,000 (2023: RMB2,009,053,000).

DIRECTORS

The Directors who held office during the Reporting Year and up to the date of this report were:

Executive Directors

Ms Liu Yan (appointed on 17 April 2024)

Mr Li Feng (resigned on 17 April 2024)

Mr He Baiqing (resigned on 28 February 2025)

Ms Chen Jing

Mr Cai Minghua

Mr Pan Yongqiang

Independent Non-Executive Directors

Mr Fung Ka Pun

Mr Lau Hon Chuen Ambrose

Mr Cheung Doi Shu

Mr Peng Vincent Shen

The Directors' Profiles are set out on pages 61 to 63 of this Annual Report.

ROTATION AND RE-ELECTION OF DIRECTORS

Ms Chen Jing, Mr Pan Yongqiang and Mr Cheung Doi Shu will retire by rotation in accordance with Bye-Law 99 of the Company's amended and restated Bye-Laws at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The Board recommended the re-appointment of the directors standing for re-election at the forthcoming annual general meeting of the Company.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Year.

DIRECTORS' SERVICE CONTRACTS

None of the Directors of the Company has a service contract with the Company which is not determinable by the employer within one year without payment of compensation, other than statutory compensation.

REPORT OF THE DIRECTORS

DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of Directors' emoluments and emoluments of the five highest paid individuals of the Company are set out in notes 39(A) and 8 to the consolidated financial statements, respectively.

Directors and senior management of the Company may receive emoluments in the form of fees, salaries, contributions to pension schemes, other allowances, other benefits in kind and/or discretionary bonuses with reference to those paid by comparable companies, time commitment and performance of the Directors and senior management, as well as the performance of the Group. No Director is involved in deciding his or her own remuneration.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company, the Company's subsidiaries, its holding companies or its fellow subsidiaries was a party and in which any Director of the Company and the entity connected with the Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDER

Save as disclosed in the paragraph headed "Continuing Connected Transactions and Connected Transactions" as set out in this report and other related party transactions and balances disclosed in note 37(b) and (c) to the consolidated financial statements, there were no other contracts of significance between the Company, or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries, or any contracts of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries subsisting at the end of the Year or at any time during the Year.

PERMITTED INDEMNITY PROVISION

Pursuant to Bye-Law 178 of the Company's amended and restated Bye-Laws, the Directors, Managing Directors, company secretary or other officers of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in the execution of their offices or otherwise in relation thereto. The Company has arranged directors and officer liability insurances for its directors and officers. The relevant provisions of the Bye-laws of the Company and the directors' and officers' liability insurances are currently in force and were in force throughout the Year.

REPORT OF THE DIRECTORS

CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTIONS

Continuing Connected Transactions

Bank Deposits Agreement

In the ordinary and usual course of business, the Company and its subsidiaries place and maintain bank deposits with Chong Hing Bank Limited (“Chong Hing Bank”) on normal commercial terms. Chong Hing Bank is a subsidiary of Yue Xiu Enterprises (Holdings) Limited, which is a controlling shareholder of the Company, and therefore is a connected person of the Company.

On 23 November 2020, the Company entered into a bank deposits agreement with Chong Hing Bank pursuant to which the aggregate maximum balance of the bank deposits maintained by the Group with Chong Hing Bank on any given day would not exceed RMB1.5 billion for the years ending 31 December 2021, 2022 and 2023.

On 5 May 2023, the Company entered into a bank deposits agreement with Chong Hing Bank for a term of three years for the purpose of renewing the term of the bank deposits agreement expiring on 31 December 2023, and pursuant to which the aggregate maximum balance of the bank deposits maintained by the Group with Chong Hing Bank on any given day would not exceed RMB1.5 billion for the years ending 31 December 2024, 2025 and 2026. As at 31 December 2024, the aggregate bank balances deposited by the Group with Chong Hing Bank amounted to approximately RMB593,706,000. The maximum daily aggregate amount of outstanding deposits maintained by the Group with Chong Hing Bank for the year ended 31 December 2024 amounted to approximately RMB990,600,000. This transaction is a related party transaction as set out in note 37(c) to the consolidated financial statements. The aforementioned transactions constitute continuing connected transactions of the Company subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. The transactions were approved by the independent shareholders at the special general meeting of the Company on 13 June 2023. Further details of the bank deposits agreement were disclosed in the announcement of the Company dated 5 May 2023 and the circular of the Company dated 23 May 2023.

Property Management and Commercial Operation and Management Services Framework Agreement

On 1 February 2023, the Company and Yuexiu Services Group Limited (“Yuexiu Services”) entered into the property management and commercial operation and management services framework agreement (“2023 Property Management and Commercial Operation and Management Services Framework Agreement”), pursuant to which Yuexiu Services and its subsidiaries may provide, and the Group may procure, the property management services and commercial operation and management services for a term commencing on 1 February 2023 and ending on 31 December 2024. The annual caps for the year ended 31 December 2023 and 2024 are RMB12,985,000 and RMB15,775,000, respectively. For the year ended 31 December 2024, the aggregate transaction value of the property management services and commercial operation and management services were approximately RMB7,695,000 and RMB2,274,000, respectively. These transactions are the related party transactions as set out in note 37(b) to the consolidated financial statements.

On 24 December 2024, the Company and Yuexiu Services entered into a new property management and commercial operation and management services framework agreement (“2024 Property Management and Commercial Operation and Management Services Framework Agreement”), for the purpose of renewing of the 2023 Property Management and Commercial Operation and Management Services Framework Agreement expiring on 31 December 2024. Pursuant to the 2024 Property Management and Commercial Operation and Management Services Framework Agreement, Yuexiu Services and its subsidiaries may provide, and the Group may procure, the Property Management Services and the Commercial Operation and Management Services for a term of three years commencing on 1 January 2025 and ending on 31 December 2027. The annual caps under the 2024 Property Management and Commercial Operation and Management Services Framework Agreement are RMB11,815,000, RMB12,275,000 and RMB12,757,000 for the years ending 31 December 2025, 2026 and 2027, respectively.

REPORT OF THE DIRECTORS

Yuexiu Services is an associate of Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團股份有限公司) (“Guangzhou Yue Xiu”), the ultimate controlling shareholder of the Company, and hence a connected person of the Company. The aforementioned transactions constitute continuing connected transactions of the Company subject to the reporting, announcement and annual review requirements but exempt from the circular (including independence financial advice) and the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. Further details of the abovementioned transactions were disclosed in the announcements of the Company dated 1 February 2023 and 24 December 2024.

The aforesaid continuing connected transactions have been reviewed by independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company has engaged the auditor of the Company to report on the aforesaid continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing the findings and conclusions in respect of the aforesaid continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules and nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions: (i) have not been approved by the Board of the Company; (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and (iv) have exceeded the maximum aggregate annual caps in respect of the above continuing connected transactions.

Connected Transactions

Overhaul Agreement in connection with the Suiyuenan Expressway Overhaul Project

After an open tender and bidding process conducted through the Guangzhou Public Resources Trading Center, on 28 September 2023, Hubei Suiyuenan Expressway Company Limited* (湖北隨岳南高速公路有限公司) (“Suiyuenan Expressway Company”), an indirect subsidiary of the Company, granted a letter of award to Poly Changda Engineering Co., Ltd.* (保利長大工程有限公司) (“Poly Changda Engineering”), pursuant to which Suiyuenan Expressway Company and Poly Changda Engineering shall enter into the overhaul agreement within 30 days from the date of the letter of award. Pursuant to the overhaul agreement, Poly Changda Engineering as contractor shall provide certain overhaul services to Suiyuenan Expressway Company in relation to the Suiyuenan Expressway overhaul project at a total contract amount of RMB68,915,483 for the overhaul period of 220 calendar days commencing from the date determined by the supervisor for the Suiyuenan Expressway overhaul project. Suiyuenan Expressway Company accepted the bidding proposal of Poly Changda Engineering after considering comprehensively a number of factors, such as the bidding proposals submitted by the bidders, bidding price, qualification of key personnel, technical capability, business performance and contract performance reputation of the bidders. In connection with the overhaul work, Poly Changda Engineering shall be responsible for arranging, among others, all necessary labour and personnel, materials, construction and engineering equipment and temporary facilities. On 13 October 2023, Suiyuenan Expressway Company and Poly Changda Engineering entered into the overhaul agreement for the Suiyuenan Expressway Overhaul Project (Phase 3). On 20 May 2024, the Suiyuenan Expressway Overhaul Project (Phase 3) was completed.

REPORT OF THE DIRECTORS

After an open tender and bidding process conducted through the Guangzhou Public Resources Trading Center, on 10 July 2024, Suiyuenan Expressway Company granted the letter of award to Poly Changda Engineering, pursuant to which Suiyuenan Expressway Company and Poly Changda Engineering shall enter into the overhaul agreement within 30 days from the date of the letter of award. Pursuant to the overhaul agreement, Poly Changda Engineering shall provide certain overhaul services to Suiyuenan Expressway Company in relation to the Suiyuenan Expressway Overhaul Project (Phase 4) at a total contract amount of RMB68,023,122, for the overhaul period of 200 calendar days commencing from the date determined by the supervisor for the Suiyuenan Expressway Overhaul Project (Phase 4). Suiyuenan Expressway Company accepted the bidding proposal of Poly Changda Engineering after considering comprehensively a number of factors, such as the bidding proposals submitted by the bidders, bidding price, qualification of key personnel, technical capability, business performance and contract performance reputation of the bidders. On 19 July 2024, Suiyuenan Expressway Company and Poly Changda Engineering entered into the overhaul agreement for the Suiyuenan Expressway Overhaul Project (Phase 4).

Poly Changda Engineering is an associate of Guangdong Provincial Communication Group Company Limited* (廣東省交通集團有限公司), which is a substantial shareholder of a subsidiary of the Company. On this basis, Poly Changda Engineering is a connected person of the Company at the subsidiary level. As the Suiyuenan Expressway Overhaul Project (Phase 4) and the Suiyuenan Expressway Overhaul Project (Phase 3) were entered into by the same parties and the Suiyuenan Expressway Overhaul Project (Phase 4) was expected to be completed within a 12-month period after the completion of the Suiyuenan Expressway Overhaul Project (Phase 3), the Suiyuenan Expressway Overhaul Project (Phase 4) and the Suiyuenan Expressway Overhaul Project (Phase 3) are aggregated pursuant to Rules 14.22 and 14A.81 of the Listing Rules as if they were one transaction, and the aggregated transactions constitute connected transactions of the Company and were subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Further details of the overhaul agreements were disclosed in the announcements of the Company dated 28 September 2023, 13 October 2023, 10 July 2024 and 19 July 2024. These transactions are the related party transactions as set out in note 37(b) to the consolidated financial statements.

REPORT OF THE DIRECTORS

Acquisition of 55% Equity Interests in Henan Yuexiu Pinglin Expressway Company Limited

On 9 October 2024, Yuexiu (China) Transport Infrastructure Investment Company Limited* (越秀(中國)交通基建投資有限公司) ("Yuexiu (China)"), a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement with Guangzhou Yue Xiu, whereby Guangzhou Yue Xiu conditionally agreed to sell, and Yuexiu (China) conditionally agreed to acquire, the 55% equity interests in Henan Yuexiu Pinglin Expressway Company Limited* (河南越秀平臨高速公路有限公司) ("Henan Yuexiu Pinglin Expressway Co") at a total consideration of RMB758.45 million. The total consideration was paid in cash, which was financed by the net proceeds from the spin off of the CAMC-Yuexiu Expressway Close-end Infrastructure Securities Investment Fund in 2021. Henan Yuexiu Pinglin Expressway Co owns the toll collection right over the Henan Pinglin Expressway. Upon completion of the acquisition, Henan Yuexiu Pinglin Expressway Co would become an indirect non-wholly owned subsidiary of the Company, and its financial results would be consolidated into the financial statements of the Group. The transaction was approved by the independent shareholders at the Company's special general meeting held on 22 November 2024. Completion of the acquisition took place on 26 November 2024.

Guangzhou Yue Xiu is the ultimate controlling shareholder of the Company, and hence a connected person of the Company. The transaction constitutes a connected transaction of the Company and is subject to the reporting, announcement, and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The transaction also constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Further details of the transaction were disclosed in the announcements of the Company dated 9 October 2024, 1 November 2024 and 22 November 2024, and the circular of the Company dated 1 November 2024. These transactions are the related party transactions as set out in note 33 to the consolidated financial statements.

Disposal of 60% Equity Interests in Tianjin Jinfu Expressway Co., Ltd. through Public Tender

Choice Tone Limited ("Choice Tone"), an indirect wholly-owned subsidiary of the Company, proposed to dispose of its 60% equity interests in Tianjin Jinfu Expressway Co., Ltd. (天津津富高速公路有限公司) ("Tianjin Jinfu") ("Disposal Interests"). Tianjin Jinfu is principally engaged in the construction, operation, management and maintenance of the Jinxiong Expressway. Since the Disposal Interests were deemed to be state-owned assets under the relevant laws and regulations of the PRC, the disposal was conducted by way of public tender on Guangdong United Assets and Equity Exchange in accordance with the relevant rules and regulations of the PRC governing the disposal of state-owned assets. On 3 November 2024, Choice Tone completed the pre-listing disclosure and commenced the formal tender process of the public tender.

On 4 December 2024, Choice Tone entered into an equity transaction agreement with Tianjin Expressway Group Co., Ltd. ("Tianjin Expressway Company"), pursuant to which Choice Tone agreed to sell, and Tianjin Expressway Company agreed to acquire, 60% equity interests in Tianjin Jinfu for a consideration of RMB190,800,000. Completion of the disposal took place on 18 December 2024.

Tianjin Jinfu was an indirect non-wholly owned subsidiary of the Company. Tianjin Expressway Company is a substantial shareholder of Tianjin Jinfu, and hence a connected person of the Company at the subsidiary level. The disposal constitutes a connected transaction of the Company and is subject to the reporting and announcement requirements, but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules. Further details of the disposal were disclosed in the announcements of the Company dated 30 September 2024, 3 November 2024 and 4 December 2024. The transaction is the related party transaction as set out in note 32 to the consolidated financial statements.

REPORT OF THE DIRECTORS

Save as disclosed above and the addition of right-of-use assets in note 37(b) to the consolidated financial statements arising from the 2024 Lease Agreements as disclosed in the section headed “Continuing Connected Transactions and Connected Transactions” in the Report of the Directors in the 2023 Annual Report of the Company, other related party transactions disclosed in note 37 to the consolidated financial statements constituted connected transactions or continuing connected transactions (as the case may be) entered into or continued by the Group during the Reporting Year which were regarded as “exempted transaction” or “de minimis transaction” pursuant to the Listing Rules.

Please refer to the 2023 annual report of the Company for the details of the connected transactions concerning the T4 Main Works Agreement and Construction Supervision Agreement in connection with the GNSR Expressway R&E Project and the 2024 Lease Agreements which were signed in 2023 but have not yet been completed as at 31 December 2024.

BANK LOANS AND OTHER BORROWINGS

Analysis of bank loans and other borrowings of the Group as well as information on charges on the Group’s assets as at 31 December 2024 are set out in note 25 to the consolidated financial statements.

DEBENTURES ISSUED

During the Reporting Year, the Group issued the notes payable in an aggregate principal amount of RMB4,280 million for financing general working capital and repaying the debts of the Group. Details of the notes payable of the Group are set out in note 28 to the consolidated financial statements.

INTERESTS OF DIRECTORS

As at 31 December 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 are required to be recorded in the register maintained by the Company under Section 352 of the SFO or notified to the Company and the Stock Exchange 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 ⁽¹⁾
Ms Liu Yan	Personal	485	–	485	0.00003
Mr He Baiqing	Personal	52,000	685,997 ⁽³⁾	737,997	0.04
Mr Cai Minghua	Personal	–	259,567 ⁽³⁾	259,567	0.02
Mr Pan Yongqiang	Personal/ Spouse Interest	264,000 ⁽²⁾	519,134 ⁽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

REPORT OF THE DIRECTORS

Notes:

- (1) The total number of 1,673,162,295 shares of the Company in issue as at 31 December 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.

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 ⁽¹⁾
Ms Liu Yan	Personal	3,400	0.00008
Mr Lau Hon Chuen Ambrose	Personal	1,258,712	0.031

Note:

- (1) The total number of 4,025,392,913 shares of Yuexiu Property Company Limited in issue as at 31 December 2024 was used for the calculation of the approximate percentage.

Save as disclosed in this annual report, as at 31 December 2024, none of the Directors or 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 are required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Save as disclosed in this annual report, at no time during the Year was the Company, its holding company, its subsidiaries, or its fellow subsidiaries a party to any arrangement to enable the Directors of the Company (including their spouse and children under 18 years of age) to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

REPORT OF THE DIRECTORS

DISCLOSEABLE INTERESTS OF SUBSTANTIAL SHAREHOLDERS UNDER THE SECURITIES AND FUTURES ORDINANCE

As at 31 December 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 shareholding in shares ^(Note 4)
廣州越秀集團股份有限公司 (Guangzhou Yue Xiu Holdings Limited) (i.e. Guangzhou Yue Xiu) (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 is owned by Guangzhou Yue Xiu. By virtue of the SFO, Guangzhou Yue Xiu was deemed to be interested in the shares of the Company in which Yue Xiu was interested as described in note (2) below. In addition, Guangzhou Yue Xiu was deemed to be interested in 13,266,000 shares of the Company which were held through 廣州期貨星秀1號單一資產管理計劃 (Guangzhou Futures Xingxiu No. 1 Single Asset Management Plan*), with 廣州期貨股份有限公司 serving as the asset manager for 廣州期貨星秀1號單一資產管理計劃. On the basis, Guangzhou Yue Xiu was deemed to be interested in an aggregate of 752,792,200 shares of the Company (long position), representing approximately 44.99% of the total issued shares of the Company as at 31 December 2024.
- (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 is 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 were held by it as beneficial owner. By virtue of the SFO, 招商局公路 is 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 31 December 2024 was used for the calculation of the approximate percentage.

Save as disclosed in this annual report, the Directors are not aware of any other person (other than the Directors and chief executive of the Company) who, as at 31 December 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.

REPORT OF THE DIRECTORS

EQUITY LINKED AGREEMENT

SHARE OPTION INCENTIVE SCHEME

Pursuant to the 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.

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.

REPORT OF THE DIRECTORS

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) 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 and the end of the year 2024 were 155,262,723 Shares and 159,367,100 Shares respectively.

As at the date of this report, the total number of Shares available for issue under the Share Option Scheme is 159,367,100 Shares, representing approximately 9.52% of the total number of the Shares in issue.

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 and the disclaimer respectively required under Rule 17.02(2)(d) and Rule 17.02(4) of the Listing Rules shall be dispatched 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 should be taken as the date of grant for the purpose of calculating the Exercise Price.

REPORT OF THE DIRECTORS

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.

9. The remaining life of the share option

The Share Option Scheme became effective since 11 October 2021. It, unless otherwise cancelled or amended, 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 this Share Option Scheme during the year ended 31 December 2024 are as below:—

Grantees	Date of the conditional grant	Exercise price per share (HK\$)	Closing price immediately before the date of the grant (HK\$)	Vesting period/ Exercise period	Balance as at 1 January 2024	Number of options			
						Granted during the year	Exercised during the year	Lapsed/ Cancelled during the year (Note 6)	Balance as at 31 December 2024
He Baiqing	25/06/2021	4.43	4.44	(Note 1)	1,028,995	–	N/A (Note 5)	–342,998	685,997
Cai Minghua	07/09/2021	4.45	4.37	(Note 2)	389,349	–	N/A (Note 5)	–129,782	259,567
Pan Yongqiang	25/06/2021	4.43	4.44	(Note 1)	778,700	–	N/A (Note 5)	–259,566	519,134
Other employees of the Group (In aggregate)	25/06/2021	4.43	4.44	(Note 1)	9,467,113	–	N/A (Note 5)	–3,242,249	6,224,864
	25/08/2021	4.68	4.64	(Note 3)	389,349	–	N/A (Note 5)	–129,782	259,567
Total					12,053,506	–	N/A (Note 5)	–4,104,377	7,949,129

REPORT OF THE DIRECTORS

Notes:

1. 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).
2. 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).
3. 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).
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

REPORT OF THE DIRECTORS

(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 year ended 31 December 2024.
6. Options lapsed during the year ended 31 December 2024 in accordance with the rules of the Share Option Scheme.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's amended and restated Bye-Laws and there are no restrictions against such rights under the laws of Bermuda.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, there was a sufficiency of public float of the Company's securities as required under the Listing Rules as at the latest practicable date prior to the issue of this report.

MAJOR CUSTOMERS AND SUPPLIERS

No disclosure with regard to the Group's major customers and suppliers are made since the aggregate percentages of sales and purchases attributable to the Group's five largest customers and suppliers are less than 30% of the Group's total sales and purchases for the year ended 31 December 2024.

AUDITOR

The consolidated financial statements have been audited by Ernst & Young ("EY"), Certified Public Accountants and Registered Public Interest Entity Auditor.

At the annual general meeting of the Company held on 2 June 2021, PricewaterhouseCoopers retired as the auditor of the Company and EY appointed as the new auditor of the Company.

EY will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Liu Yan

Chairman

Hong Kong, 13 March 2025

INDEPENDENT AUDITOR'S REPORT



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To the shareholders of Yuexiu Transport Infrastructure Limited

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Yuexiu Transport Infrastructure Limited (the "Company") and its subsidiaries (the "Group") set out on pages 99 to 193, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (continued)

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Amortisation of intangible operating rights</i></p> <p>As at 31 December 2024, the Group had intangible operating rights of RMB31,626 million which accounted for 84% of the Group's total assets and was material to the Group. During the year ended 31 December 2024, the Group recognised amortisation of intangible operating rights amounting to RMB1,514 million which represented 75% of the Group's cost of services provided.</p> <p>Amortisation of intangible operating rights is calculated to write off their costs on a unit-of-usage basis based on the traffic volume for a particular period over the projected total traffic volume throughout the operating period of the intangible operating rights.</p> <p>This projected total traffic volume estimation takes into account the historical operating information, the expected development of the toll road and its adjacent traffic network and where applicable, independent professional traffic studies prepared by traffic consultants, which require significant management judgement and estimates. Prospective adjustments will be made if there are material changes in the estimates of the projected total traffic volume.</p> <p>Details of the amortisation of intangible operating rights are disclosed in notes 2(f), 4(c) and 13 to the consolidated financial statements.</p>	<p>We performed the following procedures in relation to the amortisation of intangible operating rights:</p> <ul style="list-style-type: none"> – Obtained an understanding of management's internal control and evaluation process of the projected total traffic volume; – Obtained and understood the procedures taken by management in estimating the projected total traffic volume of the intangible operating rights and discussed with management on the reasonableness of such estimation; – Where traffic studies prepared by traffic consultants have been used and referenced by management, performed evaluation of the independent external traffic consultants' qualifications, competence, capabilities and objectivity; – Evaluated the key assumptions used in the estimates of the projected total traffic volume; and – Recalculated and checked management's calculation on the amortisation recognised for intangible operating rights.

INDEPENDENT AUDITOR'S REPORT (continued)

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
<i>Impairment assessment of long-term assets</i>	
<p>As at 31 December 2024, the Group had non-financial long-term assets including intangible operating rights of RMB31,626 million, goodwill of RMB515 million, investment in a joint venture of RMB485 million, investments in associates of RMB1,527 million and prepayments of non-current portion of RMB967 million, which accounted for 94% of the Group's total assets and were material to the Group.</p> <p>Management assessed whether there were any impairment indicators for all non-financial long-term assets excluding goodwill as at 31 December 2024. Long-term assets with impairment indicators and goodwill are tested for impairment. Management calculated the recoverable amounts of the cash-generating units ("CGUs"), which are the higher of the fair value less costs of disposal and the value in use in the impairment test. The calculation of the recoverable amounts involved significant judgements and assumptions, such as estimated traffic volume, revenue growth, discount rates, etc.</p> <p>Based on management's assessment, no impairment was recognised for the year ended 31 December 2024.</p> <p>Details of the impairment assessment of non-financial long-term assets are disclosed in notes 2(g), 2(k), 4(a), 4(b), 13, 14, 19 and 20 to the consolidated financial statements.</p>	<p>We performed the following procedures in relation to the impairment assessment of non-financial long-term assets:</p> <ul style="list-style-type: none"> – Obtained an understanding of management's internal control and process of impairment assessments; – Discussed with management on the impairment indicators of non-financial long-term assets and checked the reasonableness of the impairment test model; – Involved internal valuation experts to assist in evaluating the appropriateness of assumptions and parameters; – Evaluated the methodologies used and the appropriateness of the key assumptions based on our knowledge of the industry; – Checked input data to supporting evidence, such as historical financial information, approved budgets and reviewed the accuracy of management's budgets made historically; – Checked the mathematical accuracy of management's value in use calculations in management's impairment assessments; and – Performed sensitivity analysis on reasonably possible downside changes in key assumptions adopted including discount rate and the growth in revenue generated from future traffic.

INDEPENDENT AUDITOR'S REPORT (continued)

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Hui Kin Fai, Stephen.

Ernst & Young

Certified Public Accountants

Hong Kong

13 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	5	3,867,119	3,966,726
Cost of services	7,8	(2,024,237)	(1,819,383)
Construction income from construction and upgrade services	35	1,062,101	713,062
Construction costs of construction and upgrade services	35	(1,062,101)	(713,062)
Other income, gains and losses – net	6	97,085	(75,163)
General and administrative expenses	7,8	(298,229)	(267,776)
Operating profit		1,641,738	1,804,404
Finance income	9	29,782	30,191
Finance costs	9	(481,226)	(562,395)
Share of result of a joint venture, net of tax	19	72,302	75,708
Share of results of associates, net of tax	20	35,009	200,998
Profit before income tax		1,297,605	1,548,906
Income tax expense	10	(333,245)	(427,263)
Profit for the year		964,360	1,121,643
Attributable to:			
Shareholders of the Company		656,781	765,309
Non-controlling interests		307,579	356,334
		964,360	1,121,643
Earnings per share for profit attributable to the shareholders of the Company	11	RMB	RMB
Basic earnings per share		0.3925	0.4574
Diluted earnings per share		0.3925	0.4574

The notes on pages 106 to 193 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2024

	2024 RMB'000	2023 RMB'000
Profit for the year	964,360	1,121,643
Other comprehensive income		
<i>Items that may be reclassified to profit or loss in subsequent period:</i>		
Currency translation differences	265	361
Other comprehensive income for the year	265	361
Total comprehensive income for the year	964,625	1,122,004
Total comprehensive income attributable to:		
Shareholders of the Company	657,046	765,670
Non-controlling interests	307,579	356,334
	964,625	1,122,004

The notes on pages 106 to 193 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Intangible operating rights	13	31,626,346	30,247,734
Goodwill	14	514,577	514,577
Property, plant and equipment	15(a)	53,392	41,609
Other intangible assets	16	18,792	19,078
Investment properties	17	34,205	38,039
Right-of-use assets	15(b)	22,686	4,737
Investment in a joint venture	19	485,281	478,813
Investments in associates	20	1,526,599	1,599,983
Prepayments	21	967,494	916,926
Loan to an associate	37	6,406	6,406
		35,255,778	33,867,902
Current assets			
Trade receivables	21	187,508	112,389
Other receivables, deposits and prepayments	21	84,244	102,789
Amounts due from associates	37	829	38,593
Cash and cash equivalents	22	1,978,432	2,380,785
		2,251,013	2,634,556
Total assets		37,506,791	36,502,458
EQUITY			
Equity attributable to the shareholders of the Company			
Share capital	23	147,322	147,322
Reserves	24	11,700,984	11,466,015
		11,848,306	11,613,337
Non-controlling interests		3,557,831	3,236,600
Total equity		15,406,137	14,849,937

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

AS AT 31 DECEMBER 2024

	Notes	2024 RMB'000	2023 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	25	9,247,828	8,457,900
Notes payable	28	3,815,984	1,498,746
Corporate bonds	29	499,667	499,667
Contract liabilities and deferred revenue	26	272,975	286,264
Deferred income tax liabilities	27	2,988,563	3,072,085
Lease liabilities	15(b)	12,670	3,310
		16,837,687	13,817,972
Current liabilities			
Borrowings	25	2,015,121	1,178,089
Notes payable	28	1,872,993	3,373,285
Corporate bonds	29	12,268	2,067,750
Amounts due to non-controlling interests of a subsidiary	37	50,772	1,611
Trade and other payables and accrued charges	30	1,184,286	1,117,332
Contract liabilities and deferred revenue	26	24,714	15,792
Lease liabilities	15(b)	10,429	1,763
Current income tax liabilities		92,384	78,927
		5,262,967	7,834,549
Total liabilities		22,100,654	21,652,521
Total equity and liabilities		37,506,791	36,502,458

The financial statements on pages 99 to 193 were approved by the Board of Directors on 13 March 2025 and were signed on its behalf by:

Liu Yan
Director

Cai Minghua
Director

The notes on pages 106 to 193 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2024

	Notes	2024 RMB'000	2023 RMB'000
Cash flows from operating activities			
Cash generated from operations	34(a)	2,995,381	3,172,357
PRC enterprise income tax and withholding tax paid		(336,991)	(374,675)
Net cash generated from operating activities		2,658,390	2,797,682
Cash flows from investing activities			
Increase in long-term prepayments		(50,568)	(916,926)
Payments of construction costs under service concession upgrade services		(945,506)	(606,101)
Acquisition of a subsidiary	33	(614,381)	–
Proceeds from disposal of a subsidiary	32	93,982	–
Proceeds from disposal of property, plant and equipment and other intangible assets		248	338
Purchase of property, plant and equipment and other intangible assets		(27,697)	(27,625)
Dividends received from associates	20	146,986	296,864
Dividend received from a joint venture	19	65,834	60,658
Interest received		30,005	30,368
Net cash used in investing activities		(1,301,097)	(1,162,424)
Cash flows from financing activities	34(b)		
Proceeds from bank borrowings		1,933,764	2,815,898
Proceed from loan from the immediate holding company		100,000	100,000
Proceeds from issuance of notes payable		4,280,136	4,094,031
Repayment of bank borrowings		(1,132,416)	(2,605,323)
Payment of bank facility fees		(125)	(568)
Repayment of notes payable		(3,470,000)	(4,300,000)
Repayment of corporate bonds		(2,000,000)	(617,000)
Repayment of loan from a non-controlling interest of a subsidiary		(10,000)	(22,000)
Repayment of loan from the immediate holding company		(100,000)	(100,000)
Capital contribution from non-controlling shareholders		–	160,000
Dividends paid to the shareholders of the Company		(421,605)	(382,949)
Dividends paid to non-controlling interests		(389,070)	(284,264)
Interest paid		(538,158)	(580,293)
Payment for lease liabilities (including interest)	15(b)	(12,216)	(12,323)
Net cash used in financing activities		(1,759,690)	(1,734,791)
Net decrease in cash and cash equivalents		(402,397)	(99,533)
Cash and cash equivalents at 1 January		2,380,785	2,480,267
Effects of exchange rate changes on cash and cash equivalents		44	51
Cash and cash equivalents at 31 December	22	1,978,432	2,380,785

The notes on pages 106 to 193 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2024

	Attributable to shareholders of the Company		Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000 (note 23)	Reserves RMB'000 (note 24)		
Balance at 1 January 2024	147,322	11,466,015	3,236,600	14,849,937
Comprehensive income				
Profit for the year	–	656,781	307,579	964,360
Other comprehensive income				
Currency translation differences	–	265	–	265
Total comprehensive income	–	657,046	307,579	964,625
Transactions with owners				
Equity-settled share option arrangements	–	(472)	–	(472)
Dividends to the shareholders of the Company	–	(421,605)	–	(421,605)
Dividends to non-controlling interests	–	–	(439,842)	(439,842)
Acquisition of a subsidiary (note 33)	–	–	620,550	620,550
Disposal of a subsidiary (note 32)	–	–	(167,056)	(167,056)
Total transactions with owners	–	(422,077)	13,652	(408,425)
Balance at 31 December 2024	147,322	11,700,984	3,557,831	15,406,137

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to shareholders of the Company		Non- controlling interests RMB'000	Total RMB'000
	Share capital RMB'000 (note 23)	Reserves RMB'000 (note 24)		
Balance at 1 January 2023	147,322	11,083,123	3,004,530	14,234,975
Comprehensive income				
Profit for the year	–	765,309	356,334	1,121,643
Other comprehensive income				
Currency translation differences	–	361	–	361
Total comprehensive income	–	765,670	356,334	1,122,004
Transactions with owners				
Capital contribution from non-controlling shareholders	–	–	160,000	160,000
Equity-settled share option arrangements	–	171	–	171
Dividends to the shareholders of the Company	–	(382,949)	–	(382,949)
Dividends to non-controlling interests	–	–	(284,264)	(284,264)
Total transactions with owners	–	(382,778)	(124,264)	(507,042)
Balance at 31 December 2023	147,322	11,466,015	3,236,600	14,849,937

The notes on pages 106 to 193 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The principal activities of the Group consist of the investment, construction and development, operation and management of expressways and bridges in Guangdong Province and other high-growth provinces in the People's Republic of China. 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 ("SASAC") of the Guangzhou Municipal People's Government.

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").

These financial statements are presented in Renminbi ("RMB"), unless otherwise stated and all values are rounded to the nearest thousand except when otherwise indicated. These financial statements have been approved for issue by the Board of Directors on 13 March 2025.

2 MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies applied in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with HKFRSs and HKCO

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance ("HKCO").

(ii) Going concern consideration

As at 31 December 2024, the Group's current liabilities exceeded its current assets by RMB3,011,954,000. The Group's current liabilities primarily comprise the current portion of borrowings, notes payable and trade and other payables and accrued charges of RMB2,015,121,000, RMB1,872,993,000 and RMB1,184,286,000, 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 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.

(iii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities and investment properties which are measured at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

(iv) Amendments to standards

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

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>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

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

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

Amendments to standards		Effective for accounting periods beginning on or after
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Not determined yet*
HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to HKAS 21	<i>Lack of Exchangeability</i>	1 January 2025
Annual Improvements to HKFRS Accounting Standards – Volume 11	<i>Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7</i>	1 January 2026

* No mandatory effective date yet determined but available for adoption

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

(iv) Amendments to standards (continued)

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

Except for the impact of HKFRS 18, management considers that the adoption of the above mentioned amendments is not expected to have a material impact on the Group in future reporting periods when they become effective.

(b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (note 2(b)(iv)), after initially being recognised at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

(b) Principles of consolidation and equity accounting (continued)

(iii) Joint arrangements

Under HKFRS 11 *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group only has joint ventures.

Joint ventures

Interests in joint ventures are accounted for using the equity method (note 2(b)(iv)), after initially being recognised at cost in the consolidated statement of financial position.

(iv) Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2(k).

(v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

(b) Principles of consolidation and equity accounting (continued)

(v) Changes in ownership interests (continued)

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

(vi) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss or other comprehensive income, as appropriate.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

(c) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors of the Company that make strategic decisions.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The consolidated financial statements are presented in Renminbi (RMB), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the consolidated statement of profit or loss.

All foreign exchange gains and losses are presented as "Finance income/(costs)" in the consolidated statement of profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

(e) Foreign currency translation (continued)

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(iv) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

(f) Intangible operating rights

The Group has been granted by the relevant local government authorities the rights to operate the toll highways and bridges for operating periods of 18 to 30 years. According to the approval documents of the relevant government and the relevant regulations, the Group is responsible for the construction of the toll highways and bridges and the acquisition of the related facilities and equipment and it is also responsible for the operation and management, maintenance and overhaul of the toll highways and bridges during the approved operating periods. The toll fees collected during the operating periods are attributable to the Group. The relevant toll highway/bridge assets are required to be returned to the local government authorities upon the expiry of the operating rights without any compensation to the Group.

The Group applies the intangible asset model to account for the toll highway and bridge infrastructures where they are paid by the users of the toll highways and bridges. The concession grantors (the respective local governments) have not provided any contractual guarantees for the recovery of the amounts of construction costs incurred. The intangible assets correspond to the rights granted by the respective concession grantors to the Group to charge users of the toll road/bridge services and are recorded in the consolidated statement of financial position as “Intangible operating rights”.

Amortisation of intangible operating rights is calculated to write off their costs on a unit-of-usage basis based on the traffic volume for a particular period over the projected total traffic volume throughout the life of the asset. The Group reviews regularly the projected total traffic volume throughout the life of the asset, and if it is considered appropriate, independent professional traffic studies will be obtained. Prospective adjustment will be made should there be a material change from the previous estimates on the projected total traffic volume.

(g) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses as described in note 2(k). Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (“CGUs”) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(h) Intangible assets (other than intangible operating rights and goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 5 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

(i) Property, plant and equipment

Land and building comprise offices and staff quarters. Leasehold land classified as finance lease and all other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Leasehold land classified as finance lease	Shorter of the remaining lease term and the useful life
Buildings	25–50 years
Furniture, fixtures and equipment	3–20 years
Motor vehicles	3–10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(k)).

Gains and losses on disposals are determined by comparing the proceeds with carrying amount. These are included in profit or loss.

(j) Investment properties

Investment properties, principally freehold office buildings, are held for long-term rental yields and are not occupied by the Group. Investment properties are initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are carried at fair value. Changes in fair values are recorded in profit or loss as part of "Other income, gains and losses – net".

(k) Impairment of investments in non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

(I) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Fair value through profit or loss ("FVPL");
- Fair value through other comprehensive income ("FVOCI"); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and corporate bonds.

Classification and subsequent measurement of debt instruments depend on:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

(I) Investments and other financial assets (continued)

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and included in "Finance income/(costs)" together with foreign exchange gains and losses. Impairment losses are presented as separate line items in the statement of profit or loss.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Finance income/(costs)". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are included in "Finance income/(costs)" and impairment expenses are presented as separate line items in the statement of profit or loss.

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within "Other income, gains and losses – net" in the period in which it arises.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

(l) Investments and other financial assets (continued)

(iii) Measurement (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as "Finance income/(costs)" when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in "Finance income/(costs)" in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(m) Impairment of financial assets at amortised cost

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 3.1(b) for further details.

(n) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

(o) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits held at call with financial instruments and short-term bank deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(p) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Trade and other payables

Trade and other payables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components and subsequently measured at amortised cost using the effective interest method. Trade and other payables are classified as current liabilities unless payment is not due within 12 months after the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

(r) Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the drawn-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

All other borrowing costs are charged to the consolidated statement of profit or loss in the period in which they are incurred.

Foreign exchange differences arising from financing are included as a component of finance costs.

(s) Notes payable

Notes payable are recognised initially at fair value, net of debt discount. Debt issuance costs incurred which are directly attributable are capitalised and amortised over the estimated term of the facilities using the effective interest method. Debt discount is recorded as a reduction of the proceeds received and the related accretion is recorded as interest expense in the consolidated statement of profit or loss over the estimated term of the facilities using the effective interest method.

(t) Corporate bonds

The corporate bonds are recognised initially at fair value, net of debt issuance costs incurred. Corporate bonds are subsequently stated at amortised cost; any difference between the proceeds (net of debt issuance costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the corporate bonds using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

(u) Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company's subsidiaries, associates and a joint venture operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred income tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred income tax assets are recognised only if it is probable that future taxable amount will be available to utilise those temporary differences and losses.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and when the deferred income taxes balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

(v) Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

(w) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments (where applicable):

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

(w) Leases (continued)

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

(x) Retirement benefit costs

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group's contributions to the defined contribution retirement schemes are expensed as incurred. The assets of the schemes are held separately from those of the Group in an independently administered fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

(y) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the services in the ordinary course of the Group's activities. If contracts involve the sale of multiple services, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

Revenues are recognised when or as the control of the service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the service may be transferred over time or at a point in time.

Control of the service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at the point in time when the customer obtains control of the asset. Specific criteria where revenue is recognised are described below.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depicts the Group's performance in satisfying the performance obligation:

- direct measurements of the value transferred by the Group to the customer; or
 - the Group's efforts or inputs to the satisfaction of the performance obligation relative to the total expected efforts or inputs.
- (i) Toll revenue from road and bridge operations and other toll operating income is recognised at the point in time when the related services are provided.
 - (ii) Rental income from investment property and income from service area and gas station are recognised in the consolidated statement of profit or loss on a straight-line basis over the term of the lease.
 - (iii) Entrusted road management service income is recognised over the scheduled period on a straight-line basis because customer simultaneously receives and consumes the benefits provided by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

(y) Revenue recognition (continued)

- (iv) Construction service income is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.
- (v) Construction income generated from construction and upgrade services rendered by the Group is recognised over time as the Group's performance creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced. Thus, the Group satisfies a performance obligation over time, by reference to completion of the specific transaction assessed on the basis of the actual costs incurred up to the end of year as a percentage of total estimated costs for each contract. In determining the transaction price, the Group adjusts the amount of consideration for the effect of a financing component if it is significant.

(z) Dividend distribution, dividend income and interest income

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or Directors of the Company ("Directors"), where appropriate.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on a time-proportion basis using the effective interest method.

(aa) Contract liabilities

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to provide services to the customer.

(ab) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

(ac) Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

(ad) Share-based payments

The Company operates a share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 31 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 FINANCIAL RISK MANAGEMENT

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 Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group regularly monitors its exposure and entered into foreign exchange forward contracts to mitigate the foreign exchange rate risk arising from bank borrowings as mentioned in note 3.1(a)(i).

3.1 Financial risk factors

(a) Market risk

(i) Foreign exchange risk

The functional currency of the Company and its major subsidiaries is RMB. The majority of the revenues of the Group are derived from operations in the PRC. It did not have significant exposure to foreign exchange risk in the PRC, except for certain balances as set out below:

As at 31 December 2024	Denominated in Hong Kong dollars ("HKD") RMB'000
Cash and cash equivalents	3,483
Other receivables	272
Other payable	(3,052)
As at 31 December 2023	Denominated in Hong Kong dollars ("HKD") RMB'000
Cash and cash equivalents	3,558
Other receivables	587
Other payable	(1,018)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

During the year ended 31 December 2024, the following foreign-exchange related amounts were recognised in the consolidated statement of profit or loss and the consolidated statement of comprehensive income:

	2024 RMB'000	2023 RMB'000
<i>Amounts recognised in the consolidated statement of profit or loss</i>		
Net other exchange loss	256	(200)
<i>Amounts recognised in other comprehensive income</i>		
Currency translation differences	265	361

The conversion of RMB into HKD is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

As at 31 December 2024, if HKD had weakened/strengthened by 5% against the RMB with all other variables held constant, post-tax profit for the year would have been approximately RMB35,000 higher/lower (2023: RMB156,000 higher/lower), mainly as a result of net foreign exchange gain/(loss) on translation of foreign currency denominated balances.

(ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from bank balances, borrowings, notes payable and corporate bonds. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by bank balances held at variable rates. Borrowings, notes payable and corporate bonds issued at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to minimise the interest rate risk by closely monitoring the ratio between borrowings at variable rates and borrowings, notes payable and corporate bonds at fixed rates. During 2024 and 2023, the Group's borrowings at variable rates were mainly denominated in RMB.

At 31 December 2024, if interest rates had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been decreased/increased by RMB33,368,000 (2023: RMB25,608,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

The carrying amounts of cash and cash equivalents, trade receivables, other receivables, deposits and prepayments, loan to an associate and amounts due from associates represent the Group's maximum exposure to credit risk in relation to its financial assets. The credit risk for bank balances is minimal as such balances are placed with regulated commercial banks, and management considers these balances are subject to low credit risk. The Group carries out regular reviews and follow-up actions on any overdue amounts to minimise exposures to credit risk. There is no significant concentration of credit risk as at 31 December 2024.

The Group applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables with an insignificant expected loss rate applied. The counterparty of the trade receivables is the PRC Government and hence the expected credit loss is minimal. Trade receivables of the Group continue to be recognised at amortised cost.

Impairment of other receivables, deposits and prepayments, loan to an associate and amounts due from associates are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If there is a significant increase in credit risk since initial recognition, the impairment is measured as lifetime expected credit losses. As at 31 December 2024 and 2023, the Group assessed the expected credit losses for the other receivables to be insignificant.

The Group does not hold any collateral as security. The maximum exposure to credit risk at the reporting date is the carrying value of the receivables as stated in the consolidated statement of financial position.

(c) Liquidity risk

Due to the capital intensive nature of the Group's business, the Group ensures that it maintains sufficient cash and credit lines to meet its liquidity requirements (see also note 2(a)(ii)).

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- (a) all non-derivative financial liabilities, and
- (b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The table below analyses the Group's financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows (including respective interest payments).

	On demand RMB'000	Within 1 year RMB'000	Over 1 year and within 2 years RMB'000	over 2 years and within 5 years RMB'000	Over 5 years RMB'000	Total contractual cash flows RMB'000
Contractual maturities of financial liabilities						
As at 31 December 2024						
Borrowings	-	2,334,304	2,216,689	4,082,389	4,357,565	12,990,947
Notes payable	-	1,600,443	1,184,951	1,828,433	1,121,848	5,735,675
Corporate bonds	-	19,200	506,944	-	-	526,144
Amounts due to non-controlling interests of a subsidiary	50,772	-	-	-	-	50,772
Trade and other payables and accrued charges	-	890,671	-	-	-	890,671
Lease liabilities	-	11,222	10,316	1,485	1,315	24,338
	50,772	4,855,840	3,918,900	5,912,307	5,480,728	20,218,547
	On demand RMB'000	Within 1 year RMB'000	Over 1 year and within 2 years RMB'000	Over 2 years and within 5 years RMB'000	Over 5 years RMB'000	Total contractual cash flows RMB'000
Contractual maturities of financial liabilities						
As at 31 December 2023						
Borrowings	-	1,481,853	1,897,167	4,127,059	3,634,122	11,140,201
Notes payable	-	3,428,182	1,047,150	514,350	-	4,989,682
Corporate bonds	-	2,090,300	19,200	519,200	-	2,628,700
Amount due to a non-controlling interest of a subsidiary	1,611	-	-	-	-	1,611
Trade and other payables and accrued charges	-	867,119	-	-	-	867,119
Lease liabilities	-	1,913	964	1,127	1,691	5,695
	1,611	7,869,367	2,964,481	5,161,736	3,635,813	19,633,008

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital risk management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as the total of notes payable, corporate bonds, borrowings (excluding interest payable to notes payable, corporate bonds and borrowings), lease liabilities less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated statement of financial position, plus net debt.

The gearing ratio is calculated as follows:

	2024 RMB'000	2023 RMB'000
Borrowings	11,253,548	9,624,866
Notes payable	5,611,386	4,794,783
Corporate bonds	499,667	2,499,094
Lease liabilities	23,099	5,073
Total debt	17,387,700	16,923,816
Less: cash and cash equivalents	(1,978,432)	(2,380,785)
Net debt	15,409,268	14,543,031
Total equity	15,406,137	14,849,937
Total capital	30,815,405	29,392,968
Gearing ratio	50.0%	49.5%

The increase in the gearing ratio as at 31 December 2024 was primarily resulted from the net effect of the increase of the balance of borrowings and notes payable and the decrease of the balance of corporate bonds and cash and cash equivalents as at the year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers among level 1, level 2 and level 3 fair value hierarchy classifications in both years.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 FINANCIAL RISK MANAGEMENT (continued)

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

The fair value of other non-current receivables and non-current borrowings approximate to the present value of future cash flows discounted at the applicable interest rates and are categorised at level 2. The fair value of notes payable and corporate bonds is determined by using valuation techniques as it is not traded in an active market and is categorised as 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	
	31 December 2024 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	31 December 2023 RMB'000
Loan to an associate	6,406	6,406	6,406	6,406
Non-current borrowings	9,247,828	8,457,900	8,958,521	8,179,107
Notes payable (due after one year)	3,815,984	1,498,746	3,947,983	1,537,531
Corporate bonds (due after one year)	499,667	499,667	526,204	523,975

The fair values of the following financial assets and liabilities approximate to their carrying amounts:

- Trade receivables
- Financial assets included in other receivables, deposits and prepayments
- Amounts due from associates
- Cash and cash equivalents
- Amounts due to non-controlling interests of a subsidiary
- Financial liabilities included in trade and other payables and accrued charges
- Borrowings due within one year
- Notes payable due within one year
- Corporate bonds due within one year

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets or liabilities within the next financial year are discussed below.

(a) Impairment of goodwill and intangible operating rights

The Group tests annually whether goodwill has suffered any impairment. The Group also tested whether intangible operating rights have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of cash-generating units have been determined based on value-in-use and fair value less costs of disposal calculations. The calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units to which the goodwill and intangible operating right belong and the use of suitable discount rates in order to calculate the present value. When the carrying amount of the cash-generating unit exceeds its value-in-use, the Group also assesses its fair value less costs of disposal to determine the cash-generating unit's recoverable amount, which is the higher of its fair value less costs of disposal and value-in-use.

(b) Impairment of non-financial assets (other than goodwill and intangible operating rights)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(c) Amortisation of intangible operating rights

Amortisation of intangible operating rights is calculated to write off their costs on a unit-of-usage basis based on the traffic volume for a particular period over the projected total traffic volume throughout the life of the assets.

At present, the range of annual traffic growth rates that have been projected for individual toll highways and bridges is approximately –9.3% to 24.6% (excluding the growth rates in the year of performing significant repair and maintenance).

(d) Current income tax and deferred income tax

The Group is subject to income tax in the PRC. Significant judgement is required in determining the amount of the provision for and the timing of payment of the related income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the periods in which such determination are made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The management exercises judgement in determining the future taxable profit based on the projected future traffic volume and specific circumstance of the toll highways and bridges operated by the individual entity with tax losses. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and income tax in the periods in which such estimate is changed.

5 REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in investment, construction and development, operation and management of expressways and bridges in Guangdong Province and other high-growth provinces 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 year. 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 consolidated financial statements.

During the year ended 31 December 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5 REVENUE AND SEGMENT INFORMATION (continued)

	Toll roads operations RMB'000	All other segments RMB'000	Total RMB'000
Year ended 31 December 2024			
Revenue (from external customers)			
– Toll revenue	3,786,234	–	3,786,234
– Income from service area and gas station	38,171	–	38,171
– Entrusted road management service income	34,932	–	34,932
– Other toll operating income	7,782	–	7,782
	3,867,119	–	3,867,119
Amortisation of			
– Intangible operating rights	(1,514,463)	–	(1,514,463)
– Other intangible assets	(6,260)	–	(6,260)
Depreciation of			
– Property, plant and equipment	(13,877)	(66)	(13,943)
– Right-of-use assets	(11,283)	–	(11,283)
Government subsidy	3,797	–	3,797
Gain on disposal of a subsidiary	65,840	–	65,840
Operating profit/(loss)	1,644,423	(2,685)	1,641,738
Finance income	29,782	–	29,782
Finance costs	(481,226)	–	(481,226)
Share of result of a joint venture, net of tax	72,302	–	72,302
Share of results of associates, net of tax	53,076	(18,067)	35,009
Profit/(loss) before income tax	1,318,357	(20,752)	1,297,605
Income tax expense	(333,245)	–	(333,245)
Profit/(loss) for the year	985,112	(20,752)	964,360

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5 REVENUE AND SEGMENT INFORMATION (continued)

	Toll roads operations RMB'000	All other segments RMB'000	Total RMB'000
Year ended 31 December 2023			
Revenue (from external customers)			
– Toll revenue	3,841,319	–	3,841,319
– Income from service area and gas station	35,462	–	35,462
– Entrusted road management service income	35,907	–	35,907
– Construction service income	47,092	–	47,092
– Other toll operating income	6,946	–	6,946
	3,966,726	–	3,966,726
Amortisation of			
– Intangible operating rights	(1,277,869)	–	(1,277,869)
– Other intangible assets	(6,398)	–	(6,398)
Depreciation of			
– Property, plant and equipment	(12,091)	(205)	(12,296)
– Right-of-use assets	(11,446)	–	(11,446)
Other compensation income	1,079	–	1,079
Government subsidy	6,209	–	6,209
Operating profit/(loss)	1,804,745	(341)	1,804,404
Finance income	30,191	–	30,191
Finance costs	(562,395)	–	(562,395)
Share of result of a joint venture, net of tax	75,708	–	75,708
Share of results of associates, net of tax	220,075	(19,077)	200,998
Profit/(loss) before income tax	1,568,324	(19,418)	1,548,906
Income tax expense	(427,263)	–	(427,263)
Profit/(loss) for the year	1,141,061	(19,418)	1,121,643
Assets and liabilities			
As at 31 December 2024			
Total segment assets	37,457,455	49,336	37,506,791
Addition to non-current assets	1,108,220	–	1,108,220
Acquisition of a subsidiary	2,151,388	–	2,151,388
Total segment assets include:			
Investment in a joint venture	485,281	–	485,281
Investments in associates	1,507,385	19,214	1,526,599
Total segment liabilities	(21,980,373)	(120,281)	(22,100,654)
As at 31 December 2023			
Total segment assets	36,432,839	69,619	36,502,458
Addition to non-current assets	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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5 REVENUE AND SEGMENT INFORMATION (continued)

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.

6 OTHER INCOME, GAINS AND LOSSES – NET

	2024 RMB'000	2023 RMB'000
Gain on disposal of a subsidiary (note 32)	65,840	–
Fair value loss on investment properties (note 17)	(4,290)	(882)
Gain on disposal of property, plant and equipment	18	317
Compensation for expressways and bridges damages	9,146	9,933
Other compensation income (note a)	7,136	1,079
Management service income	5,184	7,524
Government subsidy	3,797	6,209
Gain on write off of other payables	6,475	–
Others	3,779	825
Impairment loss on investment in an associate (note b)	–	(100,168)
	97,085	(75,163)

Note:

- (a) The amount mainly represented compensation from third parties and the government on requisition of land and demolition of plants and other greening facilities.
- (b) An impairment loss of RMB100,168,000 was recognized against the investment in Shantou Bay Bridge during the year ended 31 December 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7 EXPENSES BY NATURE

Expenses included in cost of services and general and administrative expenses primarily comprise the following items:

	2024 RMB'000	2023 RMB'000
Taxes and surcharges	22,785	23,511
Amortisation of		
– Intangible operating rights (note 13)	1,514,463	1,277,869
– Other intangible assets (note 16)	6,260	6,398
Depreciation of		
– Property, plant and equipment (note 15(a))	13,943	12,296
– Right-of-use assets (note 15(b))	11,283	11,446
Employee benefit expense (note 8)	389,090	384,970
Toll highways and bridges maintenance expenses	176,884	145,647
Toll highways and bridges operating expenses	112,611	169,072
Auditor's remuneration		
– Audit services	2,980	2,980
– Non-audit services	5,177	1,070
Legal and professional fees	29,503	19,386

8 EMPLOYEE BENEFIT EXPENSE

	2024 RMB'000	2023 RMB'000
Staff costs (including directors' emoluments)		
– Wages and salaries	270,137	266,585
– Pension costs (defined contribution plan) (note a)	41,909	41,264
– Social security costs	39,337	39,353
– Staff welfare and other benefits	38,179	37,597
– Equity-settled share option expense (note 31)	(472)	171
Total employee benefit expense	389,090	384,970

Employee benefit expenses are included in “cost of services” and “general and administrative expenses” of RMB196,110,000 (2023: RMB204,631,000) and RMB192,980,000 (2023: RMB180,339,000) respectively in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8 EMPLOYEE BENEFIT EXPENSE (continued)

Notes:

- (a) Subsidiaries of the Company in the PRC are required to participate in defined contribution retirement plans organised by the respective Provincial or Municipal People's Governments.

The Group also participates in the Mandatory Provident Fund Scheme ("MPF Scheme") for other Hong Kong employees. The Group's MPF Scheme contributions are at 5% of the employees' relevant income as defined in the Hong Kong Mandatory Provident Fund Schemes Ordinance up to a maximum of HKD1,500 (equivalent to RMB1,368) per employee per month. The employees also contribute a corresponding amount to the MPF Scheme if their relevant income is more than HKD7,100 per month (equivalent to RMB6,473). The MPF contributions are fully and immediately vested in the employees as accrued benefits once they are paid.

There was no forfeited contribution as at 31 December 2024 (2023: Nil). No forfeited contribution was utilised during the year (2023: Nil). Contributions totalling RMB41,909,000 (2023: RMB41,264,000) were payable to the fund during the year. There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

- (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2023: four) directors whose emoluments are reflected in the analysis shown in note 39. The emoluments payable to the remaining two (2023: one) individuals during the year amounted to RMB4,558,000 (2023: RMB2,494,000), which include(s) salaries of RMB1,092,000 (2023: RMB530,000), discretionary bonuses of RMB2,956,000 (2023: RMB1,699,000), estimated money value of other benefits of RMB253,000 (2023: RMB124,000), employer's contribution to a retirement benefit scheme of RMB268,000 (2023: RMB127,000) and equity-settled share option expense reversed upon expiry of RMB11,000 (2023: equity-settled share option expense of RMB14,000).

The number of non-director and non-chief executive highest paid employees whose emoluments fell within the following bands is as follows:

	Number of individuals	
	2024	2023
Emolument bands (in HK dollar)		
HKD2,000,001 – HKD2,500,000	1	–
HKD2,500,001 – HKD3,000,000	1	1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9 FINANCE INCOME/(COSTS)

	2024 RMB'000	2023 RMB'000
Bank interest income	29,551	29,869
Interest income on loan to an associate	231	322
Finance income	29,782	30,191
Interest expenses:		
– Bank borrowings	(308,055)	(307,884)
– Bank facility fees	(392)	(2,309)
– Loan from the immediate holding company	(3,101)	(3,194)
– Notes payable	(138,989)	(132,156)
– Corporate bonds	(34,695)	(106,408)
– Lease liabilities (note 15(b))	(1,010)	(489)
Net other exchange loss	256	(200)
Others	(12,004)	(14,539)
	(497,990)	(567,179)
Less: Interest capitalised in respect of intangible operating rights	16,764	4,784
Finance costs	(481,226)	(562,395)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10 INCOME TAX EXPENSE

- (a) No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Group had no assessable income subject to Hong Kong profits tax during the year (2023: Nil).
- (b) During the year ended 31 December 2024, PRC enterprise 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 year ended 31 December 2024 is 25% (2023: 25%). Guangzhou North Second Ring Transport Technology Company Limited ("GNSR Company"), a subsidiary of the Group, has been recognised as an eligible entity in 2019 to enjoy three years' preferential tax treatment of income tax, at a preferential income tax rate of 15%, started from 2018. During the year ended 31 December 2021 and 2024, the preferential tax treatment of income tax has been extended to the year ended 31 December 2023 and 2026. In 2013, Guangxi Yuexiu Cangyu Expressway Company Limited, a subsidiary of the Group, was recognised as an eligible entity to enjoy eighteen years' preferential tax treatment of income tax, at a preferential income tax rate of 15%, started from 2013 and the preferential tax treatment of income tax was extended to the year ended 31 December 2030 in 2020.

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 year, 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% (2023: 5% or 10%).

As at 31 December 2024, deferred tax liabilities of RMB180,278,000 (2023: RMB151,979,000) were not recognised in respect of withholding tax on the unremitted earnings of certain entities in the PRC, as these earnings are expected to be reinvested in the PRC.

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

	2024 RMB'000	2023 RMB'000
Current income tax		
PRC enterprise income tax	376,233	407,363
Deferred income tax (note 27)	(42,988)	19,900
	333,245	427,263

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10 INCOME TAX EXPENSE (continued)

The tax on the Group's profit before income tax less share of results of associates and a joint venture differs from the theoretical amount that would arise using the principal applicable tax rate as follows:

	2024 RMB'000	2023 RMB'000
Profit before income tax	1,297,605	1,548,906
Less: share of results of associates, net of tax	(35,009)	(200,998)
Less: share of result of a joint venture, net of tax	(72,302)	(75,708)
	1,190,294	1,272,200
Calculated at a tax rate of 25% (2023: 25%)	297,574	318,050
Income not subject to tax	(14,943)	(1,401)
Expenses not deductible for tax purposes	43,402	76,202
Profit of subsidiaries with preferential tax treatment	(88,839)	(92,732)
Tax losses not recognised (note (i))	73,910	83,080
Utilisation of previously unrecognised tax losses	(1,486)	(113)
Adjustments in respect of current tax of previous periods	(607)	(311)
Effect of income tax on the distributable profits of subsidiaries and associates	22,817	33,395
Withholding tax on the interest income from subsidiaries established in Mainland China	4,760	11,093
Additional tax deduction for qualified research and development expenses	(3,343)	–
Income tax expense	333,245	427,263

Note:

- (i) Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of approximately RMB189,493,000 (2023: RMB191,148,000) in respect of unused losses amounting to approximately RMB757,971,000 (2023: RMB764,593,000). Unused tax losses of approximately RMB452,319,000 (2023: RMB296,325,000) will expire in 1 year and the remaining unused tax losses will expire prior to 2029.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 1,673,162,000 (2023: 1,673,162,000) during the year.

The calculation of diluted earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company, adjusted to reflect the interest on the share options, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2024	2023
Earnings		
Profit attributable to shareholders of the Company used in the basic and diluted earnings per share calculation (RMB'000)	656,781	765,309
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation ('000)	1,673,162	1,673,162
Effect of dilution – weighted average number of ordinary shares:		
Share options ('000)	–	–
Weighted average number of ordinary shares outstanding and potential ordinary shares during the year used in the diluted earnings per share calculation ('000)	1,673,162	1,673,162

No adjustment has been made to the basic earnings per share amounts presented for the year ended 31 December 2024 in respect of a dilution as the impact of share options outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

12 DIVIDENDS

	2024 RMB'000	2023 RMB'000
Interim, paid, HKD0.12 equivalent to approximately RMB0.1097 (2023: HKD0.15 equivalent to approximately RMB0.1372) per ordinary share	183,534	229,610
Final, proposed, HKD0.13 equivalent to approximately RMB0.12 (2023: HKD0.15 equivalent to approximately RMB0.1362) per ordinary share	200,737	227,837
	384,271	457,447

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12 DIVIDENDS (continued)

The final dividend was proposed after the end of the reporting period and has not been recognised as a liability at the end of the reporting period.

13 INTANGIBLE OPERATING RIGHTS

	RMB'000
Year ended 31 December 2024	
Opening net book amount	30,247,734
Additions	1,005,479
Disposal of a subsidiary (note 32)	(249,602)
Acquisition of a subsidiary (note 33)	2,137,198
Amortisation (note 7)	(1,514,463)
Closing net book amount	31,626,346
At 31 December 2024	
Cost	40,646,551
Accumulated amortisation	(9,020,205)
Net book amount	31,626,346
Year ended 31 December 2023	
Opening net book amount	30,641,331
Additions	713,062
Adjustment in final settlements	171,210
Amortisation (note 7)	(1,277,869)
Closing net book amount	30,247,734
At 31 December 2023	
Cost	38,810,363
Accumulated amortisation and impairment	(8,562,629)
Net book amount	30,247,734

Amortisation of intangible operating rights is included in the cost of services in the consolidated statement of profit or loss.

During the year, the Group was in the construction progress of the reconstruction and expansion project of GNSR Expressway. Total construction costs of RMB541,572,000 were incurred (2023: RMB504,996,000). All construction works were sub-contracted to third party subcontractors.

In addition, construction revenue of RMB541,572,000 (2023: RMB504,996,000) was recognised in respect of the construction services provided by the Group for the reconstruction and expansion project of GNSR Expressway using the input method during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13 INTANGIBLE OPERATING RIGHTS (continued)

At 31 December 2024, intangible operating rights with a net book amount of RMB26,142,853,000 (2023: RMB24,655,239,000) were pledged to secure the Group's bank borrowings.

14 GOODWILL

	2024 RMB'000	2023 RMB'000
Cost:		
At 1 January	567,850	567,850
Disposal of a subsidiary	(53,273)	–
At 31 December	514,577	567,850
Accumulated impairment:		
At 1 January	(53,273)	(53,273)
Disposal of a subsidiary	53,273	–
At 31 December	–	(53,273)
Net carrying amount:		
At 1 January and 31 December	514,577	514,577

Goodwill is allocated to the Group's individual CGUs including the operations of Guangzhou Northern Second Ring Expressway, Guangxi Cangyu Expressway, Henan Weixu Expressway, Hunan Changzhu Expressway and Hubei Suiyuan Expressway. The recoverable amounts of the above individual CGUs are determined based on higher of value in use or fair value less costs of disposal calculations. These calculations use cash flow projections based on financial budgets approved by management covering the remaining concession period of the expressways and the annual traffic growth rates ranged from –9.3% to 7.5% (excluding the growth rates in the year of performing significant repair and maintenance), which is similar to industry practice.

Key assumptions and considerations used in the calculations included estimated traffic growth, vehicle types of the toll expressways and highway operation and discount rate. Toll fee charging rates of the expressways or highways were regulated by the relevant government authorities in the PRC.

Management determined the above key assumptions and considerations based on historical records, past performance and its expectations for the market development. Both internal and external factors are considered, independent professional traffic studies on traffic flow growth will be obtained where appropriate. Discount rates adopted range from 5.31% to 6.4%. The specific risks underlying the toll highways industry are incorporated in the calculations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15(a) PROPERTY, PLANT AND EQUIPMENT

	Leasehold land RMB'000	Buildings RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
31 December 2024					
Opening net book amount	362	1,209	30,169	9,869	41,609
Additions	–	–	14,211	917	15,128
Acquisition of a subsidiary (note 33)	–	–	9,775	4,415	14,190
Disposal of a subsidiary (note 32)	–	–	(2,788)	(606)	(3,394)
Disposals	–	–	–	(232)	(232)
Depreciation (note 7)	(16)	(62)	(9,723)	(4,142)	(13,943)
Exchange differences	8	26	–	–	34
Closing net book amount	354	1,173	41,644	10,221	53,392
At 31 December 2024					
Cost	491	18,694	100,766	26,071	146,022
Accumulated depreciation	(137)	(17,521)	(59,122)	(15,850)	(92,630)
Net book amount	354	1,173	41,644	10,221	53,392
31 December 2023					
Opening net book amount	373	1,393	29,475	10,256	41,497
Additions	–	–	9,947	2,457	12,404
Disposals	–	–	(21)	–	(21)
Depreciation (note 7)	(16)	(204)	(9,232)	(2,844)	(12,296)
Exchange differences	5	20	–	–	25
Closing net book amount	362	1,209	30,169	9,869	41,609
At 31 December 2023					
Cost	479	18,293	102,087	24,592	145,451
Accumulated depreciation	(117)	(17,084)	(71,918)	(14,723)	(103,842)
Net book amount	362	1,209	30,169	9,869	41,609

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15(b) LEASES

This note provides information for leases where the Group is a lessee:

(i) Amounts recognised in the consolidated statement of financial position

The carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year are as follows:

	2024 RMB'000	2023 RMB'000
Right-of-use assets – properties		
As at 1 January	4,737	15,250
Additions	29,232	933
Depreciation charge (note 7)	(11,283)	(11,446)
As at 31 December	22,686	4,737
Lease liabilities		
Carrying amount at 1 January	5,073	15,974
New leases	29,232	933
Accretion of interest recognised during the year	1,010	489
Payments	(12,216)	(12,323)
Carrying amount at 31 December	23,099	5,073
Analysed into:		
Current	10,429	1,763
Non-current	12,670	3,310
	23,099	5,073

The maturity analysis of lease liabilities is disclosed in note 3 to the financial statements.

(ii) Amounts recognised in the consolidated statement of profit or loss

The consolidated statement of profit or loss includes the following amounts relating to leases:

	2024 RMB'000	2023 RMB'000
Depreciation charge of right-of-use assets	(11,283)	(11,446)
Interest expense (included in finance costs) (note 9)	(1,010)	(489)
Total amount recognised in profit or loss	(12,293)	(11,935)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15(b) LEASES (continued)

(iii) The total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2024 RMB'000	2023 RMB'000
Within financing activities	12,216	12,323

16 OTHER INTANGIBLE ASSETS

31 December 2024	Software RMB'000
Cost at 1 January 2024, net of accumulated amortisation	19,078
Additions	6,173
Disposals	(199)
Amortisation provided during the year (note 7)	(6,260)
At 31 December 2024	18,792
At 31 December 2024:	
Cost	44,476
Accumulated amortisation	(25,684)
Net carrying amount	18,792
31 December 2023	Software RMB'000
Cost at 1 January 2023, net of accumulated amortisation	16,944
Additions	8,532
Amortisation provided during the year (note 7)	(6,398)
At 31 December 2023	19,078
At 31 December 2023:	
Cost	38,503
Accumulated amortisation	(19,425)
Net carrying amount	19,078

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17 INVESTMENT PROPERTIES

	2024 RMB'000	2023 RMB'000
At 1 January	38,039	38,584
Exchange differences	456	337
Fair value loss (note 6)	(4,290)	(882)
At 31 December	34,205	38,039

Independent valuations of the Group's investment properties were performed by the valuers, C S Surveyors Limited and Vigers Appraisal and Consulting Limited, to determine the fair value of the investment properties as at 31 December 2024. The fair value of each investment property is individually determined at the end of each reporting period by the independent valuers. The revaluation gains or losses are included in "Other income, gains and losses – net" in the consolidated statement of profit or loss (note 6).

Description	Fair value measurements using significant unobservable inputs (Level 3)	
	2024 RMB'000	2023 RMB'000
Recurring fair value measurements		
Investment properties:		
– Office units – PRC	13,740	14,930
– Office units – Hong Kong	14,446	16,312
– Residential units – Hong Kong	6,019	6,797
	34,205	38,039

The Group's policy is to recognise transfers in/out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Levels 1, 2 and 3 during the year (2023: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17 INVESTMENT PROPERTIES (continued)

Fair value measurements using significant unobservable inputs (Level 3)

	Year ended 31 December 2024		
	Office units – PRC RMB'000	Office units – Hong Kong RMB'000	Residential units – Hong Kong RMB'000
Opening balance	14,930	16,312	6,797
Net losses from fair value adjustment	(1,190)	(2,155)	(945)
Exchange difference	–	289	167
Closing balance	13,740	14,446	6,019
Total changes in unrealised losses for the year as included in profit or loss for assets held at the end of the year	(1,190)	(2,155)	(945)

	Year ended 31 December 2023		
	Office units – PRC RMB'000	Office units – Hong Kong RMB'000	Residential units – Hong Kong RMB'000
Opening balance	15,020	16,329	7,235
Net losses from fair value adjustment	(90)	(251)	(541)
Exchange difference	–	234	103
Closing balance	14,930	16,312	6,797
Total changes in unrealised losses for the year as included in profit or loss for assets held at the end of the year	(90)	(251)	(541)

Valuation processes of the Group

The Group's investment properties at 31 December 2024 and 2023 were valued by independent professionally qualified valuers who hold recognised and relevant professional qualifications and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's finance department reviews the valuation performed by the independent valuer for financial reporting purposes. The Group's finance department reports directly to the senior management. At each year end, the finance department verifies all major inputs to the independent valuation report; assesses property valuation movements when compared to the prior year valuation report; and holds discussions with the independent valuer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17 INVESTMENT PROPERTIES (continued)

Valuation techniques

For office and residential units in the PRC and Hong Kong, the valuation was determined using the direct comparison approach. The direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted in close proximity and are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre/foot.

There were no changes in valuation techniques during the year and all investment properties are included in level 3 fair value hierarchy as at 31 December 2024.

Description	Fair value at 31 December 2024 (RMB'000)	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Office units – PRC	13,740 (2023: 14,930)	Direct comparison approach	Adjusted average price per square metre	RMB8,741 – RMB10,800 per square metre	The higher the adjusted average price per square meter, the higher the fair value
Office units – Hong Kong	14,446 (2023: 16,312)	Direct comparison approach	Adjusted average price per square foot	RMB10,239 – RMB12,697 per square foot	The higher the adjusted average price per square foot, the higher the fair value
Residential units – Hong Kong	6,019 (2023: 6,797)	Direct comparison approach	Adjusted average price per square foot	RMB7,669 – RMB9,235 per square foot	The higher the adjusted average price per square foot, the higher the fair value

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18 SUBSIDIARIES

(a) Subsidiaries

Details of the principal subsidiaries of the Company are set out in note 40.

(b) Material non-controlling interests

As at 31 December 2024, the total non-controlling interests were RMB3,557,831,000 (2023: RMB3,236,600,000).

Name of subsidiary with material non-controlling interests	Percentage of equity interests held by non-controlling interests		Non-controlling interests	
	31 December 2024	31 December 2023	31 December 2024 RMB'000	31 December 2023 RMB'000
Guangzhou North Second Ring Transport Technology Company Limited	40%	40%	1,109,712	1,224,489
Hubei Suiyuanan Expressway Company Limited	30%	30%	1,217,514	1,238,998
Tianjin Jinfu Expressway Company Limited (note 32)	N/A	40%	N/A	168,651
Hubei A'shennan Expressway Development Company Limited	10%	10%	195,791	198,766
Hancai Expressway Company Limited of Hubei Province	33%	33%	404,172	402,355
Henan Yuexiu Pinglin Expressway Company Limited	45%	N/A	627,302	N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18 SUBSIDIARIES (continued)

(b) Material non-controlling interests (continued)

Set out below is the summarised financial information for each subsidiary that has non-controlling interests material to the Group. The amounts disclosed are before any inter-company eliminations.

Summarised statement of financial position

	Guangzhou North				Hubei A'shennan				Hubei Suiyuanan				Tianjin Jinfu				Hancui Expressway				Henan Yuexiu Pinglin			
	Second Ring Transport Technology				Expressway Development				Expressway Development				Expressway Development				Company Limited of Hubei Province				Company Limited Expressway			
	2024	2023			2024	2023			2024	2023			2024	2023			2024	2023			2024	2023		
	RMB'000	RMB'000			RMB'000	RMB'000			RMB'000	RMB'000			RMB'000	RMB'000			RMB'000	RMB'000			RMB'000	RMB'000		
Current assets	961,351	516,749			267,601	279,529			73,509	77,026			92,559	45,587			175,267							
Current liabilities	(996,765)	(228,845)			(429,674)	(209,342)			(1,066,377)	(618,433)			(380,502)	(174,412)			(202,853)							
Total net current assets/(liabilities)	(35,414)	287,904			(162,073)	70,187			(992,868)	(541,407)			(287,943)	(128,825)			(27,586)							
Non-current assets	4,080,911	3,734,368			5,365,516	5,542,387			6,690,249	6,833,721			3,309,250	3,427,541			2,146,324							
Non-current liabilities	(1,271,217)	(963,154)			(1,145,065)	(1,482,577)			(3,739,475)	(4,304,651)			(1,796,542)	(2,079,429)			(724,734)							
Total net non-current assets	2,809,694	2,771,214			4,220,451	4,059,810			2,950,774	2,529,070			1,512,708	1,348,112			1,421,590							
Net assets	2,774,280	3,059,118			4,058,378	4,129,997			1,957,906	1,987,663			1,224,765	1,219,287			1,394,004							

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18 SUBSIDIARIES (continued)

(b) Material non-controlling interests (continued)
Summarised statement of profit or loss

	Guangzhou North				Hubei A'shennan				Henan Yuexiu			
	Second Ring Transport		Hubei Suiyuanan		Tianjin Jinfu		Expressway Development		Hancui Expressway		Pinglin Expressway	
	Technology		Expressway		Expressway		Company Limited		Company Limited of		Company Limited	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	1,045,790	1,157,542										-
Profit/(loss) before income tax	622,423	680,871	734,805	727,438	82,450	85,795	416,234	468,455	252,773	273,873	51,297	-
Income tax expense	(75,123)	(84,267)	348,432	434,423	16,278	19,541	2,593	61,990	7,598	50,450	19,660	-
			(87,414)	(108,785)	(4,375)	(4,922)	(32,351)	(39,090)	(2,090)	(14,502)	(4,655)	
Profit/(loss) and total comprehensive income/(loss)	547,300	596,604	261,018	325,638	11,903	14,619	(29,758)	22,900	5,508	35,948	15,005	-
Total comprehensive income/(loss) attributable to non-controlling interests	218,920	238,642	78,305	97,691	4,761	5,848	(2,976)	2,290	1,817	11,863	6,752	-
Dividends declared to non-controlling interests	333,697	194,748	99,791	86,283	6,356	3,233	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18 SUBSIDIARIES (continued)

(b) Material non-controlling interests (continued)

Summarised cash flows

	Guangzhou North Second Ring		Hubei Suiyuanan Expressway		Tianjin Jinfu Expressway		Hubei A'shennan Expressway Development		Hancal Expressway Company Limited of Hubei Province		Yuexiu Henan Pinglin Expressway Company Limited	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities												
Cash generated from operations	804,166	908,925	665,174	694,319	49,862	57,145	338,130	407,692	171,867	215,889	44,818	-
Income tax paid	(118,971)	(120,678)	(109,106)	(106,323)	(5,705)	(5,491)	-	-	(17,324)	(12,598)	-	-
Net cash generated from operating activities	685,195	788,247	556,068	587,996	44,157	51,654	338,130	407,692	154,543	203,291	44,818	-
Net cash used in investing activities	(507,258)	(1,320,718)	(106,980)	(32,943)	49,122	(32,746)	(68,736)	(66,520)	(33,266)	(9,966)	111,434	-
Net cash generated from/(used in) financing activities	(385,108)	464,716	(453,995)	(387,327)	(25,890)	(30,083)	(268,424)	(343,644)	(118,794)	(197,450)	(6,283)	-
Net (decrease)/increase in cash and cash equivalents	(207,171)	(67,755)	(4,907)	167,726	67,389	(11,175)	970	(2,472)	2,483	(4,125)	149,969	-
Cash and cash equivalents at 1 January	484,024	551,779	245,542	77,816	29,429	40,604	10,879	13,351	6,846	10,971	-	-
Cash and cash equivalents at 31 December	276,853	484,024	240,635	245,542	96,818	29,429	11,849	10,879	9,329	6,846	149,969	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19 INVESTMENT IN A JOINT VENTURE

Movements in the Group's investment in a joint venture are set out below:

	2024 RMB'000	2023 RMB'000
At 1 January	478,813	463,763
Share of results for the year		
– profit before income tax	100,178	98,730
– income tax expense	(27,876)	(23,022)
	72,302	75,708
Dividends	(65,834)	(60,658)
At 31 December	485,281	478,813

The joint venture, Guangzhou Western Second Ring Expressway Co., Ltd., is a private company and there is no quoted market price available for its shares. There are no contingent commitments and liabilities relating to the Group's interest in the joint venture.

Summarised financial information of the joint venture is set out below:

	2024 RMB'000	2023 RMB'000
Revenue	510,422	498,446
Depreciation and amortisation	(161,201)	(154,025)
Interest income	3,100	1,433
Interest expense	(381)	(896)
Other expenses – net	(65,717)	(62,873)
Profit before income tax	286,223	282,085
Income tax expense	(79,646)	(65,776)
Profit and total comprehensive income	206,577	216,309

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19 INVESTMENT IN A JOINT VENTURE (continued)

	2024 RMB'000	2023 RMB'000
Current		
Cash and cash equivalents	396,492	221,702
Other current assets	8,695	11,790
Total current assets	405,187	233,492
Trade payables and other current liabilities	(96,691)	(90,951)
Total current liabilities	(96,691)	(90,951)
Non-current		
Total non-current assets	1,103,091	1,270,094
Financial liabilities	(5,000)	(22,000)
Other liabilities	(20,070)	(22,599)
Total non-current liabilities	(25,070)	(44,599)
Net assets	1,386,517	1,368,036

The information above reflects the amounts presented in the financial statements of the joint venture (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the joint venture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19 INVESTMENT IN A JOINT VENTURE (continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's investment in the joint venture is set out below:

	2024 RMB'000	2023 RMB'000
Opening net assets at 1 January	1,368,036	1,325,036
Profit for the year	206,577	216,309
Dividends paid	(188,096)	(173,309)
Closing net assets at 31 December	1,386,517	1,368,036
Group's share of net assets	485,281	478,813
Carrying amount of investment in the joint venture	485,281	478,813

Details of the Group's joint venture are set out in note 40.

20 INVESTMENTS IN ASSOCIATES

Movements in the Group's investments in associates are set out below:

	2024 RMB'000	2023 RMB'000
At 1 January	1,599,983	1,823,180
Share of results for the year		
– profit before income tax	67,940	265,132
– income tax expense	(32,931)	(64,134)
	35,009	200,998
Dividends	(108,393)	(324,027)
Impairment (note 6)	–	(100,168)
At 31 December	1,526,599	1,599,983

There are no contingent liabilities relating to the Group's interests in associates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20 INVESTMENTS IN ASSOCIATES (continued)

Summarised financial information of the investments in associates that are material to the Group is set out below:

	Guangdong				Guangdong				Guangdong				Guangzhou				Guangzhou				Pazhou Port Co., Ltd				CAMC-Yuexiu Expressway Close-end Infrastructure Securities Investment Fund			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	978,575	1,064,559	638,162	682,520			159,281	723,921	103,272	107,637			51,691	23,164			225,331											
Profit/(loss) and total comprehensive income/(loss)	391,861	478,869	40,911	85,744			(187,636)	351,889	26,941	36,454			(40,149)	(42,392)			28,796											
Share of dividends declared from the associates	(21,118)	(143,491)	(30,409)	(19,006)			-	(98,547)	(14,089)	(16,808)			-	-			(42,777)											
Assets:																												
Non-current assets	1,465,084	1,754,658	4,639,113	4,975,176			1,422	25,797	143,169	170,056			303,303	301,709			2,227,830											
Current assets	84,585	137,601	173,966	138,049			405,174	271,412	47,837	40,570			49,443	42,198			87,758											
	1,549,669	1,892,259	4,813,079	5,113,225			406,596	297,209	191,006	210,626			352,746	343,907			2,315,588											
Liabilities:																												
Non-current liabilities	(197,488)	(250,553)	(1,971,003)	(2,185,456)			-	(2,285)	(27,131)	(27,182)			(269,116)	(210,037)			(407,191)											
Trade payables and other current liabilities	(58,249)	(625,149)	(312,609)	(310,519)			(364,576)	(65,268)	(16,913)	(16,461)			(40,933)	(51,024)			(80,538)											
	(255,737)	(875,702)	(2,283,612)	(2,495,975)			(364,576)	(67,553)	(44,044)	(43,643)			(310,049)	(261,061)			(487,729)											
Net assets	1,293,932	1,016,557	2,529,467	2,617,250			42,020	229,656	146,962	166,983			42,697	82,846			1,827,859											

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts unless stated) adjusted for differences in accounting policies between the Group and the associates. The market value of CAMC-Yuexiu Expressway Close-end Infrastructure Securities Investment Fund as at 31 December 2024 is RMB573,480,000 (31 December 2023: RMB552,060,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20 INVESTMENTS IN ASSOCIATES (continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's investments in associates that are material to the Group is set out below:

	CAMC-Yuexiu Expressway Close-end Infrastructure Securities Investment Fund																			
	Guangdong Humen Bridge Co., Ltd.				Guangdong Qinglian Highway Development Co., Ltd.				Guangzhou Northing Super Highway Co., Ltd.				Guangdong Shantou Bay Bridge Co., Ltd.				Guangzhou Pazhou Port Co., Ltd			
	2024		2023		2024		2023		2024		2023		2024		2023		2024		2023	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Opening net assets at 1 January	1,016,557	1,315,586			2,617,250	2,611,938			229,656	283,310			166,983	186,556			82,946	125,238		
Profit/(loss) for the year	391,861	478,869			40,911	85,744			(187,636)	351,889			26,941	36,454			(40,149)	(42,392)		
Dividends	(114,486)	(777,898)			(128,694)	(80,432)			-	(405,543)			(46,962)	(56,027)			-	-		
Closing net assets at 31 December	1,293,932	1,016,557			2,529,467	2,617,250			42,020	229,656			146,962	166,983			42,697	82,846		
Group's share of net assets	341,288	290,125			597,714	618,455			10,236	55,832			44,088	50,095			19,214	37,280		
Goodwill (less cumulative impairment)	-	-			-	-			-	-			5,905	5,905			-	-		
Provision for impairment	(34,503)	(34,502)			(5,702)	(5,702)			-	-			-	-			-	-		
Carrying amount of investments in the associates	306,785	255,623			592,012	612,753			10,236	55,832			49,993	56,000			19,214	37,280		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 RMB'000	2023 RMB'000
Trade receivables	187,508	112,389
Other receivables, deposits and prepayments	1,051,738	1,019,715
	1,239,246	1,132,104
Less: non-current portion (note)	(967,494)	(916,926)
	271,752	215,178

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

An aging 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:

	2024 RMB'000	2023 RMB'000
Within 1 month	116,999	112,389
1 to 3 months	12,315	–
3 to 6 months	20,259	–
Over 6 months	37,935	–
Total	187,508	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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22 CASH AND CASH EQUIVALENTS

	2024 RMB'000	2023 RMB'000
Cash at banks and in hand	1,687,932	2,097,435
Short-term bank deposits with original maturity of less than three months	290,500	283,350
Cash and cash equivalents	1,978,432	2,380,785

Cash and cash equivalents are denominated in the following currencies:

	2024 RMB'000	2023 RMB'000
Renminbi	1,974,949	2,377,227
HK dollars	3,483	3,558
	1,978,432	2,380,785

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

23 SHARE CAPITAL

	2024		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 CONSOLIDATED FINANCIAL STATEMENTS (continued)

24 RESERVES

	Share premium RMB'000	Capital reserve (note (a)) RMB'000	Share option reserve (note 31) RMB'000	Exchange fluctuation reserve RMB'000	Statutory reserves (note (b)) RMB'000	Retained profits RMB'000	Asset revaluation reserve (note (c)) RMB'000	Transaction with non- controlling interests reserve RMB'000	Total RMB'000
Balance at 1 January 2024	2,375,743	1,501,716	5,651	407,035	605,026	6,078,329	558,250	(65,735)	11,466,015
Profit for the year	-	-	-	-	-	656,781	-	-	656,781
Currency translation differences	-	-	-	265	-	-	-	-	265
Transfers	-	-	-	-	124,063	(124,063)	-	-	-
Equity-settled share option arrangements	-	-	(472)	-	-	-	-	-	(472)
Dividends									
- 2023 final dividend	-	-	-	-	-	(234,424)	-	-	(234,424)
- 2024 interim dividend	-	-	-	-	-	(187,181)	-	-	(187,181)
Balance at 31 December 2024	2,375,743	1,501,716	5,179	407,300	729,089	6,189,442	558,250	(65,735)	11,700,984

	Share premium RMB'000	Capital reserve (note (a)) RMB'000	Share option reserve (note 31) RMB'000	Exchange fluctuation reserve RMB'000	Statutory reserves (note (b)) RMB'000	Retained profits RMB'000	Asset revaluation reserve (note (c)) RMB'000	Transaction with non- controlling interests reserve RMB'000	Total RMB'000
Balance at 1 January 2023	2,375,743	1,501,716	5,480	406,674	568,666	5,732,329	558,250	(65,735)	11,083,123
Profit for the year	-	-	-	-	-	765,309	-	-	765,309
Currency translation differences	-	-	-	361	-	-	-	-	361
Transfers	-	-	-	-	36,360	(36,360)	-	-	-
Equity-settled share option arrangements	-	-	171	-	-	-	-	-	171
Dividends									
- 2022 final dividend	-	-	-	-	-	(154,237)	-	-	(154,237)
- 2023 interim dividend	-	-	-	-	-	(228,712)	-	-	(228,712)
Balance at 31 December 2023	2,375,743	1,501,716	5,651	407,035	605,026	6,078,329	558,250	(65,735)	11,466,015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

24 RESERVES (continued)

Notes:

- (a) 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.
- (b) Statutory reserves represent enterprise expansion and general reserve funds appropriated by the operating subsidiaries, associates and a joint venture in the PRC. As stipulated by regulations in the PRC, the Company's subsidiaries, associates and a joint venture established and operated in the PRC are required to appropriate a portion of their after-tax profits (after offsetting prior year losses) to the enterprise expansion and general reserve funds, at rates determined by their respective Boards of Directors. According to the Regulations for the Implementation of the Law of The People's Republic of China on Joint Ventures Using Chinese and Foreign Investment, upon approval by the Board, the general reserve funds may be used for making up losses and increasing capital while the enterprise expansion fund may be used for increasing capital.
- (c) The asset revaluation reserve represents the fair value gain on revaluation of the 40% equity interest in GNSR Company 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.

25 BORROWINGS

	2024 RMB'000	2023 RMB'000
Bank borrowings	11,153,548	9,496,565
Loan from the immediate holding company	100,000	100,000
Loan from a non-controlling interest of a subsidiary	–	28,301
Interest payable	9,401	11,123
Total borrowings	11,262,949	9,635,989
Less: Amounts due within one year as shown under current liabilities	(2,015,121)	(1,178,089)
Total non-current borrowings	9,247,828	8,457,900

- (a) As at 31 December 2024, the Group's borrowings were repayable as follows:

	2024 RMB'000	2023 RMB'000
Within one year	2,015,121	1,178,089
Over 1 year but within 2 years	1,946,669	1,630,243
Over 2 years but within 5 years	3,585,467	3,620,006
Over 5 years	3,715,692	3,207,651
Total	11,262,949	9,635,989

- (b) Bank borrowings of RMB8,785,786,000 (2023: RMB7,500,668,000) are secured by intangible operating rights (note 13) of the Group. All bank borrowings are interest-bearing at rates ranging from 2.10% to 3.00% (2023: 2.70% to 4.15%) per annum. The effective interest rate of these borrowings at 31 December 2024 is 2.70% (2023: 3.13%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25 BORROWINGS (continued)

- (c) Loan from the immediate holding company is unsecured, interest-bearing at a rate of 3.05% (2023: 3.15%) per annum and repayable within one year.
- (d) Loan from a non-controlling interest of a subsidiary is unsecured and interest-free. The carrying amounts of these interest-free loans at 31 December 2023 approximated to their fair values which were calculated based on cash flows discounted at a rate of 4.35%. During the year ended 31 December 2024, loan from a non-controlling interest of a subsidiary have been fully repaid.
- (e) All borrowings are denominated in RMB as at 31 December 2024 and 2023.

26 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.

	2024 RMB'000	2023 RMB'000
At 1 January	302,056	316,006
Addition	84,299	60,219
Credited to "Revenue"	(88,666)	(74,169)
At 31 December	297,689	302,056
Less: non-current portion	(272,975)	(286,264)
Current portion	24,714	15,792

As at 31 December 2024, the Group expected that the transaction prices allocated to unsatisfied performance obligation for income from service areas and gas stations of RMB37,080,000 will be recognised as income from service areas and gas stations from 2025 onwards.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27 DEFERRED INCOME TAX

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

	2024 RMB'000	2023 RMB'000
Deferred income tax assets:		
Deferred income tax assets to be recovered after 12 months	17,959	9,171
Deferred income tax assets to be recovered within 12 months	1,682	15,478
	19,641	24,649
Deferred income tax liabilities:		
Deferred income tax liabilities to be recovered after 12 months	2,976,145	3,045,176
Deferred income tax liabilities to be recovered within 12 months	32,059	51,558
	3,008,204	3,096,734
	2,988,563	3,072,085

The gross movement in the deferred income tax account is as follows:

	2024 RMB'000	2023 RMB'000
At 1 January	3,072,085	3,052,185
(Credited)/charged to the consolidated statement of profit or loss (note 10)	(42,988)	19,900
Disposal of a subsidiary (note 32)	(29,961)	–
Acquisition of a subsidiary (note 33)	(10,573)	–
At 31 December	2,988,563	3,072,085

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27 DEFERRED INCOME TAX (continued)

Deferred income tax liabilities

	Withholding tax on dividend distributed for reinvestment RMB'000	Withholding tax on undistributed profits of subsidiaries and associates RMB'000	Fair value gain on interest in toll highway arising from acquisition of subsidiaries RMB'000	Accelerated tax amortisation of intangible operating rights RMB'000	Right-of-use assets and Lease Liabilities RMB'000	Fair value gain on investment properties RMB'000	Total RMB'000
At 1 January 2024	35,000	21,312	2,165,772	874,420	–	230	3,096,734
Charged/(credited) to the consolidated statement of profit or loss (note 10)	–	22,817	(80,817)	28,290	(103)	(298)	(30,111)
Transferred to current income tax expenses for dividends declared (note 10)	–	(28,458)	–	–	–	–	(28,458)
Disposal of a subsidiary (note 32)	–	–	–	(29,961)	–	–	(29,961)
At 31 December 2024	35,000	15,671	2,084,955	872,749	(103)	(68)	3,008,204
At 1 January 2023	35,000	17,961	2,261,331	784,173	–	253	3,098,718
Charged/(credited) to the consolidated statement of profit or loss (note 10)	–	33,395	(95,559)	90,247	–	(23)	28,060
Transferred to current income tax expenses for dividends declared (note 10)	–	(30,044)	–	–	–	–	(30,044)
At 31 December 2023	35,000	21,312	2,165,772	874,420	–	230	3,096,734

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27 DEFERRED INCOME TAX (continued)

Deferred income tax assets

	Deferred income RMB'000	Tax losses RMB'000	Fair value loss on interest in toll highway arising from acquisition of subsidiaries RMB'000	Total RMB'000
At 1 January 2024	(9,810)	(14,839)	–	(24,649)
Acquisition of a subsidiary (note 33)	–	–	(10,573)	(10,573)
Charged to the consolidated statement of profit or loss (note 10)	640	14,839	102	15,581
At 31 December 2024	(9,170)	–	(10,471)	(19,641)
At 1 January 2023	(10,449)	(36,084)	–	(46,533)
Charged to the consolidated statement of profit or loss (note 10)	639	21,245	–	21,884
At 31 December 2023	(9,810)	(14,839)	–	(24,649)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

28 NOTES PAYABLE

	2024 RMB'000	2023 RMB'000
Notes payable	5,611,386	4,794,783
Notes interest payable	77,591	77,248
Total notes payable	5,688,977	4,872,031
Less: amounts due within one year shown under current liabilities	(1,872,993)	(3,373,285)
Total non-current notes payable	3,815,984	1,498,746

In 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 holders shall be entitled to sell back the relevant notes to the Company, at the end of the third year. During the year ended 31 December 2024, the Company has adjusted the coupon rate of the 2021 Phase I Notes from 3.78% to 2.7%, and some of the investors have sold back the relevant notes of RMB970,000,000 to the Company.

In 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 holders shall be entitled to sell back the relevant notes to the Company, at the end of the third year.

In 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.

In October 2023, the Group issued the third tranche of super short-term commercial paper with coupon rate of 2.5% and a term of 270 days for an aggregate principal amount of RMB1,300,000,000 (the “2023 Tranche 3 SCP”). In July 2024, the 2023 Tranche 3 SCP have been fully paid.

In 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”). In July 2024, the 2023 Tranche 4 SCP have been fully paid.

In 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”). In September 2024, the 2023 Tranche 5 SCP have been fully paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

28 NOTES PAYABLE (continued)

In 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”). In October 2024, the 2024 Tranche 1 SCP have been fully paid.

In 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”).

In 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”).

In 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”).

In July 2024, the Group issued 2024 Phase III Medium Term Notes with coupon rate of 2.27% per annum due July 2029 for an aggregate principal amount of RMB500,000,000 (the “2024 Phase III Notes”).

In August 2024, the Group issued 2024 Phase IV Medium Term Notes with coupon rate of 2.14% per annum due August 2027 for an aggregate principal amount of RMB700,000,000 (the “2024 Phase IV Notes”).

In December 2024, the Group issued 2024 Phase V Medium Term Notes with coupon rate of 1.93% per annum due December 2026 for an aggregate principal amount of RMB600,000,000 (the “2024 Phase V Notes”).

The Medium Term Notes (“MTN”) and Super Short-term Commercial Paper (“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 31 December 2024 was 2.64% (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 RMB138,989,000 (2023: RMB132,156,000) on the notes payable for the year ended 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29 CORPORATE BONDS

	2024 RMB'000	2023 RMB'000
Corporate bonds	499,667	2,499,094
Bonds interest payable	12,268	68,323
Total corporate bonds	511,935	2,567,417
Less: amounts due within one year shown under current liabilities	(12,268)	(2,067,750)
Total non-current corporate bonds	499,667	499,667

The Company received the Approval Document Zheng Jian Xu Ke No. [2020] 1004 from the CSRC 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 in 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 year ended 31 December 2024, the First Phase 2021 Corporate Bonds were fully redeemed.

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 year ended 31 December 2024, the five-year corporate bonds of the Second Phase 2021 Corporate Bonds were fully redeemed.

The Second Phase 2021 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 31 December 2024 was 3.97% (31 December 2023: 3.75%) per annum, which includes the interest charged as well as amortisation of the debt issuance cost. The Group recognised interest expense of RMB34,695,000 (year ended 31 December 2023: RMB106,408,000) on the corporate bonds for the year ended 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

30 TRADE AND OTHER PAYABLES AND ACCRUED CHARGES

	2024 RMB'000	2023 RMB'000
Trade payables	52,091	46,542
Other payables and accrued charges	496,397	538,655
Construction related accruals and payables	635,798	532,135
	1,184,286	1,117,332

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

	2024 RMB'000	2023 RMB'000
0 – 30 days	260,208	273,500
31 – 90 days	108,052	35,656
Over 90 days	319,629	269,521
	687,889	578,677

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 SHARE OPTION SCHEME

The Company operates a share option scheme (the “Scheme”), which became effective on 11 October 2021 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of two to five years and ends on a date which is not later than ten years from the date of offer of the share options or the expiry date of the Scheme, if earlier.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the Scheme as an equity-settled plan.

Share options do not confer rights on the holders to dividends or to vote at shareholders’ meetings.

The following share options were outstanding under the Scheme during the year:

	2024		2023	
	Weighted average exercise price HKD per share	Number of options '000	Weighted average exercise price HKD per share	Number of options '000
At 1 January	4.44	12,054	4.44	16,173
Forfeited during the year	4.44	(4,105)	4.44	(4,119)
At 31 December	4.44	7,949	4.44	12,054

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31 SHARE OPTION SCHEME (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

Number of options 2024 '000	Number of options 2023 '000	Exercise price* HKD per share	Exercise period
1,716	2,607	4.43	2023-06-25 to 2031-06-25
52	78	4.45	2023-07-09 to 2031-07-09
52	78	4.68	2023-08-25 to 2031-08-25
141	212	4.43	2024-01-01 to 2031-06-25
13	19	4.45	2024-01-01 to 2031-07-09
13	19	4.68	2024-01-01 to 2031-08-25
1,716	2,607	4.43	2024-06-25 to 2031-06-25
52	78	4.45	2024-07-09 to 2031-07-09
52	78	4.68	2024-08-25 to 2031-08-25
1,716	2,607	4.43	2025-06-25 to 2031-06-25
52	78	4.45	2025-07-09 to 2031-07-09
52	78	4.68	2025-08-25 to 2031-08-25
141	212	4.43	2026-01-01 to 2031-06-25
13	19	4.45	2026-01-01 to 2031-07-09
13	19	4.68	2026-01-01 to 2031-08-25
1,716	2,607	4.43	2026-06-25 to 2031-06-25
52	78	4.45	2026-07-09 to 2031-07-09
52	78	4.68	2026-08-25 to 2031-08-25
141	212	4.43	2029-01-01 to 2031-06-25
13	19	4.45	2029-01-01 to 2031-07-09
13	19	4.68	2029-01-01 to 2031-08-25
141	212	4.43	2031-01-01 to 2031-06-25
13	19	4.45	2031-01-01 to 2031-07-09
14	21	4.68	2031-01-01 to 2031-08-25
7,949	12,054		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The Group reversed a share option expense of RMB472,000 during the year ended 31 December 2024 (2023: recognised RMB171,000).

At the end of the year, the Company had 7,949,129 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 7,949,129 additional ordinary shares of the Company and additional share capital of approximately HKD794,913 (before issue expenses).

At the date of approval of these financial statements, the Company had 7,949,129 share options outstanding under the Scheme, which represented approximately 0.48% of the Company's shares outstanding as at that date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32 DISPOSAL OF A SUBSIDIARY

On 18 December 2024, the Group completed the disposal of 60% equity interests of Tianjin Jinfu Expressway Company Limited ("Jinfu") to Tianjin Expressway Group Co., Ltd. Jinfu was no longer a subsidiary of the Group after the completion of the disposal. Further details of the transaction have been disclosed in the announcement of the Group dated 4 December 2024.

	Notes	2024 RMB'000
Net assets disposed of:		
Intangible operating rights	13	249,602
Property, plant and equipment	15(a)	3,394
Trade receivables		1,794
Other receivables, deposits and prepayments		140
Cash and cash equivalents		96,818
Loan from a non-controlling interest of a subsidiary	34	(18,287)
Deferred income tax liabilities	27	(29,961)
Amount due to a non-controlling interest of a subsidiary		(1,611)
Trade and other payables and accrued charges		(10,021)
Current income tax liabilities		148
Non-controlling interests		(167,056)
		124,960
Gain on disposal of a subsidiary		65,840
Total consideration		190,800
Satisfied by cash		190,800

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	2024 RMB'000
Cash consideration	190,800
Cash and bank balances disposed of	(96,818)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	93,982

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

33 BUSINESS COMBINATION

On 26 November 2024, the Group acquired the 55% interest in Henan Yuexiu Pinglin Expressway Company Limited ("Pinglin") from Guangzhou Yuexiu Holdings Limited, the ultimate controlling shareholder of the Company. The principal business of Pinglin is the holding of the intangible operating right and the operation of the Pinglin Expressway, an expressway located in Henan Province. The purchase consideration for the acquisition was in the form of cash, with RMB758,450,000 paid during the year ended 31 December 2024. Further details of the transaction are disclosed in the circular of the Company dated 1 November 2024.

The fair values of the identifiable assets and liabilities of Pinglin as at the date of acquisition were as follows:

	Notes	Fair value recognised on acquisition RMB'000
Intangible operating rights	13	2,137,198
Property, plant and equipment	15(a)	14,190
Trade receivables		26,366
Other receivables, deposits and prepayments		999
Cash and cash equivalents		144,069
Borrowings		(858,306)
Deferred income tax assets	27	10,573
Trade and other payables and accrued charges		(96,089)
Total identifiable net assets at fair value		1,379,000
Non-controlling interests		(620,550)
Satisfied by cash		758,450

The fair values of the trade receivables and other receivables, deposits and prepayments as at the date of acquisition amounted to RMB26,366,000 and RMB999,000, respectively. The gross contractual amounts of trade receivables and other receivables, deposits and prepayments were RMB26,366,000 and RMB999,000, respectively and none of the balance is expected to be uncollectible.

The Group incurred transaction costs of RMB2,298,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

33 BUSINESS COMBINATION (continued)

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	2024 RMB'000
Cash consideration	(758,450)
Cash and cash equivalents acquired	144,069
Net outflow of cash and cash equivalents included in cash flows from investing activities	(614,381)
Transaction costs of the acquisition included in cash flows from operating activities	(2,298)
Total net cash flow	(616,679)

Since the acquisition, Pinglin contributed RMB51,297,000 to the Group's revenue and RMB15,004,000 to the consolidated profit for the year ended 31 December 2024.

Had the combination taken place at the beginning of the year ended 31 December 2024, the revenue of the Group and profit of the Group for the year ended 31 December 2024 would have been RMB4,351,495,000 and RMB1,108,720,000, respectively.

34 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of operating profit to cash generated from operations:

	2024 RMB'000	2023 RMB'000
Operating profit	1,641,738	1,804,404
Amortisation of intangible operating rights	1,514,463	1,277,869
Amortisation of other intangible assets	6,260	6,398
Depreciation of		
– property, plant and equipment	13,943	12,296
– right-of-use assets	11,283	11,446
Fair value loss on investment properties	4,290	882
Impairment loss on investment in an associate	–	100,168
Gain on disposal of a subsidiary	(65,840)	–
Gain on disposal of property, plant and equipment	(18)	(317)
Contract liabilities and deferred income	(88,666)	(74,169)
Equity-settled share option expense	(472)	171
Operating cash flows before working capital changes	3,036,981	3,139,148
Changes in working capital:		
– (Increase)/decrease in trade and other receivables, deposits and prepayments	(35,852)	6,333
– decrease in trade and other payables and accrued charges	(90,047)	(33,343)
– addition of contract liabilities and deferred income	84,299	60,219
Cash generated from operations	2,995,381	3,172,357

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Reconciliation of liabilities arising from financing activities:

2024

	Borrowings RMB'000	Notes payable RMB'000	Corporate bonds RMB'000	Lease liabilities RMB'000
Balance as at 1 January 2024	9,635,989	4,872,031	2,567,417	5,073
Changes from financing cash flows	791,223	810,136	(2,000,000)	(12,216)
Interest paid	(315,802)	(132,179)	(90,177)	–
Interest expenses (note 9)	311,156	138,989	34,695	1,010
Disposal of a subsidiary (note 32)	(18,287)	–	–	–
Acquisition of a subsidiary (note 33)	858,306	–	–	–
Other non-cash movements	364	–	–	29,232
Balance as at 31 December 2024	11,262,949	5,688,977	511,935	23,099

2023

	Borrowings RMB'000	Notes payable RMB'000	Corporate bonds RMB'000	Lease liabilities RMB'000
Balance as at 1 January 2023	9,447,647	5,107,474	3,188,294	15,974
Changes from financing cash flows	188,007	(205,969)	(617,000)	(12,323)
Interest paid	(308,378)	(161,630)	(110,285)	–
Interest expenses (note 9)	311,078	132,156	106,408	489
Other non-cash movements	(2,365)	–	–	933
Balance as at 31 December 2023	9,635,989	4,872,031	2,567,417	5,073

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35 CONSTRUCTION INCOME/(COSTS) FROM/(OF) CONSTRUCTION AND UPGRADE SERVICES

The construction income/(costs) associated with the construction and upgrade services provided recognised for the year are as follows:

	2024 RMB'000	2023 RMB'000
Construction income under service concession upgrade services	1,005,478	713,062
Construction costs under service concession upgrade services	(1,005,478)	(713,062)
Construction service income	56,623	–
Construction service cost	(56,623)	–

Construction income is recognised over time.

36 COMMITMENTS

Contractual commitments

	2024 RMB'000	2023 RMB'000
Upgrade and construction of toll expressways under concession arrangements:		
Reconstruction and expansion project on the GNSR Expressway	8,621,958	7,732,983
Upgrade projects on other expressways	132,335	102,617
Total	8,754,293	7,835,600

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37 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 City Government as its ultimate controlling party.

The table set forth below summarises the names of related parties, with whom the Group has significant transactions during the year, and their relationship with the Company as at 31 December 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 Yuexiuhui Operation Management Co., Ltd.	A fellow subsidiary
Guangzhou Yuexiu Sharing Service Co., Ltd.	A fellow subsidiary
Guangzhou City Construction & Development Holdings Co., Ltd.	A fellow subsidiary
Guangzhou Yuexiu Property Development Co., Ltd.	A fellow subsidiary
Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd.	A fellow subsidiary
Guangzhou Yue Xiu Enterprise (Holdings) Corp.	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 CONSOLIDATED FINANCIAL STATEMENTS (continued)

37 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 year:

	2024 RMB'000	2023 RMB'000
The immediate holding company:		
Interest expense	3,101	3,194
Associates:		
Entrusted road management service income	34,932	35,907
Management service income	2,100	1,826
Interest income	231	254
Joint venture:		
Management service income	531	523
Fellow subsidiaries:		
IT system usage fee	5,281	4,377
Administrative service fee	1,183	1,171
Commercial operation and management services fee	2,274	2,127
Property management service fee	7,695	7,116
Purchases of products	1,498	1,999
Interest income	10,734	4,693
Management service income	3,465	5,175
Purchases of services	5,715	5,559
Addition of right-of-use assets	618	443
Associates of a fellow subsidiary:		
Addition of right-of-use assets	28,678	490
Other related party:		
Purchases of services	85,522	30,252

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37 RELATED PARTY TRANSACTIONS (continued)

(c) Balances with related parties

	2024 RMB'000	2023 RMB'000
Bank balance deposited in a fellow subsidiary	593,706	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	–	(28,301)
Trade payables to other related party	(35,177)	(11,848)
Amounts due to non-controlling interests of a subsidiary	(50,772)	(1,611)
Amounts due from associates	829	38,593
Lease liabilities to associates of a fellow subsidiary	(19,968)	(1,722)
Lease liabilities to a fellow subsidiary	(500)	(347)

(d) Key management compensation

	2024 RMB'000	2023 RMB'000
Salaries and other short-term benefits	6,180	11,448

Further details of directors' emoluments are included in note 39 to the financial statements.

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

Note (i) Statement of financial position

	31 December 2024 RMB'000	31 December 2023 RMB'000
ASSETS		
Non-current assets		
Property, plant and equipment	205	231
Investments in subsidiaries	5,933,105	5,933,531
Right-of-use assets	1,937	362
	5,935,247	5,934,124
Current assets		
Amounts due from subsidiaries	12,861,171	13,732,521
Deposits and prepayments	3,418	5,180
Cash and cash equivalents	927,832	794,864
	13,792,421	14,532,565
Total assets	19,727,668	20,466,689

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

38 STATEMENT OF FINANCIAL POSITION, RESERVE MOVEMENT, STATEMENT OF PROFIT OR LOSS AND STATEMENT OF CASH FLOWS OF THE COMPANY (continued)

Note (i) Statement of financial position (continued)

	31 December 2024 RMB'000	31 December 2023 RMB'000
EQUITY		
Equity attributable to the shareholders of the Company		
Share capital	147,322	147,322
Reserves (note (ii))	4,262,405	4,390,447
Total equity	4,409,727	4,537,769
LIABILITIES		
Non-current liabilities		
Notes payable	3,815,984	1,498,746
Corporate bonds	499,667	499,667
Deferred income tax liabilities	35,000	35,000
Lease liabilities	1,188	–
	4,351,839	2,033,413
Current liabilities		
Borrowings	150,178	151,234
Notes payable	1,872,993	3,373,285
Corporate bonds	12,268	2,067,750
Amounts due to subsidiaries	8,878,351	8,259,396
Other payables and accrued charges	51,508	43,495
Lease liabilities	804	347
	10,966,102	13,895,507
Total liabilities	15,317,941	15,928,920
Total equity and liabilities	19,727,668	20,466,689

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

38 STATEMENT OF FINANCIAL POSITION, RESERVE MOVEMENT, STATEMENT OF PROFIT OR LOSS AND 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	2,375,743	5,651	1,561,564	447,489	4,390,447
Profit for the year	-	-	-	294,035	294,035
Equity-settled share option arrangements	-	(472)	-	-	(472)
Dividends:					
2023 final dividend	-	-	-	(234,424)	(234,424)
2024 interim dividend	-	-	-	(187,181)	(187,181)
At 31 December 2024	2,375,743	5,179	1,561,564	319,919	4,262,405
At 1 January 2023	2,375,743	5,480	1,561,564	35,871	3,978,658
Profit for the year	-	-	-	794,567	794,567
Equity-settled share option arrangements	-	171	-	-	171
Dividends:					
2022 final dividend	-	-	-	(154,237)	(154,237)
2023 interim dividend	-	-	-	(228,712)	(228,712)
At 31 December 2023	2,375,743	5,651	1,561,564	447,489	4,390,447

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 CONSOLIDATED FINANCIAL STATEMENTS (continued)

38 STATEMENT OF FINANCIAL POSITION, RESERVE MOVEMENT, STATEMENT OF PROFIT OR LOSS AND STATEMENT OF CASH FLOWS OF THE COMPANY (continued)

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

	Notes	2024 RMB'000	2023 RMB'000
Other income, gains and losses – net	(a)	380,079	900,050
General and administrative expenses	(b)	(31,652)	(34,964)
Operating profit		348,427	865,086
Finance income	(c)	126,263	187,572
Finance costs	(c)	(175,895)	(246,998)
Profit before income tax		298,795	805,660
Income tax expense		(4,760)	(11,093)
Profit for the year		294,035	794,567

Notes:

(a) Other income, gains and losses – net

	2024 RMB'000	2023 RMB'000
Dividend income	380,000	900,050
Others	79	–
	380,079	900,050

(b) Expenses by nature

	2024 RMB'000	2023 RMB'000
Depreciation of		
– property, plant and equipment	35	650
– right-of-use assets	830	724
Auditor's remuneration		
– Audit services	2,580	2,580
– Non-audit services	5,177	1,070
Legal and professional fee	4,991	8,324
Employee benefit expense (including directors' emoluments)	13,262	18,080

(c) Finance income/(costs)

	2024 RMB'000	2023 RMB'000
Bank interest income	9,133	2,955
Intercompany loan interest income	117,130	184,617
Finance income	126,263	187,572
Interest expenses:		
– Bank borrowings	(836)	(4,099)
– Bank facility fees	(392)	(2,309)
– Notes payable	(138,989)	(132,156)
– Corporate bonds	(34,695)	(106,408)
– Others	(3,147)	(3,230)
Net other exchange gain	2,164	1,204
	(175,895)	(246,998)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

38 STATEMENT OF FINANCIAL POSITION, RESERVE MOVEMENT, STATEMENT OF PROFIT OR LOSS AND STATEMENT OF CASH FLOWS OF THE COMPANY (continued)

Note (iv) Statement of cash flows of the Company

	2024 RMB'000	2023 RMB'000
Cash flows from operating activities		
Operating profit	348,427	865,086
Depreciation of		
– property, plant and equipment	35	650
– right-of-use assets	830	724
Operating cash flows before working capital changes	349,292	866,460
Changes in working capital:		
Decrease in deposits and prepayments	1,762	156
Increase in other payables and accrued charges	9,761	7,176
Decrease in amounts due from subsidiaries	988,480	449,366
Increase in amounts due to subsidiaries	618,955	234,610
Cash generated from operations	1,968,250	1,557,768
PRC enterprise income tax and withholding tax paid	(4,760)	(11,093)
Net cash generated from operating activities	1,963,490	1,546,675
Cash flows from investing activities		
Purchase of property, plant and equipment	(9)	(10)
Interest received	9,133	2,955
Net cash generated from investing activities	9,124	2,945
Cash flows from financing activities		
Payment of bank facility fees	(125)	(568)
Proceeds from bank borrowings	–	50,000
Proceed from loan from the immediate holding company	100,000	100,000
Proceeds from issuance of notes payable	4,280,136	4,094,031
Repayment of notes payable	(3,470,000)	(4,300,000)
Repayment of corporate bonds	(2,000,000)	(617,000)
Repayment of bank borrowings	–	(450,000)
Repayment of loan from the immediate holding company	(100,000)	(100,000)
Dividend paid to shareholders of the Company	(421,605)	(382,949)
Interest paid	(227,350)	(280,603)
Payment for lease liabilities (including interest)	(805)	(774)
Net cash used in financing activities	(1,839,749)	(1,887,863)
Net increase/(decrease) in cash and cash equivalents	132,865	(338,243)
Cash and cash equivalents at 1 January	794,864	1,131,953
Effect of exchange rate changes on cash and cash equivalents	103	1,154
Cash and cash equivalents at 31 December	927,832	794,864

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39 BENEFITS AND INTERESTS OF DIRECTORS

(A) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below:

For the year ended 31 December 2024

Name of directors	Emoluments paid or receivable in respect of person's services as a director, whether of the Company or its subsidiary undertaking						Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	Total
	Fees RMB'000	Salaries RMB'000	Discretionary bonuses (note b) RMB'000	Estimated money value of other benefits (note c) RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Equity- settled share option expense RMB'000	RMB'000	
Executive directors								
LIU Yan (note d,e)	-	-	-	-	-	-	-	-
LI Feng (note d,f)	-	-	-	-	-	-	-	-
CHEN Jing (note d)	-	-	-	-	-	-	-	-
CAI Minghua	-	460	1,475	127	140	(4)	-	2,198
PAN Yongqiang	-	460	1,640	127	140	(9)	-	2,358
Subtotal	-	920	3,115	254	280	(13)	-	4,556
Executive director and the Chief executive								
HE Baqiang	-	537	1,010	370	163	(11)	1,210	3,279
Independent non-executive directors								
FUNG Ka Pun	220	-	-	-	-	-	-	220
LAU Hon Chuen Ambrose	285	-	-	-	-	-	-	285
CHEUNG Doi Shu	220	-	-	-	-	-	-	220
PENG Vincent Shen	220	-	-	-	-	-	-	220
Subtotal	945	-	-	-	-	-	-	945
Total	945	1,457	4,125	624	443	(24)	1,210	8,780

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39 BENEFITS AND INTERESTS OF DIRECTORS (continued)

(A) Directors' and chief executive's emoluments (continued)

The remuneration of every director and the chief executive is set out below:

For the year ended 31 December 2023

Name of directors	Emoluments paid or receivable in respect of person's services as a director, whether of the Company or its subsidiary undertaking					Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking		
	Fees RMB'000	Salaries RMB'000	Discretionary bonuses (note b) RMB'000	Estimated money value of other benefits (note c) RMB'000	Employer's contribution to a retirement benefit scheme RMB'000	Equity- settled share option expense RMB'000		Total RMB'000
Executive directors								
LI Feng	-	694	2,508	-	-	-	-	3,202
CHEN Jing	-	648	1,594	-	-	-	-	2,242
CAI Minghua	-	460	1,754	124	140	10	-	2,488
PAN Yongqiang (note a)	-	301	1,186	81	91	10	-	1,669
Subtotal	-	2,103	7,042	205	231	20	-	9,601
Executive director and the Chief executive								
HE Baiqing	-	531	1,166	362	163	21	1,342	3,585
Independent non-executive directors								
FUNG Ka Pun	220	-	-	-	-	-	-	220
LAU Hon Chuen Ambrose	285	-	-	-	-	-	-	285
CHEUNG Doi Shu	220	-	-	-	-	-	-	220
PENG Vincent Shen (note a)	143	-	-	-	-	-	-	143
Subtotal	868	-	-	-	-	-	-	868
Total	868	2,634	8,208	567	394	41	1,342	14,054

Notes:

- Appointed on 8 May 2023.
- Discretionary bonuses are determined based on the Group's financial performance.
- Other benefits mainly include provision of accommodation.
- The emoluments of Mr. Li Feng, Ms. Liu Yan and Ms. Chen Jing in relation to their services rendered for the Group for the year ended 31 December 2024 were borne by related parties of the Group. Their emoluments were not allocated to the Group as the management of the Company considers there is no reasonable basis of allocation.
- Appointed on 17 April 2024.
- Resigned on 17 April 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39 BENEFITS AND INTERESTS OF DIRECTORS (continued)

(B) Directors' retirement benefits

No retirement benefits were paid to or receivable by the directors in respect of their services as directors of the Company and its subsidiaries or other services in connection with the management of the affairs of the Company or its subsidiary undertaking (2023: Nil).

(C) Directors' termination benefits

During the year, no payments or benefits in respect of the termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable (2023: Nil).

(D) Consideration provided to third parties for making directors' services available

During the year, no consideration was provided to or receivable by third parties for making director's services available (2023: Nil).

(E) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year, there are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2023: Nil).

(F) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2023: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

40 GROUP STRUCTURE

As at 31 December 2024, the Company held shares/interest in the following principal subsidiaries, a joint venture and associates.

Company	Place of incorporation, establishment and type of legal entity	Issued and fully paid-up share capital/registered capital	Percentage of ownership interest held by the Company		Principal activities
			Direct	Indirect	
Principal subsidiaries					
Asian East Worldwide Limited	British Virgin Islands	50,000 Ordinary shares of USD1.00 each	–	100	Investment holding in Guangzhou Northring Super Highway Co., Ltd.
Bentfield Limited	British Virgin Islands	1 Ordinary share of USD1.00 each	–	100	Investment holding in Guangzhou North Second Ring Transport Technology Co., Limited
Choice Tone Limited	Hong Kong	1 Ordinary share	–	100	Investment holding
Famous Kind International Limited	British Virgin Islands	1 Ordinary share of USD1.00 each	100	–	Investment holding
Grand Speed Limited	Hong Kong	1 Ordinary share	–	100	Investment holding in Guangxi Yuexiu Cangyu Expressway Co., Ltd
Guangzhou North Second Ring Transport Technology Company Limited	PRC, limited liability company	RMB1,466,666,700	–	60	Development and management of Guangzhou Northern Second Ring Expressway in Guangzhou
Guangzhou Suiqiao Development Company Limited	PRC, limited liability company	RMB1,000,000	–	100	Investment holding in Guangdong Humen Bridge Co., Ltd.
Guangzhou Yue Peng Information Limited	PRC, limited liability company	RMB260,000,000	–	100	Investment holding
Guangzhou Yue Da Investment Company Limited	PRC, limited liability company	RMB2,000,000,000	–	100	Investment holding
Guangzhou Yue Hong Investment Company Limited	PRC, limited liability company	RMB65,000,000	–	100	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

40 GROUP STRUCTURE (continued)

Company	Place of incorporation, establishment and operation and type of legal entity	Issued and fully paid-up share capital/registered capital	Percentage of ownership interest held by the Company		Principal activities
			Direct	Indirect	
Principal subsidiaries					
Guangzhou Yue Tong Expressway Operations and Management Company Limited	PRC, limited liability company	RMB301,000,000	100	–	Investment holding in Guangdong Qinglian Highway Development Company Limited
Guangzhou Yue Xin Investment Company Limited	PRC, limited liability company	RMB5,000,000	–	100	Investment holding
Guangxi Yuexiu Cangyu Expressway Company Limited	PRC, limited liability company	RMB190,925,000	–	100	Development and management of Cangyu Expressway in Guangxi
Hancai Expressway Company Limited of Hubei Province	PRC, limited liability company	RMB150,000,000	–	67	Development and management of Hancai Expressway in Hubei Province
Henan Yuexiu Weixu Expressway Company Limited	PRC, limited liability company	RMB660,754,500	–	100	Development and management of Henan Weixu Expressway
Hubei A'shennan Expressway Development Company Limited	PRC, limited liability company	RMB200,000,000	–	90	Development and management of Daguangnan Expressway in Hubei Province
Henan Yuexiu Lanwei Expressway Company Limited	PRC, limited liability company	RMB990,000,000	–	100	Development and management of Lanwei Expressway in Henan Province
Hubei Suiyuanan Expressway Company Limited	PRC, limited liability company	RMB1,770,000,000	–	70	Development and management of Suiyuanan Expressway in Hubei Province
Hubei Yue Xiu Han'e Expressway Company Limited	PRC, limited liability company	RMB135,000,000	–	100	Development and management of Han'e Expressway in Hubei Province
Hunan Changzhu Expressway Development Company Limited	PRC, limited liability company	RMB927,730,000	–	100	Development and management of Changzhu Expressway in Hunan Province

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

40 GROUP STRUCTURE (continued)

Company	Place of incorporation, establishment and operation and type of legal entity	Issued and fully paid-up share capital/registered capital	Percentage of ownership interest held by the Company		Principal activities
			Direct	Indirect	
Principal subsidiaries					
Ickleton Limited	British Virgin Islands	1 Ordinary share of USD1.00 each	–	100	Investment holding
Kam Cheong Limited	British Virgin Islands	1 Ordinary share of USD1.00 each	–	100	Investment holding
Kiu Fung Limited	British Virgin Islands	2 Ordinary shares of HKD1.00 each	100	–	Investment holding
Smart Top Enterprises Limited	Hong Kong	2 Ordinary shares	–	100	Property holding
Super Praise Ltd.	British Virgin Islands	1 Ordinary share of USD1.00 each	–	100	Investment holding in Guangdong Shantou Bay Bridge Company Limited
Swift Full Limited	Hong Kong	1 Ordinary share	–	100	Investment holding
Henan Yuexiu Pinglin Expressway Company Limited	PRC, limited liability company	RMB1,280,000,000	–	55	Development and management of Pinglin Expressway in Henan Province
Wuhan Andi Technology Industry Development Company Limited	PRC, limited liability company	RMB260,260,260	–	100	Investment holding
Yan Tung Investment Limited	British Virgin Islands	10,000 Ordinary shares of USD1.00 each	–	83.3	Investment holding
Yuexiu (China) Transport Infrastructure Investment Company Limited	PRC, limited liability company	RMB4,000,000,000	100	–	Investment holding
Yuexiu (Hubei) Expressway Company Limited	PRC, limited liability company	RMB30,000,000	–	100	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

40 GROUP STRUCTURE (continued)

Joint venture	Place of incorporation/ establishment and operation and type of legal entity	Registered capital	Percentage of ownership interest/voting power/profit sharing indirectly held by the Company			Principal activities
			Ownership	Voting power	Profit sharing	
Guangzhou Western Second Ring Expressway Company Limited	PRC, limited liability company	RMB1,000,000,000	35	33	35	Development and management of Guangzhou Western Second Ring Expressway in Guangzhou

Associates	Place of incorporation/ establishment and operation and type of legal entity	Registered capital	Percentage of ownership interest held by the Company		Principal activities
			Direct	Indirect	
Guangdong Humen Bridge Company Limited	PRC, limited liability company	RMB273,900,000	–	27.78 (note a)	Development and management of Humen Bridge in Humen
Guangdong Qinglian Highway Development Company Limited	PRC, limited liability company	RMB3,361,000,000	–	23.63	Development and management of Qinglian Expressway
Guangdong Shantou Bay Bridge Company Limited	PRC, limited liability company	RMB75,000,000	–	30	Development and management of Shantou Bay Bridge in Shantou
Guangzhou Northring Super Highway Company Limited	PRC, limited liability company	USD19,255,000	–	24.3	Development and management of Guangzhou City Northern Ring Road
Guangzhou Pazhou Port Company Limited	PRC, limited liability company	RMB178,800,000	–	45	Development and management of Pazhou Port in Guangdong
CAMC-Yuexiu Expressway Close-end Infrastructure Securities Investment Fund	PRC, trust fund	–	–	30	Development and management of HanXiao Expressway in Hubei Province

(a) The profit sharing ratio was changed to 18.446% from 2010 onwards.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

CORPORATE AND INVESTOR RELATIONS INFORMATION

BOARD OF DIRECTORS

Executive directors

Ms Liu Yan (*Chairman*)
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 Investor Services 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

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 2.7 per cent. Medium Term Notes due 2026 (code: 102100198)

RMB1,000,000,000 3.28 per cent. Medium Term Notes due 2027 (code: 102280559)
(to be redeemed in full on 18 March 2025)

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)

RMB700,000,000 2.14 per cent. Medium Term Notes due 2027 (code: 102483729)

RMB600,000,000 1.93 per cent. Medium Term Notes due 2026 (code: 102485323)

RMB1,300,000,000 1.98 per cent. Medium Term Notes due 2030 (code: 102580210)

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

INVESTOR RELATIONS

For further information about
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WEBSITES TO ACCESS COMPANY INFORMATION

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