



越秀交通基建有限公司

Yuexiu Transport Infrastructure Limited

[Immediate Release]

Yuexiu Transport Infrastructure Announces 2012 Annual Results

Toll revenue up by 12.3% and Achieved Another Record High

Results Highlights

(18 March 2013, Hong Kong) — Yuexiu Transport Infrastructure Limited (“Yuexiu Transport Infrastructure” or the “Company”) (Stock Code: 1052) announced today the annual results of the Company and its subsidiaries (“Group”) for the year ended 31 December 2012 (“Reporting Year”).

Driven by the double digit growth in terms of traffic volume and toll revenue generated from the projects in central China acquired in recent years, toll revenue of Yuexiu Transport Infrastructure for the Reporting Year increased by 12.3% to RMB 1.49 billion as compared to 2011. Profit attributable to shareholders of the Company amounted to RMB 427 million, which was primarily affected by the factors of a slowing economy, change in tax rates and adjustment to policies of the toll road sector. The Board has recommended the payment of a final dividend for 2012 of HK\$0.11. Together with the paid interim dividend of HK\$0.09, total dividend for the Reporting Year will amount to HK\$0.20, representing a dividend payout ratio of 63.7% (2010: 58.9%).

Commenting on achieving record-high revenue again, **Mr. Zhang Zhaoxing, Chairman of Yuexiu Transport Infrastructure** said, “Confronting the challenges brought by the international economic environment, the central government has been properly handling the relationship among maintaining stable to faster economic development, adjusting economic structure and managing inflation expectations, and greater importance was given to steady growth. In 2012, China’s GDP amounted to RMB 51.93 trillion, an increase of 7.8% from last year, with the overall economy still achieving stable growth. During the Reporting Year, the Group’s projects in eastern coastal areas recorded a decrease in toll revenue year-on-year under the impact of a slowing economy and policy adjustments. However, the projects in central China acquired in recent years, such as Han-Xiao Expressway, Changzhu Expressway and Weixu Expressway, maintained strong double-digit growth in terms of traffic volume and toll revenue, enabling the Group to record a historical new high level of toll revenue.”

	Average daily toll traffic volume		Average daily toll revenue	
	(vehicle/day)	Change %	(RMB/day)	Change %
Subsidiaries				
GNSR Expressway	109,229	3.8%	1,836,686	-7.3%
Xian Expressway	49,186	5.5%	657,427	5.4%
Cangyu Expressway	10,989	9.3%	273,320	-2.0%
Junbao Expressway	24,927	2.8%	328,319	-13.1%
Han-Xiao Expressway	11,978	28.8%	279,330	30.2%
Changzhu Expressway	11,112	17.6%	326,593	26.3%
Weixu Expressway	10,570	N/A	504,059	N/A
Associates/Jointly Controlled Entity				
Humen Bridge	75,081	3.5%	28,540,044	-0.3%
Northern Ring Road	202,808	12.2%	1,650,852	-3.9%
GWSR Expressway	34,796	4.1%	713,350	-3.3%
Shantou Bay Bridge	15,797	7.8%	597,880	6.1%
Qinglian Expressway	22,827	6.5%	1,463,456	14.2%

Focus on transport infrastructure industry and disposal of non-core assets

During the Reporting Year, the Group completed the approval procedure for the equity transfer relating to its acquisition of Weixu Expressway pursuant to an agreement signed by the end of October 2011, and Weixu Expressway was officially included in the consolidated statements of the Group since 28 May 2012.

On 7 November 2012, the Group transferred its 4.04% equity interest in Guangzhou Securities to Yuexiu Finance Holdings at a total consideration of RMB 201 million. The transaction is still pending for approval by the relevant authorities and is expected to contribute proceeds of approximately RMB 91 million to the Group, which will further enhance the Group's cash resources and enable the Group to focus more on the development of its core business, namely toll expressways/bridges.

Relying on the strategic plan of “establishing a foothold in the Pearl River Delta region, expanding into central and western regions of China” to fend off external risks effectively

Mr. Zhang continued, “In recent years, the Group has established a foothold in the Pearl River Delta region. In pursuit of its objective to “Double assets within three years”, the Group focused on central and western regions of China which enjoy supportive national policies, rapid economic growth and benefit from the development opportunities arising from the relocation of labor-intensive industries from eastern coastal areas, while continuing to improve operations, manage provincial projects and enhance asset returns. After completion of the acquisition of Weixu Expressway, the Group’s strategic plan of “establishing a foothold in the Pearl River Delta region, expanding into central and western regions of China” began to take shape.”

Outlook

The toll road non-compliance rectification carried out pursuant to the Notice issued by Five Ministries and Commissions of the Central Government has been completed in stages. Relevant provincial governments have announced their respective non-compliance rectification proposals. As previously announced investigation findings indicated that the total debts of nationwide toll roads amounted to RMB 2.3 trillion, most of which were loans from commercial banks. It is expected the central government will give overall consideration to the issues of high gearing ratio and huge funding pressure facing the toll road industry and maintaining stability of the banking and financial system, it is unlikely and not practicable to continue launching stricter measures such as significantly lowering toll rates.

Since 10 January 2013, Guangzhou Municipal Government has implemented measures to prohibit non-local trucks from using the first ring road of Guangzhou City in specified hours of a day. Such measure is expected to divert non-local vehicles to use the Group’s GNSR Expressway and GWSR Expressway instead, and in turn drive the growth of their toll revenue. While a unified toll collection standard was implemented across Guangdong Province, Guangzhou was also included in the central Guangdong area toll collection system. It was emphasized at the Transportation Work Conference of Guangdong held on 21 January 2013 that a single unified toll collection system shall be implemented across Guangdong Province within the year, which further accelerated the progress toward full weight-based toll collection within Guangdong. Such measure will hopefully be implemented within 2013, which will then raise the toll revenue of the Group’s GNSR Expressway and GWSR Expressway.

In future, the Group will continue to focus on the investment and operations of quality expressways, while maintaining close attention on investment opportunities of the following areas in terms of regional strategies: (1) the Pearl River Delta region which is more mature in economic development, with focus on Guangzhou which has been listed as one of the national central cities; (2) central and western provinces in China, which have enjoyed rapid economic growth as a result of policy support

from the central government as well as development opportunities brought by the relocation of industries from eastern coastal areas.

Mr. Zhang concluded, “The Group remains optimistic about the investment opportunities of transport infrastructure in mainland China, and is actively reserving quality expressway projects. By fully utilizing the advantages of its access to financing platforms both in Hong Kong and mainland China as well as its internal and external resources, the Group will adjust and optimize its debt structure and actively explore diversified debt financing methods in order to lower its overall finance costs. It will also identify quality projects as and when opportunities arise and optimize its overall asset portfolio to improve the profitability of its assets as a whole and bring reasonable returns to shareholders.”

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About Yuexiu Transport Infrastructure Limited

Yuexiu Transport Infrastructure Limited is principally engaged in investment, operation and management of toll expressways, national highways and bridges in Guangdong Province and other high-growth provinces in the PRC. As at 31 December 2012, the Company had a total of 12 investments in its operating toll road and bridge projects which include expressways and bridges such as Guangzhou Northern Second Ring Expressway, Guangzhou Western Second Ring Expressway, Guangzhou City Northern Ring Road, Qinglian Expressway, Guangdong Humen Bridge and Shantou Bay Bridge, all of which are located within Guangdong Province; as well as Xian to Lintong Expressway in Shaanxi Province; Cangyu Expressway in Guangxi Zhuang Autonomous Region; Jinbao Expressway in Tianjin Municipality; Han-Xiao Expressway in Hubei Province; Changzhu Expressway in Hunan Province; and Weixi Expressway in Henan Province. Total attributable length of the Group’s toll roads and bridges as at 31 December 2012 is approximately 301.26 km.

Note to Editors

Details of the results announcement have been set out in the announcement published on March 18, 2013 by Yuexiu Transport Infrastructure on the website of The Stock Exchange of Hong Kong Limited.

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