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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Yuexiu Transport Infrastructure Limited**, you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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越秀交通基建有限公司

Yuexiu Transport Infrastructure Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 01052)

**(1) MAJOR TRANSACTIONS:
RELATED CONSTRUCTION WORKS AGREEMENTS
IN CONNECTION WITH
THE GNSR EXPRESSWAY R&E PROJECT**

AND

(2) NOTICE OF SGM

Capitalized terms used on this cover page have the same meanings as those defined in this circular.

The Board Letter is set out on pages 7 to 34 in this circular.

A notice convening the SGM to be held at Plaza I-IV, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong, on Friday, 24 November 2023 at 3:30 p.m. is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for the SGM is enclosed with this circular. Whether or not you intend to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to Tricor Abacus Limited, the Company's Hong Kong branch share registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting (or any adjourned meeting thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM if you so wish and, in such event, the form of proxy shall be deemed to be revoked.

8 November 2023

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“Announcements”	(i) the announcement of the Company dated 17 October 2023 in relation to, <i>inter alia</i> , the issuance of the letters of award for the Main Construction Works Agreements; and (ii) the announcement of the Company dated 3 November 2023 in relation to, <i>inter alia</i> , the execution of the Main Construction Works Agreements
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Baiyun Land Acquisition Office”	the Land Acquisition Office of the People’s Government of Baiyun District of Guangzhou City* (廣州市白雲區人民政府徵地辦公室)
“Bidding Law”	the Bidding Law of the People’s Republic of China (《中華人民共和國招標投標法》)
“Board”	the board of Directors
“Board Letter”	the section headed “Letter from the Board” of this circular
“CCCC R&B”	CCCC Road & Bridge International Co., Ltd.* (中交路橋建設有限公司), a limited liability company established in the PRC
“CCCC Second Harbour”	CCCC Second Harbour Engineering Co., Ltd.* (中交第二航務工程局有限公司), a limited liability company established in the PRC
“China Communications”	China Communications Construction Company Limited* (中國交通建設股份有限公司), a company established in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601800) and the Stock Exchange (stock code: 1800) and primarily engaged in the investment, design, construction, operation and management of port, waterway, road and bridge, railway, urban rail transit, municipal infrastructure, land reclamation, river basin management, water conservancy and hydropower, construction and environmental protection and related projects
“China Communications Agreements”	collectively, Section TJ1 Main Works Agreement and Section TJ5 Main Works Agreement

DEFINITIONS

“Company”	Yuexiu Transport Infrastructure Limited (越秀交通基建有限公司), an exempted company incorporated in Bermuda, the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Contractors ”	collectively, CCCC Second Harbour, CR 14th Bureau, GHEG, CCCC R&B, CR 11th Bureau, CR MBE and CR 25th Bureau
“CR 11th Bureau”	China Railway 11th Bureau Group Co., Ltd.* (中鐵十一局集團有限公司), a limited liability company established in the PRC
“CR 14th Bureau”	China Railway 14th Bureau Group Co., Ltd.* (中鐵十四局集團有限公司), a limited liability company established in the PRC
“CR 25th Bureau”	China Railway 25th Bureau Group Co., Ltd.* (中鐵二十五局集團有限公司), a limited liability company established in the PRC
“CRCC”	China Railway Construction Corporation Limited* (中國鐵建股份有限公司), a company established in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601186) and the Stock Exchange (stock code: 1186) and primarily engaged in businesses which cover construction operations, planning, design and consultancy, investment operations, real estate development, manufacturing, materials and logistics, environmental protection, industrial finance and other emerging industries
“CRCC Agreements”	collectively, Section TJ2 Main Works Agreement, Section TJ6 Main Works Agreement and Section TJ8 Main Works Agreement
“CR MBE”	China Railway Major Bridge Engineering Group Co., Ltd* (中鐵大橋局集團有限公司), a limited liability company established in the PRC
“Director(s)”	the director(s) of the Company

DEFINITIONS

“GCIG”	Guangzhou Communications Investment Group Co., Ltd.* (廣州交通投資集團有限公司), a limited liability company established in the PRC and is wholly owned by the State-owned Assets Supervision and Administration Commission of Guangzhou Municipal Government (廣州市人民政府國有資產監督管理委員會) and principally engaged in the investment, construction and operation management of transport infrastructure such as expressways and urban highways
“GHEG”	Guangzhou Highway Engineering Group Co., Ltd* (廣州公路工程集團有限公司), a limited liability company established in the PRC
“GNSR Company”	Guangzhou City North Second Ring Transport Technology Company Limited* (廣州市北二環交通科技有限公司), a limited liability company established in the PRC and an indirect non-wholly subsidiary of and owned as to 60% by the Company
“GNSR Expressway”	Guangzhou City Northern Second Ring Expressway, also known as the Huocun to Longshan section of the Shenyang-Haikou Expressway
“GNSR Expressway R&E Project”	the reconstruction and expansion project of the GNSR Expressway, further details of which are set out in the section headed “4. Information on the GNSR Expressway and the GNSR Expressway R&E Project” in the Board Letter
“Greater Bay Area”	Guangdong-Hong Kong-Macao Greater Bay Area
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“km”	kilometre
“Land Expropriation Agreements”	collectively: (i) the Baiyun District Land Expropriation Works Entrustment Agreement for the Reconstruction and Expansion Construction Project of the Huocun to Longshan section of the Shenyang-Haikou National Expressway dated 17 October 2022 entered into between GNSR Company and Baiyun Land Acquisition Office;

DEFINITIONS

	<p>(ii) the Huangpu District Land Expropriation and Relocation Works Entrustment Agreement for the Reconstruction and Expansion Construction Project of the Huocun to Longshan section of the Shenyang-Haikou National Expressway dated 28 February 2023 entered into between GNSR Company and Guangzhou Development District Key Project Promotion Centre* (廣州開發區重點項目推進中心); and</p> <p>(iii) the Baiyun District Land Expropriation Works Implementation Agreement for the Reconstruction and Expansion Construction Project of the Huocun to Longshan section of the Shenyang-Haikou National Expressway dated 20 March 2023 entered into between GNSR Company and Baiyun Land Acquisition Office</p>
“Latest Practicable Date”	3 November 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Construction Works Agreements”	collectively, Section TJ1 Main Works Agreement, Section TJ2 Main Works Agreement, Section TJ4 Main Works Agreement, Section TJ5 Main Works Agreement, Section TJ6 Main Works Agreement, Section TJ7 Main Works Agreement and Section TJ8 Main Works Agreement
“Main Works Sections”	the construction sections of the GNSR Expressway to be reconstructed and expanded under the Main Construction Works Agreements, being section TJ1, section TJ2, section TJ4, section TJ5, section TJ6 and section TJ7 and section TJ8 of the GNSR Expressway R&E Project
“PRC”	the People’s Republic of China
“Preliminary Construction Works Agreement”	the Preliminary Civil Engineering Construction Contract Document (Section X1) for the Reconstruction and Expansion Construction Project of the Huocun to Longshan section of the Shenyang-Haikou National Expressway entered into between GNSR Company and China Railway Tunnel Group Co., Limited* (中鐵隧道局集團有限公司) dated 28 November 2022
“Related Construction Works Agreements”	collectively, the China Communications Agreements and the CRCC Agreements

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“Section TJ1 Main Works Agreement”	the Construction Contract for Section TJ1 of the Reconstruction and Expansion Construction of the Huocun to Longshan section of the Shenyang-Haikou National Expressway entered into between GNSR Company and CCCC Second Harbour dated 3 November 2023
“Section TJ2 Main Works Agreement”	the Construction Contract for Section TJ2 of the Reconstruction and Expansion Construction of the Huocun to Longshan section of the Shenyang-Haikou National Expressway entered into between GNSR Company and CR 14th Bureau dated 3 November 2023
“Section TJ4 Main Works Agreement”	the Construction Contract for Section TJ4 of the Reconstruction and Expansion Construction of the Huocun to Longshan section of the Shenyang-Haikou National Expressway entered into between GNSR Company and GHEG dated 3 November 2023
“Section TJ5 Main Works Agreement”	the Construction Contract for Section TJ5 of the Reconstruction and Expansion Construction of the Huocun to Longshan section of the Shenyang-Haikou National Expressway entered into between GNSR Company and CCCC R&B dated 3 November 2023
“Section TJ6 Main Works Agreement”	the Construction Contract for Section TJ6 of the Reconstruction and Expansion Construction of the Huocun to Longshan section of the Shenyang-Haikou National Expressway entered into between GNSR Company and CR 11th Bureau dated 3 November 2023
“Section TJ7 Main Works Agreement”	the Construction Contract for Section TJ7 of the Reconstruction and Expansion Construction of the Huocun to Longshan section of the Shenyang-Haikou National Expressway entered into between GNSR Company and CR MBE dated 3 November 2023
“Section TJ8 Main Works Agreement”	the Construction Contract for Section TJ8 of the Reconstruction and Expansion Construction of the Huocun to Longshan section of the Shenyang-Haikou National Expressway entered into between GNSR Company and CR 25th Bureau dated 3 November 2023
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“SGM”	the special general meeting of the Company to be held at Plaza I-IV, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong, on 24 November 2023 at 3:30 p.m. for the Shareholders to consider and, if thought fit, approve, confirm and ratify, amongst others, the entering into of and the transactions contemplated under the Related Construction Works Agreements (including any adjournment thereof)
“Shareholder(s)”	the shareholder(s) of the Company
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“VAT”	value-added tax of the PRC
“%”	per cent

Note:

* For identification purposes only. In the event of inconsistency, the Chinese language shall prevail.



越秀交通基建有限公司
Yuexiu Transport Infrastructure Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 01052)

Executive Directors:

Mr. Li Feng (*Chairman*)
Mr. He Baiqing
Ms. Chen Jing
Mr. Cai Minghua
Mr. Pan Yongqiang

Register office

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

Independent Non-executive Directors:

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

*Head office and principal place of business
in Hong Kong*

17A Yue Xiu Building
160 Lockhart Road
Wanchai
Hong Kong

8 November 2023

To the Shareholders

Dear Sir/Madam,

**(1) MAJOR TRANSACTIONS:
RELATED CONSTRUCTION WORKS AGREEMENTS
IN CONNECTION WITH
THE GNSR EXPRESSWAY R&E PROJECT**

AND

(2) NOTICE OF SPECIAL GENERAL MEETING

1. INTRODUCTION

Reference is made to:

- (i) the announcements of the Company dated 17 October 2022, 28 November 2022, 10 January 2023, 28 February 2023 and 20 March 2023 and the circular of the Company dated 22 December 2022 regarding the Land Expropriation Agreements and the Preliminary Construction Works Agreement for the GNSR Expressway R&E Project;

LETTER FROM THE BOARD

- (ii) the Announcement dated 17 October 2023 regarding, *inter alia*, the issuance of the letters of award for the Main Construction Works Agreements; and
- (iii) the Announcement dated 3 November 2023 regarding, *inter alia*, the execution of the Main Construction Works Agreements.

The purpose of this circular is to provide you with, among other things, (i) further details of the Related Construction Works Agreements; (ii) other information as required under the Listing Rules; and (iii) the notice of the SGM.

In anticipation of the commencement of the main construction works for the GNSR Expressway R&E Project, GNSR Company has undertaken the standardized tender and bidding process through the Guangzhou Public Resources Trading Center and on 17 October 2023 (after trading hours), issued the letters of award to the respective Contractors (being the winning bidders for each of the tenders) for the main construction works under the GNSR Expressway R&E Project. Furthermore, on 3 November 2023, GNSR Company has also entered into the Main Construction Works Agreements with the respective Contractors for each of the Main Works Sections, including but not limited to the following Related Construction Works Agreements:

- (i) the Section TJ1 Main Works Agreement with CCCC Second Harbour;
- (ii) the Section TJ2 Main Works Agreement with CR 14th Bureau;
- (iii) the Section TJ5 Main Works Agreement with CCCC R&B;
- (iv) the Section TJ6 Main Works Agreement with CR 11th Bureau; and
- (v) the Section TJ8 Main Works Agreement with CR 25th Bureau.

2. RELATED CONSTRUCTION WORKS AGREEMENTS

(1) Section TJ1 Main Works Agreement

The principal terms of the Section TJ1 Main Works Agreement are set out below:

Parties	(i) GNSR Company (ii) CCCC Second Harbour
Date	3 November 2023

LETTER FROM THE BOARD

Subject Matter

CCCC Second Harbour (as the contractor) shall undertake the construction works in connection with the main construction section TJ1 of the GNSR Expressway R&E Project, which comprises the highway road sections (i) starting from YK2987+150 and ending at YK2992+460 and (ii) starting from ZK2987+150 and ending at ZK2992+310 with a total length of approximately 5.235km, and the main structures under construction include but are not limited to 2 interchange sections, 1 grand bridge of 4,873.3 metres and 1 medium-to-large-sized bridge of 106.4 metres.

In connection with the construction works, CCCC Second Harbour shall be responsible for arranging, among others, all necessary labour and management personnel, materials and construction equipment.

Construction Period

60 months commencing from the date on which the supervisor for the construction project has issued the works commencement notice.

CCCC Second Harbour will be subject to a daily delay fee of RMB20,000 if there are any delays to the expected construction timetable and such delay is attributable to CCCC Second Harbour, subject to a maximum cap of 10% of the total contract amount.

Project Price

The total contract amount shall be approximately RMB1,122,110,220 (inclusive of VAT), which may be subject to the adjustments based on changes in the actual work to be taken by CCCC Second Harbour as instructed by GNSR Company through the supervisor and certain adjustment mechanism based on (i) the price fluctuation of certain construction materials (including but not limited to gravel, sand, cement, steel reinforcement, wire strand, steel materials, concrete pile and diesel) and (ii) change in the relevant PRC laws, regulations and tax policies.

LETTER FROM THE BOARD

Notwithstanding the above, GNSR Company shall not be required to bear any costs which exceed the total contract amount as set out above unless (i) GNSR Company and CCCC Second Harbour have entered into separate agreement for such amount exceeding the total contract amount and (ii) GNSR Company and its controlling shareholder (namely, the Company) have complied with the relevant compliance requirements under relevant law and regulations and the Listing Rules, including the relevant announcement, circular and Shareholders' approval requirements (as applicable). The Company will comply with the requirements under the Listing Rules (as applicable) if there are any material upward adjustments to the total contract amount under the Section TJ1 Main Works Agreement.

GNSR Company intends to finance the total contract amount by way of external bank financing and/or capital contribution by its shareholders.

Basis of Determination of Project Price

The total contract amount represents the sum of (i) the bidding price offered by CCCC Second Harbour under the tender exercise, which was determined based on the prevailing market price for a project of similar nature and complexity and (ii) the premium quality award, with the premium quality award under the Section TJ1 Main Works Agreement amounting to 1.5% of a designated portion of the bidding price in accordance with the requirements published by the Department of Transport of Guangdong Province. The contract was awarded to CCCC Second Harbour through an open tender and bidding process after GNSR Company considered comprehensively a number of factors such as the bidding price, construction organisation and design, historical performance and contract performance reputation of the bidders.

Prepayment

Construction prepayment in the aggregate amount of 10% of the total contract amount shall be payable by GNSR Company to CCCC Second Harbour in instalments in accordance with CCCC Second Harbour's construction preparation status after CCCC Second Harbour has delivered the performance bond.

The construction prepayment shall be set off against the incurred contract amount pursuant to the current progress payment certificate at an agreed ratio upon the incurred contract amount reaching 30% of the total contract amount.

LETTER FROM THE BOARD

Payment Arrangement

Contract amount incurred shall be paid by GNSR Company to CCCC Second Harbour in instalments of not less than RMB500,000 based on the construction progress of CCCC Second Harbour. During the construction period, once CCCC Second Harbour has provided a progress payment request and supporting documentations to the supervisor appointed by GNSR Company, the supervisor shall complete review of such progress payment request within 14 days and pass the same to GNSR Company for approval. GNSR Company shall then complete the approval procedure and settle such amount within 28 days after the supervisor receives the progress payment request and CCCC Second Harbour provides the valid VAT invoice.

CCCC Second Harbour may, within 42 days after issuance of the delivery inspection certificate, provide the delivery payment request (together with the relevant supporting materials) to the supervisor, who shall then review the request within 14 days and issue a delivery payment certificate to GNSR Company. GNSR Company shall thereafter settle the amount payable within 14 days after the supervisor issues the delivery payment certificate and CCCC Second Harbour provides the valid VAT invoice.

Performance Bond

CCCC Second Harbour shall provide a performance bond amounting to 10% of the total contract amount of the Section TJ1 Main Works Agreement to GNSR Company, which shall remain effective until the payment of the quality guarantee deposit by CCCC Second Harbour, and may be in the form of cash, cheque, bank guarantee or other legal means. GNSR Company shall return the performance bond to CCCC Second Harbour upon payment of the quality guarantee deposit by CCCC Second Harbour to GNSR Company.

Quality Guarantee Deposit

Within 14 days after the passing of the construction delivery inspection and issuance of the delivery inspection certificate, CCCC Second Harbour shall pay a quality guarantee deposit to GNSR Company. The quality guarantee deposit may be made in the form of bank guarantee or by cash and shall represent 3% of the total contract amount. The quality guarantee deposit paid shall bear no interest.

LETTER FROM THE BOARD

Provided that CCCC Second Harbour has fulfilled its obligations during the defect responsibility period as set out below and the quality inspection has been passed after 2 years of trial operation of the reconstructed and expanded GNSR Expressway:

- (i) 50% of the quality guarantee deposit shall be returned by GNSR Company to CCCC Second Harbour; and
- (ii) the remaining 50% of the quality guarantee deposit shall be treated as and used to settle the final instalment of the contract amount and shall be returned by GNSR Company to CCCC Second Harbour within one month after the completion inspection and final audit and the settlement amount adjustment based on such audit.

If CCCC Second Harbour fails to achieve the standard of good level for the completion inspection, GNSR Company shall deduct 10% of the quality guarantee deposit or an equivalent amount from the final instalment of the contract amount as damages. In such scenario, GNSR Company shall also be entitled to claw back all premium quality award paid during the construction period.

Defect Responsibility Period

During the defect responsibility period, being the 2 years after the overall delivery inspection of the section, CCCC Second Harbour shall be responsible for handling and rectifying any new and re-occurring defects. If the defects are found to be attributable to the reasons of CCCC Second Harbour, the expenses for rectifying and inspecting the defects shall be borne by CCCC Second Harbour.

Effective Date

The Section TJ1 Main Works Agreement has been concluded upon the date on which it is signed and sealed by the parties thereto after the provision of the performance bond by CCCC Second Harbour, and shall become effective on the date of completion of the approval procedure by GNSR Company and its controlling shareholder (including the Company) as required by relevant law and regulations and the Listing Rules, including the relevant announcement, circular and/or Shareholders' approval requirements.

LETTER FROM THE BOARD

(2) Section TJ2 Main Works Agreement

The principal terms of the Section TJ2 Main Works Agreement are set out below:

Parties	(i) GNSR Company (ii) CR 14th Bureau
Date	3 November 2023
Subject Matter	<p>CR 14th Bureau (as the contractor) shall undertake the construction works in connection with the main construction section TJ2 of the GNSR Expressway R&E Project, which comprises the highway road sections (i) starting from YK2992+460 and ending at YK2998+415, and (ii) starting from ZK2992+310 and ending at ZK2998+380 with a total length of approximately 6.026km, and the main structures under construction include but are not limited to 1 interchange section, 3 medium-to-large-sized bridges of 1,411.25 metres and 1 tunnel of 347.5 metres.</p> <p>In connection with the construction works, CR 14th Bureau shall be responsible for arranging, among others, all necessary labour and management personnel, materials and construction equipment.</p>
Construction Period	<p>60 months commencing from the date on which the supervisor for the construction project has issued the works commencement notice.</p> <p>CR 14th Bureau will be subject to a daily delay fee of RMB20,000 if there are any delays to the expected construction timetable and such delay is attributable to CR 14th Bureau, subject to a maximum cap of 10% of the total contract amount.</p>
Project Price	<p>The total contract amount shall be approximately RMB653,123,733 (inclusive of VAT), which may be subject to the adjustments based on changes in the actual work to be taken by CR 14th Bureau as instructed by GNSR Company through the supervisor and certain adjustment mechanism based on (i) the price fluctuation of certain construction materials (including but not limited to gravel, sand, cement, steel reinforcement, wire strand, steel materials, concrete pile and diesel) and (ii) change in the relevant PRC laws, regulations and tax policies.</p>

LETTER FROM THE BOARD

Notwithstanding the above, GNSR Company shall not be required to bear any costs which exceed the total contract amount as set out above unless (i) GNSR Company and CR 14th Bureau have entered into separate agreement for such amount exceeding the total contract amount and (ii) GNSR Company and its controlling shareholder (namely, the Company) have complied with the relevant compliance requirements under relevant law and regulations and the Listing Rules, including the relevant announcement, circular and Shareholders' approval requirements (as applicable). The Company will comply with the requirements under the Listing Rules (as applicable) if there are any material upward adjustments to the total contract amount under the Section TJ2 Main Works Agreement.

GNSR Company intends to finance the total contract amount by way of external bank financing and/or capital contribution by its shareholders.

Basis of Determination of Project Price

The total contract amount represents the sum of (i) the bidding price offered by CR 14th Bureau under the tender exercise, which was determined based on the prevailing market price for a project of similar nature and complexity and (ii) the premium quality award, with the premium quality award under the Section TJ2 Main Works Agreement amounting to 1.5% of a designated portion of the bidding price in accordance with the requirements published by the Department of Transport of Guangdong Province. The contract was awarded to CR 14th Bureau through an open tender and bidding process after GNSR Company considered comprehensively a number of factors such as the bidding price, construction organisation and design, historical performance and contract performance reputation of the bidders.

Prepayment

Construction prepayment in the aggregate amount of 10% of the total contract amount shall be payable by GNSR Company to CR 14th Bureau in instalments in accordance with CR 14th Bureau's construction preparation status after CR 14th Bureau has delivered the performance bond.

The construction prepayment shall be set off against the incurred contract amount pursuant to the current progress payment certificate at an agreed ratio upon the incurred contract amount reaching 30% of the total contract amount.

LETTER FROM THE BOARD

Payment Arrangement

Contract amount incurred shall be paid by GNSR Company to CR 14th Bureau in instalments of not less than RMB500,000 based on the construction progress of CR 14th Bureau. During the construction period, once CR 14th Bureau has provided a progress payment request and supporting documentations to the supervisor appointed by GNSR Company, the supervisor shall complete review of such progress payment request within 14 days and pass the same to GNSR Company for approval. GNSR Company shall then complete the approval procedure and settle such amount within 28 days after the supervisor receives the progress payment request and CR 14th Bureau provides the valid VAT invoice.

CR 14th Bureau may, within 42 days after issuance of the delivery inspection certificate, provide the delivery payment request (together with the relevant supporting materials) to the supervisor, who shall then review the request within 14 days and issue a delivery payment certificate to GNSR Company. GNSR Company shall thereafter settle the amount payable within 14 days after the supervisor issues the delivery payment certificate and CR 14th Bureau provides the valid VAT invoice.

Performance Bond

CR 14th Bureau shall provide a performance bond amounting to 10% of the total contract amount of the Section TJ2 Main Works Agreement to GNSR Company, which shall remain effective until the payment of the quality guarantee deposit by CR 14th Bureau, and may be in the form of cash, cheque, bank guarantee or other legal means. GNSR Company shall return the performance bond to CR 14th Bureau upon payment of the quality guarantee deposit by CR 14th Bureau to GNSR Company.

Quality Guarantee Deposit

Within 14 days after the passing of the construction delivery inspection and issuance of the delivery inspection certificate, CR 14th Bureau shall pay a quality guarantee deposit to GNSR Company. The quality guarantee deposit may be made in the form of bank guarantee or by cash and shall represent 3% of the total contract amount. The quality guarantee deposit paid shall bear no interest.

LETTER FROM THE BOARD

Provided that CR 14th Bureau has fulfilled its obligations during the defect responsibility period as set out below and the quality inspection has been passed after 2 years of trial operation of the reconstructed and expanded GNSR Expressway:

- (i) 50% of the quality guarantee deposit shall be returned by GNSR Company to CR 14th Bureau; and
- (ii) the remaining 50% of the quality guarantee deposit shall be treated as and used to settle the final instalment of the contract amount and shall be returned by GNSR Company to CR 14th Bureau within one month after the completion inspection and final audit and the settlement amount adjustment based on such audit.

If CR 14th Bureau fails to achieve the standard of good level for the completion inspection, GNSR Company shall deduct 10% of the quality guarantee deposit or an equivalent amount from the final instalment of the contract amount as damages. In such scenario, GNSR Company shall also be entitled to claw back all premium quality award paid during the construction period.

**Defect Responsibility
Period**

During the defect responsibility period, being the 2 years after the overall delivery inspection of the section, CR 14th Bureau shall be responsible for handling and rectifying any new and re-occurring defects. If the defects are found to be attributable to the reasons of CR 14th Bureau, the expenses for rectifying and inspecting the defects shall be borne by CR 14th Bureau.

Effective Date

The Section TJ2 Main Works Agreement has been concluded upon the date on which it is signed and sealed by the parties thereto after the provision of the performance bond by CR 14th Bureau, and shall become effective on the date of completion of the approval procedure by GNSR Company and its controlling shareholder (including the Company) as required by relevant law and regulations and the Listing Rules, including the relevant announcement, circular and/or Shareholders' approval requirements.

LETTER FROM THE BOARD

(3) Section TJ5 Main Works Agreement

The principal terms of the Section TJ5 Main Works Agreement are set out below:

Parties	(i) GNSR Company (ii) CCCC R&B
Date	3 November 2023
Subject Matter	<p>CCCC R&B (as the contractor) shall undertake the construction works in connection with the main construction section TJ5 of the GNSR Expressway R&E Project, which comprises the highway road sections starting from K3005+866.350 and ending at K3010+690 with a total length of approximately 4.824km, and the main structures under construction include but are not limited to 1 interchange section and 10 small, medium and large sized bridges of 1,016.283 metres.</p> <p>In connection with the construction works, CCCC R&B shall be responsible for arranging, among others, all necessary labour and management personnel, materials and construction equipment.</p>
Construction Period	<p>60 months commencing from the date on which the supervisor for the construction project has issued the works commencement notice.</p> <p>CCCC R&B will be subject to a daily delay fee of RMB20,000 if there are any delays to the expected construction timetable and such delay is attributable to CCCC R&B, subject to a maximum cap of 10% of the total contract amount.</p>
Project Price	<p>The total contract amount shall be approximately RMB598,630,694 (inclusive of VAT), which may be subject to the adjustments based on changes in the actual work to be taken by CCCC R&B as instructed by GNSR Company through the supervisor and certain adjustment mechanism based on (i) the price fluctuation of certain construction materials (including but not limited to gravel, sand, cement, steel reinforcement, wire strand, steel materials, concrete pile and diesel) and (ii) change in the relevant PRC laws, regulations and tax policies.</p>

LETTER FROM THE BOARD

Notwithstanding the above, GNSR Company shall not be required to bear any costs which exceed the total contract amount as set out above unless (i) GNSR Company and CCCC R&B have entered into separate agreement for such amount exceeding the total contract amount and (ii) GNSR Company and its controlling shareholder (namely, the Company) have complied with the relevant compliance requirements under relevant law and regulations and the Listing Rules, including the relevant announcement, circular and Shareholders' approval requirements (as applicable). The Company will comply with the requirements under the Listing Rules (as applicable) if there are any material upward adjustments to the total contract amount under the Section TJ5 Main Works Agreement.

GNSR Company intends to finance the total contract amount by way of external bank financing and/or capital contribution by its shareholders.

Basis of Determination of Project Price

The total contract amount represents the sum of (i) the bidding price offered by CCCC R&B under the tender exercise, which was determined based on the prevailing market price for a project of similar nature and complexity and (ii) the premium quality award, with the premium quality award under the Section TJ5 Main Works Agreement amounting to 1.5% of a designated portion of the bidding price in accordance with the requirements published by the Department of Transport of Guangdong Province. The contract was awarded to CCCC R&B through an open tender and bidding process after GNSR Company considered comprehensively a number of factors such as the bidding price, construction organisation and design, historical performance and contract performance reputation of the bidders.

Prepayment

Construction prepayment in the aggregate amount of 10% of the total contract amount shall be payable by GNSR Company to CCCC R&B in instalments in accordance with CCCC R&B's construction preparation status after CCCC R&B has delivered the performance bond.

The construction prepayment shall be set off against the incurred contract amount pursuant to the current progress payment certificate at an agreed ratio upon the incurred contract amount reaching 30% of the total contract amount.

LETTER FROM THE BOARD

Payment Arrangement

Contract amount incurred shall be paid by GNSR Company to CCCC R&B in instalments of not less than RMB500,000 based on the construction progress of CCCC R&B. During the construction period, once CCCC R&B has provided a progress payment request and supporting documentations to the supervisor appointed by GNSR Company, the supervisor shall complete review of such progress payment request within 14 days and pass the same to GNSR Company for approval. GNSR Company shall then complete the approval procedure and settle such amount within 28 days after the supervisor receives the progress payment request and CCCC R&B provides the valid VAT invoice.

CCCC R&B may, within 42 days after issuance of the delivery inspection certificate, provide the delivery payment request (together with the relevant supporting materials) to the supervisor, who shall then review the request within 14 days and issue a delivery payment certificate to GNSR Company. GNSR Company shall thereafter settle the amount payable within 14 days after the supervisor issues the delivery payment certificate and CCCC R&B provides the valid VAT invoice.

Performance Bond

CCCC R&B shall provide a performance bond amounting to 10% of the total contract amount of the Section TJ5 Main Works Agreement to GNSR Company, which shall remain effective until the payment of the quality guarantee deposit by CCCC R&B, and may be in the form of cash, cheque, bank guarantee or other legal means. GNSR Company shall return the performance bond to CCCC R&B upon payment of the quality guarantee deposit by CCCC R&B to GNSR Company.

Quality Guarantee Deposit

Within 14 days after the passing of the construction delivery inspection and issuance of the delivery inspection certificate, CCCC R&B shall pay a quality guarantee deposit to GNSR Company. The quality guarantee deposit may be made in the form of bank guarantee or by cash and shall represent 3% of the total contract amount. The quality guarantee deposit paid shall bear no interest.

LETTER FROM THE BOARD

Provided that CCCC R&B has fulfilled its obligations during the defect responsibility period as set out below and the quality inspection has been passed after 2 years of trial operation of the reconstructed and expanded GNSR Expressway:

- (i) 50% of the quality guarantee deposit shall be returned by GNSR Company to CCCC R&B; and
- (ii) the remaining 50% of the quality guarantee deposit shall be treated as and used to settle the final instalment of the contract amount and shall be returned by GNSR Company to CCCC R&B within one month after the completion inspection and final audit and the settlement amount adjustment based on such audit.

If CCCC R&B fails to achieve the standard of good level for the completion inspection, GNSR Company shall deduct 10% of the quality guarantee deposit or an equivalent amount from the final instalment of the contract amount as damages. In such scenario, GNSR Company shall also be entitled to claw back all premium quality award paid during the construction period.

**Defect Responsibility
Period**

During the defect responsibility period, being the 2 years after the overall delivery inspection of the section, CCCC R&B shall be responsible for handling and rectifying any new and re-occurring defects. If the defects are found to be attributable to the reasons of CCCC R&B, the expenses for rectifying and inspecting the defects shall be borne by CCCC R&B.

Effective Date

The Section TJ5 Main Works Agreement has been concluded upon the date on which it is signed and sealed by the parties thereto after the provision of the performance bond by CCCC R&B, and shall become effective on the date of completion of the approval procedure by GNSR Company and its controlling shareholder (including the Company) as required by relevant law and regulations and the Listing Rules, including the relevant announcement, circular and/or Shareholders' approval requirements.

LETTER FROM THE BOARD

(4) Section TJ6 Main Works Agreement

The principal terms of the Section TJ6 Main Works Agreement are set out below:

Parties	(i) GNSR Company (ii) CR 11th Bureau
Date	3 November 2023
Subject Matter	<p>CR 11th Bureau (as the contractor) shall undertake the construction works in connection with the main construction section TJ6 of the GNSR Expressway R&E Project, which comprises the highway road sections starting from K3010+690 and ending at K3016+800 with a total length of approximately 6.115km, and the main structures under construction include but are not limited to 2 interchange sections and 10 small, medium and large sized bridges of 2,129 metres.</p> <p>In connection with the construction works, CR 11th Bureau shall be responsible for arranging, among others, all necessary labour and management personnel, materials and construction equipment.</p>
Construction Period	<p>60 months commencing from the date on which the supervisor for the construction project has issued the works commencement notice.</p> <p>CR 11th Bureau will be subject to a daily delay fee of RMB20,000 if there are any delays to the expected construction timetable and such delay is attributable to CR 11th Bureau, subject to a maximum cap of 10% of the total contract amount.</p>
Project Price	<p>The total contract amount shall be approximately RMB653,179,589 (inclusive of VAT), which may be subject to the adjustments based on changes in the actual work to be taken by CR 11th Bureau as instructed by GNSR Company through the supervisor and certain adjustment mechanism based on (i) the price fluctuation of certain construction materials (including but not limited to gravel, sand, cement, steel reinforcement, wire strand, steel materials, concrete pile and diesel) and (ii) change in the relevant PRC laws, regulations and tax policies.</p>

LETTER FROM THE BOARD

Notwithstanding the above, GNSR Company shall not be required to bear any costs which exceed the total contract amount as set out above unless (i) GNSR Company and CR 11th Bureau have entered into separate agreement for such amount exceeding the total contract amount and (ii) GNSR Company and its controlling shareholder (namely, the Company) have complied with the relevant compliance requirements under relevant law and regulations and the Listing Rules, including the relevant announcement, circular and Shareholders' approval requirements (as applicable). The Company will comply with the requirements under the Listing Rules (as applicable) if there are any material upward adjustments to the total contract amount under the Section TJ6 Main Works Agreement.

GNSR Company intends to finance the total contract amount by way of external bank financing and/or capital contribution by its shareholders.

Basis of Determination of Project Price

The total contract amount represents the sum of (i) the bidding price offered by CR 11th Bureau under the tender exercise, which was determined based on the prevailing market price for a project of similar nature and complexity and (ii) the premium quality award, with the premium quality award under the Section TJ6 Main Works Agreement amounting to 1.5% of a designated portion of the bidding price in accordance with the requirements published by the Department of Transport of Guangdong Province. The contract was awarded to CR 11th Bureau through an open tender and bidding process after GNSR Company considered comprehensively a number of factors such as the bidding price, construction organisation and design, historical performance and contract performance reputation of the bidders.

Prepayment

Construction prepayment in the aggregate amount of 10% of the total contract amount shall be payable by GNSR Company to CR 11th Bureau in instalments in accordance with CR 11th Bureau's construction preparation status after CR 11th Bureau has delivered the performance bond.

The construction prepayment shall be set off against the incurred contract amount pursuant to the current progress payment certificate at an agreed ratio upon the incurred contract amount reaching 30% of the total contract amount.

LETTER FROM THE BOARD

Payment Arrangement

Contract amount incurred shall be paid by GNSR Company to CR 11th Bureau in instalments of not less than RMB500,000 based on the construction progress of CR 11th Bureau. During the construction period, once CR 11th Bureau has provided a progress payment request and supporting documentations to the supervisor appointed by GNSR Company, the supervisor shall complete review of such progress payment request within 14 days and pass the same to GNSR Company for approval. GNSR Company shall then complete the approval procedure and settle such amount within 28 days after the supervisor receives the progress payment request and CR 11th Bureau provides the valid VAT invoice.

CR 11th Bureau may, within 42 days after issuance of the delivery inspection certificate, provide the delivery payment request (together with the relevant supporting materials) to the supervisor, who shall then review the request within 14 days and issue a delivery payment certificate to GNSR Company. GNSR Company shall thereafter settle the amount payable within 14 days after the supervisor issues the delivery payment certificate and CR 11th Bureau provides the valid VAT invoice.

Performance Bond

CR 11th Bureau shall provide a performance bond amounting to 10% of the total contract amount of the Section TJ6 Main Works Agreement to GNSR Company, which shall remain effective until the payment of the quality guarantee deposit by CR 11th Bureau, and may be in the form of cash, cheque, bank guarantee or other legal means. GNSR Company shall return the performance bond to CR 11th Bureau upon payment of the quality guarantee deposit by CR 11th Bureau to GNSR Company.

Quality Guarantee Deposit

Within 14 days after the passing of the construction delivery inspection and issuance of the delivery inspection certificate, CR 11th Bureau shall pay a quality guarantee deposit to GNSR Company. The quality guarantee deposit may be made in the form of bank guarantee or by cash and shall represent 3% of the total contract amount. The quality guarantee deposit paid shall bear no interest.

LETTER FROM THE BOARD

Provided that CR 11th Bureau has fulfilled its obligations during the defect responsibility period as set out below and the quality inspection has been passed after 2 years of trial operation of the reconstructed and expanded GNSR Expressway:

- (i) 50% of the quality guarantee deposit shall be returned by GNSR Company to CR 11th Bureau; and
- (ii) the remaining 50% of the quality guarantee deposit shall be treated as and used to settle the final instalment of the contract amount and shall be returned by GNSR Company to CR 11th Bureau within one month after the completion inspection and final audit and the settlement amount adjustment based on such audit.

If CR 11th Bureau fails to achieve the standard of good level for the completion inspection, GNSR Company shall deduct 10% of the quality guarantee deposit or an equivalent amount from the final instalment of the contract amount as damages. In such scenario, GNSR Company shall also be entitled to claw back all premium quality award paid during the construction period.

**Defect Responsibility
Period**

During the defect responsibility period, being the 2 years after the overall delivery inspection of the section, CR 11th Bureau shall be responsible for handling and rectifying any new and re-occurring defects. If the defects are found to be attributable to the reasons of CR 11th Bureau, the expenses for rectifying and inspecting the defects shall be borne by CR 11th Bureau.

Effective Date

The Section TJ6 Main Works Agreement has been concluded upon the date on which it is signed and sealed by the parties thereto after the provision of the performance bond by CR 11th Bureau, and shall become effective on the date of completion of the approval procedure by GNSR Company and its controlling shareholder (including the Company) as required by relevant law and regulations and the Listing Rules, including the relevant announcement, circular and/or Shareholders' approval requirements.

LETTER FROM THE BOARD

(5) Section TJ8 Main Works Agreement

The principal terms of the Section TJ8 Main Works Agreement are set out below:

Parties	(i) GNSR Company (ii) CR 25th Bureau
Date	3 November 2023
Subject Matter	<p>CR 25th Bureau (as the contractor) shall undertake the construction works in connection with the main construction section TJ8 of the GNSR Expressway R&E Project, which comprises the highway road sections starting from K3020+200 and ending at K3024+960 with a total length of approximately 4.76km, and the main structures under construction include but are not limited to 2 interchange sections, 1 grand bridge of 1,465.6 metres and 6 small, medium and large sized bridges of 211.9 metres.</p> <p>In connection with the construction works, CR 25th Bureau shall be responsible for arranging, among others, all necessary labour and management personnel, materials and construction equipment.</p>
Construction Period	<p>60 months commencing from the date on which the supervisor for the construction project has issued the works commencement notice.</p> <p>CR 25th Bureau will be subject to a daily delay fee of RMB20,000 if there are any delays to the expected construction timetable and such delay is attributable to CR 25th Bureau, subject to a maximum cap of 10% of the total contract amount.</p>
Project Price	<p>The total contract amount shall be approximately RMB547,151,243 (inclusive of VAT), which may be subject to the adjustments based on changes in the actual work to be taken by CR 25th Bureau as instructed by GNSR Company through the supervisor and certain adjustment mechanism based on (i) the price fluctuation of certain construction materials (including but not limited to gravel, sand, cement, steel reinforcement, wire strand, steel materials, concrete pile and diesel) and (ii) change in the relevant PRC laws, regulations and tax policies.</p>

LETTER FROM THE BOARD

Notwithstanding the above, GNSR Company shall not be required to bear any costs which exceed the total contract amount as set out above unless (i) GNSR Company and CR 25th Bureau have entered into separate agreement for such amount exceeding the total contract amount and (ii) GNSR Company and its controlling shareholder (namely, the Company) have complied with the relevant compliance requirements under relevant law and regulations and the Listing Rules, including the relevant announcement, circular and Shareholders' approval requirements (as applicable). The Company will comply with the requirements under the Listing Rules (as applicable) if there are any material upward adjustments to the total contract amount under the Section TJ8 Main Works Agreement.

GNSR Company intends to finance the total contract amount by way of external bank financing and/or capital contribution by its shareholders.

Basis of Determination of Project Price

The total contract amount represents the sum of (i) the bidding price offered by CR 25th Bureau under the tender exercise, which was determined based on the prevailing market price for a project of similar nature and complexity and (ii) the premium quality award, with the premium quality award under the Section TJ8 Main Works Agreement amounting to 1.5% of a designated portion of the bidding price in accordance with the requirements published by the Department of Transport of Guangdong Province. The contract was awarded to CR 25th Bureau through an open tender and bidding process after GNSR Company considered comprehensively a number of factors such as the bidding price, construction organisation and design, historical performance and contract performance reputation of the bidders.

Prepayment

Construction prepayment in the aggregate amount of 10% of the total contract amount shall be payable by GNSR Company to CR 25th Bureau in instalments in accordance with CR 25th Bureau's construction preparation status after CR 25th Bureau has delivered the performance bond.

The construction prepayment shall be set off against the incurred contract amount pursuant to the current progress payment certificate at an agreed ratio upon the incurred contract amount reaching 30% of the total contract amount.

LETTER FROM THE BOARD

Payment Arrangement

Contract amount incurred shall be paid by GNSR Company to CR 25th Bureau in instalments of not less than RMB500,000 based on the construction progress of CR 25th Bureau. During the construction period, once CR 25th Bureau has provided a progress payment request and supporting documentations to the supervisor appointed by GNSR Company, the supervisor shall complete review of such progress payment request within 14 days and pass the same to GNSR Company for approval. GNSR Company shall then complete the approval procedure and settle such amount within 28 days after the supervisor receives the progress payment request and CR 25th Bureau provides the valid VAT invoice.

CR 25th Bureau may, within 42 days after issuance of the delivery inspection certificate, provide the delivery payment request (together with the relevant supporting materials) to the supervisor, who shall then review the request within 14 days and issue a delivery payment certificate to GNSR Company. GNSR Company shall thereafter settle the amount within 14 days after the supervisor issues the delivery payment certificate and CR 25th Bureau provides the valid VAT invoice.

Performance Bond

CR 25th Bureau shall provide a performance bond amounting to 10% of the total contract amount of the Section TJ8 Main Works Agreement to GNSR Company, which shall remain effective until the payment of the quality guarantee deposit by CR 25th Bureau, and may be in the form of cash, cheque, bank guarantee or other legal means. GNSR Company shall return the performance bond to CR 25th Bureau upon payment of the quality guarantee deposit by CR 25th Bureau to GNSR Company.

Quality Guarantee Deposit

Within 14 days after the passing of the construction delivery inspection and issuance of delivery inspection certificate, CR 25th Bureau shall pay a quality guarantee deposit to GNSR Company. The quality guarantee deposit may be made in the form of bank guarantee or by cash and shall represent 3% of the total contract amount. The quality guarantee deposit paid shall bear no interest.

LETTER FROM THE BOARD

Provided that CR 25th Bureau has fulfilled its obligations during the defect responsibility period as set out below and the quality inspection has been passed after 2 years of trial operation of the reconstructed and expanded GNSR Expressway:

- (i) 50% of the quality guarantee deposit shall be returned by GNSR Company to CR 25th Bureau; and
- (ii) the remaining 50% of the quality guarantee deposit shall be treated as and used to settle the final instalment of the contract amount and shall be returned by GNSR Company to CR 25th Bureau within one month after the completion inspection and final audit and the settlement amount adjustment based on such audit.

If CR 25th Bureau fails to achieve the standard of good level for the completion inspection, GNSR Company shall deduct 10% of the quality guarantee deposit or an equivalent amount from the final instalment of the contract amount as damages. In such scenario, GNSR Company shall also be entitled to claw back all premium quality award paid during the construction period.

**Defect Responsibility
Period**

During the defect responsibility period, being the 2 years after the overall delivery inspection of the section, CR 25th Bureau shall be responsible for handling and rectifying any new and re-occurring defects. If the defects are found to be attributable to the reasons of CR 25th Bureau, the expenses for rectifying and inspecting the defects shall be borne by CR 25th Bureau.

Effective Date

The Section TJ8 Main Works Agreement has been concluded upon the date on which it is signed and sealed by the parties thereto after the provision of the performance bond by CR 25th Bureau, and shall become effective on the date of completion of the approval procedure by GNSR Company and its controlling shareholder (including the Company) as required by relevant law and regulations and the Listing Rules, including the relevant announcement, circular and/or Shareholders' approval requirements.

LETTER FROM THE BOARD

3. INFORMATION OF THE PARTIES IN CONNECTION WITH THE RELATED CONSTRUCTION WORKS AGREEMENTS

The Company and the Group

The Company is incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 01052). The Group is principally engaged in the construction, investment, operation and management of toll expressways and bridges in Guangdong Province and other high growth provinces in the PRC.

GNSR Company

GNSR Company is a limited liability company established in the PRC and an indirect subsidiary of and owned as to 60% by the Company, with the remaining interests of GNSR Company owned as to (i) 30% by Guangzhou Expressway Co., Ltd.* (廣州市高速公路有限公司), which is directly wholly-owned by GCIG, which in turn is wholly-owned by the State-owned Assets Supervision and Administration Commission of Guangzhou Municipal Government (廣州市人民政府國有資產監督管理委員會); and (ii) 10% by Guangdong Provincial Highway Construction Co., Ltd.* (廣東省公路建設有限公司), which is majority owned by Guangdong Provincial Communication Group Company Limited* (廣東省交通集團有限公司). Guangdong Provincial Communication Group Company Limited is in turn owned as to 90% by the People's Government of the Guangdong Province and 10% by the Department of Finance of Guangdong Province (廣東省財政廳). GNSR Company is primarily engaged in the development and management of the GNSR Expressway in Guangzhou.

CCCC Second Harbour

CCCC Second Harbour is a limited liability company established in the PRC and is directly owned as to (i) approximately 71.5% by China Communications, a company established in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601800) and the Stock Exchange (stock code: 1800); and (ii) approximately 28.5% by other independent third parties. CCCC Second Harbour is principally engaged in business related to the construction of transportation infrastructure.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, CCCC Second Harbour and its ultimate beneficial owners are third parties independent from the Company and its connected persons.

CR 14th Bureau

CR 14th Bureau is a limited liability company established in the PRC and is directly wholly-owned by CRCC, a company established in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601186) and the Stock Exchange (stock code: 1186). CR 14th Bureau is principally engaged in construction contracting, including railway, highway, urban rail, housing construction, municipal engineering, water conservancy and hydropower and other large-scale projects, and other business including real estate, materials and logistics, franchise, mineral resources, surveying and mapping, foreign business, etc.

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To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, CR 14th Bureau and its ultimate beneficial owners are third parties independent from the Company and its connected persons.

CCCC R&B

CCCC R&B is a limited liability company established in the PRC and is directly owned as to (i) approximately 74.28% by China Communications, a company established in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601800) and the Stock Exchange (stock code: 1800); and (ii) approximately 25.72% by other independent third parties. CCCC R&B is primarily engaged in the construction of highway, grand bridges, municipal constructions, railway, tunnels, airports, ports and other infrastructure, and BOT projects and investments and intelligent electronics.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, CCCC R&B and its ultimate beneficial owners are third parties independent from the Company and its connected persons.

CR 11th Bureau

CR 11th Bureau is a limited liability company established in the PRC and is directly owned as to (i) approximately 81.62% by CRCC, a company established in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601186) and the Stock Exchange (stock code: 1186); and (ii) approximately 18.38% by other independent third parties. CR 11th Bureau is principally engaged in the construction industry including track laying, complex bridges, big and long tunnels, new railways and bridges, subways and light railways, E&M system project construction and manufacturing of equipment, etc.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, CR 11th Bureau and its ultimate beneficial owners are third parties independent from the Company and its connected persons.

CR 25th Bureau

CR 25th Bureau is a limited liability company established in the PRC and is directly wholly owned by CRCC, a company established in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601186) and the Stock Exchange (stock code: 1186). CR 25th Bureau is primarily engaged in the engineering, construction and project management of buildings and real estate, highway, municipal and utilities projects, harbours and water and hydropower engineering.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, CR 25th Bureau and its ultimate beneficial owners are third parties independent from the Company and its connected persons.

LETTER FROM THE BOARD

4. INFORMATION ON THE GNSR EXPRESSWAY AND THE GNSR EXPRESSWAY R&E PROJECT

The GNSR Expressway, also known as the Huocun to Longshan section of the Shenyang-Haikou Expressway, is situated at the north of the Guangzhou city centre and runs through Baiyun District and Huangpu District of Guangzhou. It forms part of the Shenyang-Haikou Expressway (G15) and Beijing-Hong Kong and Macao Expressway (G4), as well as a key component of Guangzhou Ring Expressway (G1508). The GNSR Expressway commenced construction in November 1998 and opened for traffic in January 2002. Other than the Huocun to Luogang section which is a two-way, eight-lane expressway as a result of the expansion as part of the construction of the Xiangxue Interchange in 2019, the GNSR Expressway is a two-way, six-lane expressway with a total toll length of approximately 42.5km and a design speed of 80km/h. The toll period of the GNSR Expressway is currently scheduled to expire in January 2032.

Being a part of the expressway network that links two of the core tier 1 cities of the Greater Bay Area, Guangzhou and Shenzhen, as well as other key cities such as Foshan and Dongguan, the GNSR Expressway acts as a key component of the extensive traffic network in the Greater Bay Area. However, as the traffic volume of the GNSR Expressway has become substantially saturated, with the actual traffic volume already exceeded the designed capacity of the GNSR Expressway, there is an apparent urgency for the reconstruction and expansion of the GNSR Expressway.

Based on the construction plan and design for the main construction works as approved by the Department of Transport of Guangdong Province in September 2023, the total length of the GNSR Expressway R&E Project is approximately 38.3km, with construction standards set at a two-way, ten-to twelve-lane expressway with a design speed of 100km/h. The length of the two-way twelve-lane is approximately 14.4km and the length of the two-way ten-lane is approximately 23.9km. The total length of the bridges reaches approximately 15.6km for an aggregate of 46 bridges under the GNSR Expressway R&E Project, including 20 large and grand bridges (of approximately 14.9km in length), and 26 small-to-medium sized bridges (of approximately 0.6km in length). 2 short tunnels (of approximately 0.6km in length) are also included in the GNSR Expressway R&E Project. The bridges-and-tunnels ratio, being ratio of the total length of bridges and tunnels to the total length of the GNSR Expressway R&E Project, is approximately 42%. There are also 12 interchanges, 1 service area and 1 management centre.

Please refer to the announcements of the Company dated 17 October 2022 and 28 November 2022 and the circular of the Company dated 22 December 2022 for further information on the GNSR Expressway and the GNSR Expressway R&E Project, including but not limited to the respective intended source of funding of (i) GNSR Company for the GNSR Expressway R&E Project and (ii) the Company for its capital contribution towards GNSR Company in connection with the GNSR Expressway R&E Project.

LETTER FROM THE BOARD

5. REASONS FOR AND BENEFITS OF ENTERING INTO OF RELATED CONSTRUCTION WORKS AGREEMENTS

As set out in the announcements of the Company dated 17 October 2022 and 28 November 2022 and the circular of the Company dated 22 December 2022 in connection with, among others, the Land Expropriation Agreements for the GNSR Expressway R&E Project, the traffic volume of the GNSR Expressway, an essential component in the expressway network of the Greater Bay Area, has been substantially saturated as a result of the continuous growth of traffic volume in Guangzhou. By undertaking the GNSR Expressway R&E Project, it is expected that the asset quality of GNSR Expressway will be effectively improved, the remaining concession period may be extended, the scale of the Company's expressway assets will be expanded, the Company's future development capacity of its principal toll road business will be enhanced, and the Company's core advantages in the investment, construction, operation and management of toll roads may be strengthened.

Upon execution of the Preliminary Construction Works Agreement in November 2022, the construction works for the preliminary works portion of the GNSR Expressway R&E Project have commenced. Furthermore, upon the execution of the Land Expropriation Agreements in early 2023, land expropriation works for the GNSR Expressway R&E Project have been under way and certain land has been expropriated and is expected to be delivered shortly after the land use approval of the Ministry of Natural Resources (which is expected to be obtained within 2023), and such land will be used for the reconstruction and expansion works. Furthermore, the GNSR Expressway R&E Project would be in a position to commence the major construction works as (i) the approval of the environmental impact appraisal for GNSR Expressway R&E Project has been obtained from the Guangzhou Municipal Ecological Environment Bureau (廣州市生態環境局) in August 2023; (ii) the approval of the construction plan and design for the main construction works has been obtained from the Department of Transport of Guangdong Province in September 2023; and (iii) the tender and bidding process of the main construction works has completed. As such, GNSR Company intends to commence the major construction works, including the main construction works under the Related Construction Works Agreements, which are necessary and integral to the GNSR Expressway R&E Project. Based on the latest plan, the major works of the GNSR Expressway R&E Project are expected to complete, and therefore the GNSR Expressway R&E Project are expected to open to traffic, within 2028.

Each of the winning bidders for the Related Construction Works Agreements was selected as they ranked first among the bidders in the tenders for the Related Construction Works Agreements through a standardized tender and bidding process which is regulated by the bidding laws and regulations in the PRC, including but not limited to the Bidding Law, the Implementing Regulations on the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法實施條例》), the Measures for the Administration of the Bidding for Highway Construction Projects (《公路工程建設項目招標投標管理辦法》) and the Notice by the Department of Transport of Guangdong Province on Strengthening Management of Tendering and Bidding for Expressway and Water Transportation Construction Projects (廣東省交通運輸廳關於加強公路水運工程建設項目招標投標管理工作的通知). In particular, pursuant to the abovementioned requirements, bidder ranking first shall be confirmed as the winning bidder, with the ranking determined by an independent tender committee (with the majority of candidates randomly selected from the Database on National Key Expressway Works Project Bidding Experts managed by the Ministry of Transport of the PRC) based on a rating scale which has been reviewed

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and approved by the Department of Transport of the Guangdong Province, with the rating scale taking into account a standard set of factors as set out in the respective bidding documents, which may include but are not limited to the bidding price, construction organisation and design, historical performance and/or contract performance reputation of the bidders.

In light of the above, the Board (including the independent non-executive Directors) is of the view that the entering into of and the transactions contemplated under the Related Construction Works Agreements are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

6. LISTING RULES IMPLICATIONS

Whilst the highest applicable percentage ratio in respect of the transactions contemplated under each of the China Communications Agreements exceeds 5% but is less than 25% on a standalone basis, given the China Communications Agreements are entered into with parties connected with each other, the highest applicable percentage ratio in respect of the transactions contemplated under the China Communications Agreements on an aggregate basis, pursuant to Rules 14.22 and 14.23(1) of the Listing Rules, exceeds 25% but is less than 100%.

Whilst the highest applicable percentage ratio in respect of the transactions contemplated under each of the CRCC Agreements exceeds 5% but is less than 25% on a standalone basis, given the CRCC Agreements are entered into with parties connected with each other, the highest applicable percentage ratio in respect of the transactions contemplated under the CRCC Agreements on an aggregate basis, pursuant to Rules 14.22 and 14.23(1) of the Listing Rules, exceeds 25% but is less than 100%.

In light of the above, the entering into of and the transactions contemplated under each of the Related Construction Works Agreements constitute major transactions of the Company and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

7. SGM

A notice convening the SGM to be held at Plaza I-IV, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong, on Friday, 24 November 2023 at 3:30 p.m. is set out on pages SGM-1 to SGM-3 of this circular.

The register of members of the Company will be closed from Wednesday, 22 November 2023 to Friday, 24 November 2023, both days inclusive, during which period no transfer of Shares can be registered. The record date for ascertaining Shareholders' entitlement to attend and vote at the SGM will be Friday, 24 November 2023. In order to qualify for attending and voting at the SGM, all transfer forms accompanied by the relevant share certificates must be lodged for registration with Tricor Abacus Limited, the branch share registrar and transfer office of the Company in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Tuesday, 21 November 2023.

LETTER FROM THE BOARD

A form of proxy for the SGM is enclosed with this circular. Whether or not you intend to attend the SGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to Tricor Abacus Limited, the branch share registrar and transfer office of the Company in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time for holding the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM if you so wish and, in such event, the form of proxy shall be deemed to be revoked.

The ordinary resolutions to approve, confirm and ratify the entering into of and the transactions contemplated under the Related Construction Works Agreements at the SGM will be taken by poll and an announcement on the results of the SGM will be made by the Company after the SGM.

None of the Directors has material interests in the Related Construction Works Agreements and the transactions contemplated thereunder and thus no Director was required to abstain from voting on the relevant resolution(s) at the board meeting.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, none of the Shareholders has a material interest in the Related Construction Works Agreements and transactions contemplated thereunder. As such, no Shareholder is required to abstain from voting on the resolutions to approve, confirm and ratify the Related Construction Works Agreements and the transactions contemplated thereunder.

8. RECOMMENDATION

The Directors are of the opinion that the entering into of and the transactions contemplated under the Related Construction Works Agreements are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole. The Directors, therefore, recommend the Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve, confirm and ratify the Related Construction Works Agreements and the transactions contemplated thereunder.

9. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

It is anticipated that the Group may enter into transactions contemplated under the GNSR Expressway R&E Project with different parties. In the event these transactions materialize, depending on the scale and nature of such transactions, they may or may not constitute notifiable transactions and/or connected transactions under Chapters 14 and 14A of the Listing Rules. The Company will comply with the relevant requirements of the Listing Rules in respect of these transactions accordingly. Investors are advised to pay attention to the investment risks.

By order of the Board
Yuexiu Transport Infrastructure Limited
LI Feng
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the financial year ended 31 December 2020, the financial year ended 31 December 2021, the financial year ended 31 December 2022 and the six months ended 30 June 2023 respectively was set out in the annual reports and the interim report of the Company for these periods respectively and are available on the website of the Stock Exchange set out below:

Financial period ended	Website
31 December 2020	https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0401/2021040104158.pdf
31 December 2021	https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0401/2022040102408.pdf
31 December 2022	https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0425/2023042500131.pdf
Interim report for the six months ended 30 June 2023	https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0828/2023082801271.pdf

2. INDEBTEDNESS STATEMENT

Borrowings and lease liabilities

As at the close of business on 30 September 2023, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the total borrowings and lease liabilities of the Group was RMB16,471 million, comprising of secured borrowings from banks of RMB7,261 million, unsecured borrowings from banks and financial institutions of RMB2,127 million, unsecured notes payable of RMB3,857 million, unsecured corporate bonds of RMB3,090 million, unsecured loan from non-controlling interests of RMB28 million, unsecured loan from the immediate holding company of RMB100 million and lease liabilities of RMB8 million, and all of the borrowings and lease liabilities were unguaranteed. Borrowings of RMB7,261 million were secured by the intangible operating rights of the Group.

Contingent liabilities

As at the close of business on 30 September 2023, the Group did not have any material contingent liabilities.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 30 September 2023, the Group did not have any other debt securities issued and outstanding, and authorised or otherwise created but unissued, or term loans or other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances or acceptances credits or hire purchase commitments, or outstanding mortgages and charges, or contingent liabilities or guarantees.

3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

For the six months ended 30 June 2023, the Group has recorded revenue of RMB1.94 billion, representing an increase of 19.8% as compared to the same period in 2022. Profit attributable to the shareholders for the six months ended 30 June 2023 also increased by 44.6% when compared to the same period in 2022 to RMB427 million. The improvement of the Group's financial results for the six months ended 30 June 2023 were mainly due to the optimisation of pandemic prevention control, the recovery and growth of macroeconomy, the continuing recovery and growth of passenger volume and the consolidation of the financial results of the newly acquired Henan Lanwei Expressway by the Group since 19 November 2022, which led to an increase of 20% percent in the total toll revenue of the Group to RMB1.88 billion when compared to the same period in 2022.

In 2023, the global economy has been recovering in a fragile environment, where the economic outlook has improved, but there is still a high level of uncertainty. Recently, the frequent high-level interactions covering various fields between China and the U.S. have brought positive expectations to the bilateral relationship. Against this backdrop, the International Monetary Fund slightly raised the global economic growth forecast from 2.8% to 3.0% in the World Economic Outlook report published in July, indicating that overall economic growth remained weak; while China was expected to become a key driver of global economic growth and bring more certainty to such an uncertain period.

In June 2023, China's expressway passenger volume grew by approximately 18.6% year-on-year. The traffic volume remained at a high level during the "May Day" holiday and reached a new high for the same periods in the past five years. 106 million domestic trips were recorded during the "Dragon Boat Festival" holiday, representing a year-on-year growth of 32.3% and have recovered to 112.8% of the level in the same period in 2019 on a comparable basis. Benefiting from the recovery and growth of macroeconomy and the continuing recovery and growth of passenger volume, the toll revenue of most projects under the Group continued to rebound year-on-year during the period, with revenue gradually returned to normal.

In July 2023, the Ministry of Transport issued the "Statistical Bulletin on the Development of the Transportation Industry in 2022" (《2022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. As at the end of 2022, the mileages of national highways, provincial highways and rural highways reached 379,500 kilometers, 393,600 kilometers and 4,531,400 kilometers respectively. In the next step, in accordance with the requirements of the "Outline for Building China's Strength in Transport" (《交通強國建設綱要》) and the "National Comprehensive Three-dimensional Transportation Network Planning Outline" (《國家綜合立體交通網規劃綱要》), the Ministry of Transport will actively expand effective investments in transportation, and continue to promote the projects involving transportation in 102 major projects under the "14th Five-Year Plan" with a focus on extending network and strengthening chains, thereby accelerating the construction of the main framework of the national comprehensive three-dimensional transportation network which comprises of "6 axes, 7 corridors and 8 channels". China continues to increase its efforts in building transportation strength, constantly optimises its transportation system, and improves the quality of transportation services, which will help the Group actively explore opportunities for investment in incremental projects and for reconstruction and expansion of existing projects.

In addition to the GNSR Expressway R&E Project, the Group will continue to improve the integrated business strategy of “investment, financing, management and divestment”, under which it may acquire quality assets by establishing incubation platforms at the front end and take advantage of the positive effects of publicly traded domestic infrastructure REITs at the back end. It will also leverage on the positive interaction between the incubation platforms, publicly traded domestic infrastructure REITs and listed companies to realise asset inflow and outflow, and thereby further optimise the Group’s asset portfolio and create greater value for shareholders. Furthermore, the Group will firmly grasp the strategic opportunity period for expressway investment and mergers and acquisitions. Gaining its foothold in Guangdong, Hong Kong and Macau Greater Bay Area and Central China and expanding its presence in the regions benefiting from urbanisation process and rapid industrialisation development, with full utilisation of a model featuring the interaction between its three platforms, the Group continues to strengthen and expand its infrastructure business, with a particular focus on toll roads. Yuexiu Transport is committed to becoming a leading transport infrastructure asset management company in China under the guidance of the “3331” development strategy, which includes to build and improve the three platforms (listed platform, REITs platform, incubation platform), enhance the three core abilities (investment ability, operation and maintenance ability, financialisation ability), and adhere to the focus on three directions (expressway main business, key areas, expansion of related auxiliary businesses).

4. SUFFICIENCY OF WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources available to the Group (including the Group’s internal resources, available banking and other borrowing facilities) as well as the effect of the transactions contemplated under the Related Construction Works Agreements, the working capital available to the Group is sufficient for the Group’s requirements for at least 12 months from the date of this circular.

5. NO MATERIAL ADVERSE CHANGE

The Directors confirm that there was no material adverse change in the financial position or trading position of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

6. FINANCIAL IMPACT OF TRANSACTIONS CONTEMPLATED UNDER THE RELATED CONSTRUCTION WORKS AGREEMENTS

The Group expects that GNSR Company will finance the construction amounts payable under the Related Construction Works Agreements through the capital contribution by its shareholders and external financing. The Group’s cash and cash equivalents are expected to decrease, and the Group’s external financing is expected to increase after the completion of the transactions contemplated under the Related Construction Works Agreements.

The Group also expects that all amounts paid under the Related Construction Works Agreements will be recorded and included in the Group's consolidated balance sheet as intangible operating rights (being one form of the Group's non-current assets) after completion of the transactions contemplated under the Related Construction Works Agreements.

The interest costs of external financing attributable to the transactions contemplated under the Related Construction Works Agreements are expected to be recorded and included in the Group's consolidated balance sheet as intangible operating rights (being one form of the Group's non-current assets). Therefore, the Group expects that such interest costs will not affect the Group's profit and loss statements and net profit before completion of the GNSR Expressway R&E Project.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or, which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) contained in the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

(a) Interests in the Shares, underlying Shares and/or debentures of the Company

Name of Director	Capacity	Number of Shares held (long position)	Number of underlying Shares held	Number of Shares held (short position)	Approximate % of shareholding in the total issued Shares
Mr. He Baiqing	Beneficial owner	52,000	1,028,995 ^(Note 2)	Nil	0.07
Mr. Cai Minghua	Beneficial owner	Nil	389,349 ^(Note 3)	Nil	0.02
Mr. Pan Yongqiang	Beneficial owner/ Spouse interest	264,000 ^(Note 1)	778,700 ^(Note 4)	Nil	0.06
Mr. Lau Hon Chuen Ambrose	Beneficial owner	195,720	Nil	Nil	0.01
Mr. Cheung Doi Shu	Beneficial owner	500,000	Nil	Nil	0.03

Notes:

- 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.
- These are Shares issuable to Mr. He Baiqing upon exercise of the share options granted to him pursuant to the share option scheme of the Company, the exercise price of which is HK\$4.43 and the exercise period of which is 25 June 2024 to 24 June 2031.

3. These are Shares issuable to Mr. Cai Minghua upon exercise of the share options granted to him pursuant to the share option scheme of the Company, the exercise price of which is HK\$4.45 and the exercise period of which is 9 July 2024 to 8 July 2031.
4. These are Shares issuable to Mr. Pan Yongqiang upon exercise of the share options granted to him pursuant to the share option scheme of the Company, the exercise price of which is HK\$4.43 and the exercise period of which is 25 June 2024 to 24 June 2031.

(b) Interests in associated corporation(s)

Name of Director	Name of associated corporation	Capacity	Approximate	Number of Shares held (long position)	Number of Shares held (short position)
			% of shareholding in the total issued Shares		
Mr. Li Feng	Yuexiu Property Company Limited	Beneficial owner	0.001	44,954	Nil
Mr. Lau Hon Chuen Ambrose	Yuexiu Property Company Limited	Beneficial owner	0.03	1,258,712	Nil

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(c) Directorship in or Employment with Substantial Shareholders

As at the Latest Practicable Date, (i) Mr. Li Feng, a Director, was a director of each of Grace Lord Group Limited (“**Grace Lord**”) and Housemaster Holdings Limited (“**Housemaster**”), and the chief capital officer of Guangzhou Yue Xiu Holdings Limited* (“**Guangzhou Yue Xiu**”) and Yue Xiu Enterprises (Holdings) Limited (“**Yue Xiu Enterprises**”); and (ii) Ms. Chen Jing, a Director, was a director of each of Grace Lord and Housemaster, the chief financial officer and general manager of the finance department of Guangzhou Yue Xiu and Yue Xiu Enterprises. Grace Lord, Housemaster, Guangzhou Yue Xiu, Yue Xiu Enterprises are entities who had interests in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO. Save as disclosed above, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, none of the Directors was a director or employee of a company which has an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

- (a) As at the Latest Practicable Date, none of the Directors had, or have had, any direct or indirect interests in any assets which have been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2022, the date to which the latest published audited consolidated financial statements of the Group were made up.
- (b) There was no contract or arrangement subsisting as at the date of this circular in which any of the Directors was materially interested and which is significant in relation to the business of the Group.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors nor their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

5. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claims of material importance and, so far as the Directors were aware, no litigation or claim of material importance was pending or threatened by or against any member of the Group.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which does not expire or is not determinable by any member of the Group within one year without payment of compensation (other than statutory compensation).

7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) had been entered into by the members of the Group within the two years immediately preceding the date of this circular which are or may be material:

- (a) the conditional sale and purchase agreement in relation to the transfer of 100% of the equity interests in Henan Yuexiu Lanwei Expressway Company Limited* (河南越秀蘭尉高速公路有限公司) (“**Lanwei Expressway Company**”) entered into between Guangzhou Yue Xiu as vendor and Yuexiu (China) Transport Infrastructure Investment Company Limited* (越秀(中國)交通基建投資有限公司) (“**YXT China**”) as purchaser on 17 October 2022, pursuant to which Guangzhou Yue Xiu agreed to sell and YXT China agreed to purchase 100% of the equity interest in Lanwei Expressway Company at a purchase price of RMB1,098,000,000, with Lanwei Expressway Company holding the toll collection right over and operating Lanwei Expressway; and

- (b) the equity transfer agreement entered into between YXT China as transferor and Hubei Yuetong Transport Investment Co., Ltd.* (湖北越通交通投資有限責任公司) (“**Spin-off SPV**”) as transferee in relation to the transfer of the entire equity interest in Hubei Han Xiao Highway Construction and Operations Company Limited* (湖北漢孝高速公路建設經營有限公司) (the “**Spin-off Project Company**”) dated 12 November 2021, pursuant to which YXT China agreed to transfer the entire equity interest in the Spin-off Project Company, which owns the Wuhan-Xiaogan Expressway (the “**Spin-off Project**”), at the consideration of approximately RMB2,128,500,000, with such transfer being one component of a series of reorganization steps for the separate listing of the Spin-off Project on the Shenzhen Stock Exchange through the establishment of the CAMC-Yuexiu Expressway Close-end Infrastructure Securities Investment Fund as a close-ended publicly-listed infrastructure securities investment fund.

8. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Yu Tat Fung, a Solicitor of the High Court of Hong Kong.
- (b) The registered office of the Company is at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The head office and principal place of business of the Company in Hong Kong is at 17A Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong.

9. DOCUMENTS ON DISPLAY

Copies of the Related Construction Works Agreements are available on (i) the website of the Company (www.yuexiutransportinfrastructure.com); and (ii) the website of the Stock Exchange (www.hkexnews.hk) during the period of 14 days from the date of this circular.

* For identification purposes only.



越秀交通基建有限公司

Yuexiu Transport Infrastructure Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 01052)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (“SGM”) of Yuexiu Transport Infrastructure Limited (“**Company**”) will be held at Plaza I-IV, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong, on Friday, 24 November 2023 at 3:30 p.m. to consider and, if thought fit, approve, with or without modifications, the following resolutions as ordinary resolutions. Unless otherwise indicated, capitalized terms used in this notice and the following resolutions shall have the same meanings as those defined in the circular of the Company dated 8 November 2023 to which this notice forms part.

ORDINARY RESOLUTIONS

1. **“THAT:**

- (a) the China Communications Agreements (a copy each of which is produced to the SGM marked “A” and initialed by the chairman of the SGM for the purpose of identification), and the terms and conditions thereof and the transactions provided or contemplated thereunder, and the implementation thereof be and are hereby approved, confirmed and ratified; and
- (b) any one or more Directors be and are hereby authorised for and on behalf of the Company to sign, execute, perfect, perform and deliver all such other agreements, instruments, deeds and documents and do all such acts or things and take all such steps as he/they may in his/their absolute discretion consider to be necessary or expedient to implement or give effect to or otherwise in connection with or incidental to the agreements set out in paragraph (a) above and all the transactions contemplated thereunder and to agree to such variations, amendments or waivers as are, in his/their opinion, in the interests of the Company and its shareholders.”

2. **“THAT:**

- (a) the CRCC Agreements (a copy each of which is produced to the SGM marked “B” and initialed by the chairman of the SGM for the purpose of identification), and the terms and conditions thereof and the transactions provided or contemplated thereunder, and the implementation thereof be and are hereby approved, confirmed and ratified; and

NOTICE OF SGM

- (b) any one or more Directors be and are hereby authorised for and on behalf of the Company to sign, execute, perfect, perform and deliver all such other agreements, instruments, deeds and documents and do all such acts or things and take all such steps as he/they may in his/their absolute discretion consider to be necessary or expedient to implement or give effect to or otherwise in connection with or incidental to the agreements set out in paragraph (a) above and all the transactions contemplated thereunder and to agree to such variations, amendments or waivers as are, in his/their opinion, in the interests of the Company and its shareholders.”

By order of the Board
Yuexiu Transport Infrastructure Limited
YU Tat Fung
Company Secretary

Hong Kong, 8 November 2023

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person duly authorised to sign the same.
3. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority, must be deposited with Tricor Abacus Limited, the Company's Hong Kong branch share registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding of the meeting (or adjourned meeting thereof).
4. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any Share, any one of such joint holders may vote at the meeting, either in person or by proxy, in respect of such Share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the Share(s) shall be accepted to the exclusion of the votes of the other joint registered holders.
6. The register of members of the Company will be closed from Wednesday, 22 November 2023 to Friday, 24 November 2023, both days inclusive, during which period no transfer of Shares will be registered. The record date for ascertaining shareholders' entitlement to attend and vote at the SGM will be Friday, 24 November 2023. For the purpose of ascertaining the shareholders' eligibility to participate in the meeting, all transfers of Shares accompanied by the relevant share certificates must be lodged for registration with Tricor Abacus Limited, the Company's Hong Kong branch share registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Tuesday, 21 November 2023.

NOTICE OF SGM

As at the date of this notice, the Board comprises:

Executive Directors : *LI Feng (Chairman), HE Baiqing, CHEN Jing, CAI Minghua and PAN Yongqiang*

Independent Non-executive Directors : *FUNG Ka Pun, LAU Hon Chuen Ambrose, CHEUNG Doi Shu and PENG Vincent Shen*