

## Yuexiu Transport Infrastructure Announces Annual Results for 2016

\* \* \*

### Profit Surges by 72.7% Paid Dividend Hits Record High Continue to Share Operating Achievements with Shareholders

#### Financial Highlights:

For the year ended 31 December (RMB'000)	2016	2015	Change
Revenue	2,519,003	2,226,023	13.2%
Profit attributable to shareholders	918,817	532,086	72.7%
Basic earnings per share (RMB)	0.5491	0.3179	72.7%
Final dividend per share	HK\$ 0.2	HK\$0.16	25.0%
Paid interim dividend per share	HK\$0.13	HK\$0.12	8.3%
Annual Dividend Payout Ratio	52.2%	72.2%	

#### Highlights of Results and Outlook:

- Operating results reach record highs. The income from the Group's operations increased by 13.2% to RMB2.519billion. Profit attributable to shareholders rose by 72.7% to RMB919 million.
- The total dividends for the Reporting Year amounted to RMB 0.2885 per share which is equivalent to HK\$33 per share, representing an increase of 25.6%.
- The Group had further broadened the financing channel and optimized the debt structure. It successfully issued RMB2 billion worth of corporate bonds ("Panda Bonds") in mainland China, with the overall cost of around 3%.
- The Group adopted effective measures to avoid the risks arising from the downward pressure on Renminbi's exchange rate, including the use of the financial derivative, cross-currency swap (CCS).
- The Group completed the disposal of a 51% equity interest in Wuzhou Port terminal in Guangxi and booked a gain of RMB112 million, which greatly boosted the revenue during the year.
- The Group will continue to optimize the overall asset portfolio, strengthen the concept of "asset operation" and enhance its overall profitability, in order to continue to create better returns for shareholders.

Yuexiu Transport Infrastructure Limited on Feb 13th ("Yuexiu Transport Infrastructure" or "Company", stock code: 1052) today announces the annual results of the Company and its subsidiaries, which are collectively referred to as the "Group", for the year ended 31 December 2016 ("the reporting year").

During the reporting year, the Group's operating results hit record highs again. The toll income increased by 13.2% to RMB2.52 billion. Growth in revenues from the core projects and the income

generated from the disposal of Wuzhou Port terminal caused the profit attributable to shareholders to rise by 72.7%. If the non-recurring gain was excluded, the profit attributable to shareholders would have risen by 51.6%.

The Board has recommended the payment of a final dividend of HK\$0.2 per share for 2016, which together with the paid interim dividend of HK\$0.13 per share, will bring the total dividends for the Reporting Year to HK\$0.33 per share (which is equivalent to RMB 0.2885 per share), up by 25.6%. This will also represent an annual dividend payout ratio of 52.5%. Shareholders have derived good returns from the Group's development.

In the face of a slow recovery and a complex external economic environment, the central government adhered to its economic policy of making steady, moderate progress in the economy. It also continued with the supply-side's structural reform, and actively guided the supply side in its adaptation to the new normal of the economic development. The government pressed on with the reforms in an all-round way and encouraged innovation-driven development. It also expedited the transformation of the mode of economic development and restructuring with the aim of maintaining a reasonable rate of economic growth.

According to the National Bureau of Statistics, China's gross domestic product grew by 6.7% to about RMB74.41 trillion in 2016. With the strategic locations of its expressway projects, the Group was able to take advantage of the country's stable economic environment.

During the reporting year, the Group's right to operate the Xian Expressway expired on 30 September 2016 and it handed the expressway back to the local government. On the other hand, the Group completed the disposal of a 51% equity interest in Wuzhou Port terminal in Guangxi on 1 August 2016 according to an agreement and recorded a gain of RMB112 million, which boosted the amount of cash held by the Group and the profit for the reporting year.

Mr. Zhu Chunxiu, Chairman of Yuexiu Transport Infrastructure, said, "In recent years, the Group has further optimized its asset portfolio by disposing of assets such as ordinary highways and the Wuzhou Port terminal in Guangxi. The management will continue to review and carry out the plans for optimizing the overall asset portfolio. It will also strengthen the concept of "asset operation", enhance the Group's overall profitability, and continue to create better returns for shareholders."

During the reporting year, Renminbi's exchange rate continued to be under pressure, and the Federal Reserve also initiated the second recent rate hike in December of 2016 after it had suspended such move for about a decade. The US dollar further strengthened as a result. This triggered off further outflow of international capital from the emerging markets and developing countries. In this connection, the Group actively adopted the following measures: Firstly, it issued RMB2 billion worth of corporate bonds ("Panda Bonds") in mainland China, with the Coupon rate around 3%. The proceeds raised will be used for the early repayment of domestic and foreign bank loans (including

those denominated in Hong Kong dollars, US dollars and Renminbi). Secondly, the Group limited the risk associated with exchange rate fluctuations through the financial derivative CCS. Through the above measures, the Group had further broadened the financing channel, optimized the debt structure, reduced the overall financial costs and effectively avoided the risk arising from the downward pressure on Renminbi's exchange rate.

In 2017, infrastructure is predicted to play an irreplaceable, important role in China's economic development. Both the central and local governments have announced the plans for highway construction, which present opportunities for investment. The Group specializes in investment in and operation of transportation infrastructure projects. It has a wealth of experience in the operation and management of toll expressways and bridges. It will continue to actively seize opportunities for investing in the transportation industry with its advantages such as its low-cost financing capability. As to its business strategy regarding the regional markets, the Group will continue to focus on populous provinces in central China which are poised to benefit from the "New 10-year (2016-2025) Central China Development Plan" and the relocation of labor-intensive processing industries from the country's east coast to its central region. The Group will seek opportunities for acquiring high-quality expressway projects in central China.

Mr. Zhu Chunxiu concluded, "Highway transportation can be affected by macroeconomic conditions, but the demand for it is rigid. Driven by factors such as the consistent double-digit percentage growth in private car ownership, an increase in consumption by residents, the fast development of tourism, significant advancement in e-commerce that leads to rapid development in the logistics industry and the advancement of new mode of urbanization, highway transportation still has great potential for growth. As a key component of the integrated transportation system, expressways have great significance in promoting regional economic development. In accordance with the planning of the central government, the total length of national expressways will reach 150,000 km at the end of the "13th Five-year Plan". The strengthening and improvement of the network of expressways will mean better support for the country's three major strategies, namely the "Belt and Road Initiative", the coordinated development of Beijing, Tianjin and Hebei and the development of the Yangtze River Economic Belt. The move will also serve to facilitate the new mode of urbanization by improving the urban and intercity transportation. In view of all these developments, the Group is still optimistic about the prospects of the transportation industry."