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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)

DISCLOSEABLE AND CONNECTED TRANSACTION: ACQUISITION OF 85% EQUITY INTERESTS IN A COMPANY OPERATING AN EXPRESSWAY IN SHANDONG PROVINCE, THE PRC

**Independent financial adviser to the Independent Board Committee and
the Independent Shareholders**



YU MING INVESTMENT MANAGEMENT LIMITED
禹銘投資管理有限公司

ACQUISITION OF 85% EQUITY INTERESTS IN A COMPANY OPERATING AN EXPRESSWAY IN SHANDONG PROVINCE, THE PRC

On 3 December 2025 (after trading hours), the Vendor (a connected person of the Company) and the Purchaser (a wholly-owned subsidiary of the Company) entered into the SPA whereby the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to buy, the Target Equities (i.e. 85% equity interests in the Target Company) at the Total Consideration of RMB1,153.50 million.

Completion is subject to the fulfillment (or waiver, if applicable) of the Conditions specified in the SPA. Upon Completion, the Company will indirectly own 85% of the equity interests in the Target Company. Upon Completion, the Target Company will become an indirect non-wholly owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group.

The Target Company's principal business is holding the Concession Right and operating the Target Expressway.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Qinbin Expressway is the fastest coastal expressway corridor along the Bohai Rim. The Target Expressway is the Shandong Province section of the Qinbin Expressway, and is an important part of the Beijing-Harbin Expressway (G1) (京哈高速公路(G1)) connecting line in the national expressway network.

The Target Expressway is located in the eastern coastal region of China, specifically in Shandong Province, which is a major economic, population, and industrial province in China. The Acquisition aligns with the Company's regional expansion strategy, thus sharing the benefits of the economic development in the eastern coastal region. The Target Expressway is located along a region with a thriving chemical industry, numerous seaports, and significant freight transport functions, with a high proportion of truck traffic volume (close to 50% of total traffic volume in 2024). In the future, it will continue to benefit from the deepening of economic cooperation in the Bohai Rim region and the further strengthening of economic ties between Shandong and the Beijing-Tianjin-Hebei region, with the proportion of trucks expected to continue to remain relatively stable.

The Chengkou to Zhanhua section of the Target Expressway expires in 2045, and the Shandong-Hebei border to Chengkou section (including the Zhangweixin River Mega Bridge) expires in 2047. Upon completion of the Acquisition, the weighted average remaining concession period of the controlled expressways of the Group will be extended by approximately 0.8 year, further enhancing the Group's sustainable development capabilities.

The Target Company's revenue for the year of 2024 was approximately RMB752.50 million. The completion of the Acquisition will expand the Group's revenue sources. As the Target Company was profitable for the year ended 31 December 2024 and the eight months ended 31 August 2025, the Company believes that the Target Company can continuously bring enhanced profits to the Group after Completion. It will also serve as a beneficial complement to the Group's asset portfolio following the disposal of its 60% equity interest in Jinxiong Expressway and the expiration of the toll collection period of Northern Ring Road in 2024, which is conducive to mitigating the impact on revenue and profit resulting from the diversion of expressway network, the expiry of the concession period of the Group's other projects or the reconstruction and expansion works on GNSR Expressway.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the Acquisition exceeds 5% but is less than 25% and the Vendor is the ultimate controlling shareholder of the Company, the Acquisition constitutes both a discloseable transaction of the Company under Chapter 14 of the Listing Rules and a connected transaction of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. The Company will convene the SGM at which a resolution will be proposed for the Independent Shareholders to consider and, if thought fit, approve the Acquisition.

In accordance with the Listing Rules, the Independent Board Committee has been established to consider the Acquisition and to advise the Independent Shareholders on how to vote on the resolution to be proposed at the SGM in relation thereto. An independent financial adviser has been appointed by the Company to advise the Independent Board Committee as well as the Independent Shareholders in this regard.

SGM AND CIRCULAR

As additional time is required to prepare the information to be included in the Circular containing, among other things, (i) further details of the Acquisition; (ii) a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders; (iii) a letter from the IFA containing its advice to the Independent Board Committee and the Independent Shareholders; (iv) the Valuation Report; and (v) summary of the Traffic Study Report, the Circular is expected to be dispatched to the Shareholders on or before 31 December 2025.

1 INTRODUCTION

The Board announces that on 3 December 2025 (after trading hours), the Vendor (a connected person of the Company) and the Purchaser (a wholly-owned subsidiary of the Company) entered into the SPA whereby the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to buy, the Target Equities at the Total Consideration of RMB1,153.50 million.

2 THE ACQUISITION

Set out below is a summary of the principal terms of the SPA and other relevant information on the Acquisition.

2.1 Date

3 December 2025

2.2 Parties

The Vendor and the Purchaser

2.3 Assets to be acquired

The Target Equities are 85% of the equity interests in the Target Company.

The Target Company was established in July 2013. In December 2021, the Vendor acquired 85% of the equity interests in the Target Company from Qiangrong Holdings and Guangxi Guizheng for a transfer price of RMB855.03 million (adjusted based on deductions). As at the Announcement Date, the Vendor and Qiangrong Holdings respectively hold 85% and 15% of the equity interests in the Target Company, corresponding to RMB1,301.35 million and RMB229.65 million to the registered capital of the Target Company.

On 23 December 2024, the Intermediate People's Court of Nanning, Guangxi Zhuang Autonomous Region accepted Qiangrong Holdings' application for insolvency and reorganisation, and has appointed the administrator. The Company's legal adviser to PRC law advised the Company that the insolvency and reorganisation proceedings of Qiangrong Holdings will not affect any rights of the Target Equities held by the Vendor and the Target Company's ability to perform its contractual obligations, or deteriorate its creditworthiness. As such, the Target Company's operational capabilities and Concession Right remain unaffected.

2.4 Total Consideration

The total consideration for the Acquisition (the "**Total Consideration**") is RMB1,153.50 million.

The Total Consideration is payable in cash. As at the Announcement Date, the Company intends to finance the Total Consideration with internal resources.

Basis for determining the Total Consideration

The Total Consideration, which is determined with reference to the appraised market value of the Target Equities as at the Valuation Date and the factors mentioned in section 7 (REASONS FOR AND BENEFITS OF THE ACQUISITION) of this announcement and after arm's length negotiation between the Parties, represents a discount of approximately 3.86% to the appraised market value of the Target Equities (RMB1,199.79 million) according to the Valuation Report.

The Valuation Report, which adopted the discounted cash flow method under income approach, constituted a profit forecast (the “**Profit Forecast**”) under Rule 14.61 of the Listing Rules. Based on the free cash flow to equity approach, which is used to arrive at the appraised market value of the Target Equities of RMB1,199.79 million, the internal rate of return is estimated at 10.43%. Please refer to section 5 (MARKET VALUE OF THE TARGET EQUITIES AS APPRAISED BY THE VALUER) below for assumptions on which the Profit Forecast was based.

2.5 Payment

Subject to the Conditions having been fulfilled (or waived, as the case may be), the Purchaser shall pay in one lump sum the Total Consideration on or after the Completion Date, and in any event within five working days from the fulfillment (or waiver, where applicable) of the Conditions.

2.6 Conditions to Completion

Completion shall take place within two days from the fulfillment (or waiver, where applicable) of the following Conditions:

- (i) the Company having issued the Circular and the Independent Shareholders having approved the Acquisition, the SPA and the transactions contemplated under the SPA in accordance with the Listing Rules;
- (ii) the representations and warranties given by the Vendor under the SPA having remained true, accurate, complete and not misleading and there not having been any omission from the signing of the SPA up to the Completion Date;
- (iii) the Vendor having obtained written approval or relevant documents of no objection from the Shandong Provincial Department of Transport to the Acquisition; and
- (iv) the Target Company having obtained consent from its creditor banks agreeing to or having no objection to the Acquisition in accordance with the provisions of the relevant loan agreements.

None of the Parties may waive the Conditions set out in (i), (iii) and (iv) above.

The Purchaser may waive (with or without conditions) the Condition to be fulfilled by the Vendor and/or the Target Company as procured by the Vendor set out in (ii) above.

If all the Conditions cannot be fulfilled (or waived, where applicable) on or before 30 June 2026, the SPA shall be terminated automatically unless the Parties agree to an extension.

2.7 Key warranties and undertakings given by the Vendor

The Vendor has warranted and undertaken as at the signing date of the SPA and will warrant and undertake on each day before Completion, among other things, to the Purchaser the following:

- (i) the Vendor is the sole beneficial owner of the Target Equities;
- (ii) the Target Equities are true, complete and legal and free from any guarantee, mortgage, charge or any similar encumbrance on property rights or any third party rights;
- (iii) the Target Company legally owns the Concession Right, and its title to the Concession Right is not subject to any ongoing or known potential litigation or arbitration;
- (iv) the Concession Right is true and legal and is free from any guarantee, mortgage, charge or any similar encumbrance on property rights or any third party rights, other than the charges over the Toll Collection Right made in favour of the creditor banks in connection with ordinary financing arrangements of the Target Company, and other third party rights disclosed to the Purchaser in writing and/or disclosed to the Purchaser through due diligence;
- (v) the concession right agreement in respect of the Target Expressway between the Target Company and Shandong Provincial Department of Transport dated 6 March 2017 is a legal and valid contract;
- (vi) the establishment of the Target Company fully complies with the laws and regulations of the PRC, and save as disclosed to the Purchaser in writing and/or disclosed to the Purchaser through due diligence, the operating activities of the Target Company up to the Completion Date would not cause or constitute circumstances resulting in material adverse effects as defined under the SPA; and
- (vii) the Vendor shall compensate losses suffered by the Purchaser pursuant to the provisions on Compensation Amounts if, among other things:
 - (A) the interest of the Purchaser in the Target Equities (or any part thereof) is prejudiced as a result of third party's claims or other reasons on the Target Equities (or any part thereof) acquired by the Purchaser from the Vendor due to causes that occurred on or prior to the Completion Date;

- (B) the Concession Right has been cancelled, deprived or permanently or temporarily terminated (other than suspension, reduction or exemption of toll pursuant to the PRC laws, regulations or national policies) due to causes that occurred on or prior to the Completion Date; or
- (C) due to causes occurring on or prior to the Completion Date, the Target Company suffers losses within two years from the Completion Date arising from (i) penalties imposed by government authorities (regardless of their form or the nature of the matter) or the recovery, payment of related fees and/or damages (excluding those already deducted in the valuation of the Target Equity by the Purchaser), and/or (ii) any undisclosed debts or undisclosed guarantees that exist up to the Completion Date.

2.8 The Compensation Amounts

The Vendor has undertaken that if it does not raise any written objection within 10 working days from the date of written notice from the Purchaser, the Vendor shall pay such amounts equal to the Compensation Amounts to the Purchaser within 20 working days from the date of written notice from the Purchaser. The compensation amounts refer to the following sum (“**Compensation Amounts**”):

- (i) 85% of the amount of any debts, guarantees or other payables of the Target Company which were outstanding but not disclosed as at the Accounts Date;
- (ii) 85% of the amount of any shortfall, reduction or loss of value of assets of the Target Company as at the Completion Date as compared to that as at the Accounts Date (excluding fair wear and tear and ordinary depreciation);
- (iii) 85% of the amount of any decrease in assets or increase in debts or liabilities of the Target Company as a result of expenses incurred or transactions entered into between the Accounts Date and the Completion Date which are not in the ordinary course of business of the Target Company, regardless of whether details of such expenses incurred or transactions entered into outside the ordinary course of business have been disclosed to the Purchaser; and
- (iv) any other compensation amounts which the Purchaser is entitled to receive from the Vendor pursuant to the SPA (including but not limited to the amounts that should be borne or compensated by the Vendor as identified from the Completion accounts to be audited by an independent accounting firm to be jointly appointed by the Parties within 15 working days after the Completion).

2.9 Completion

Within two days from the date of the fulfillment (or waiver, where applicable) of the Conditions, Completion shall take place when the Purchaser is registered as the shareholder of the Target Equities in the register of members of the Target Company.

Upon Completion, the Company will indirectly own 85% of the equity interests in the Target Company, whilst Qiangrong Holdings will continue to own the remaining 15% of the equity interests. Upon Completion, the Target Company will become an indirect non-wholly owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group.

2.10 Performance Bonds

Following Completion, the Purchaser may be required to procure a new performance bond for RMB92.65 million in relation to the Target Expressway in favour of the Shandong Provincial Department of Transport to guarantee performance of its obligations and responsibilities corresponding to the equity interests held by the investor (from time to time), as the Purchaser will become the holder of 85% equity interests in the Target Company. The Target Company, Guangxi Guizheng, Qiangrong Holdings and the Vendor have respectively issued performance bonds in relation to the Target Expressway. All performance bonds expire either upon the full payment of the guaranteed amount or 45 days after the date of issuance of the project's completion examination and acceptance certificate (examination and acceptance is expected to be completed by the first half of 2026).

As the performance bonds backed by Qiangrong Holdings and the Vendor were procured by connected persons of the Company in relation to the Target Expressway (which will be owned and operated by the Group after Completion), were made on normal commercial terms and are not secured by the assets of the Group, such arrangements are exempt from all reporting, annual review, announcement and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

3 INFORMATION ON THE TARGET COMPANY

3.1 Establishment and principal business

The Target Company was established in Shandong, the PRC on 26 July 2013, whose principal business is holding the Concession Right and operating the Target Expressway.

The Target Expressway was constructed in two phases, and toll collection began after each phase was completed and opened to traffic. The toll collection period for the Chengkou to Zhanhua section (埕口至沾化段) began on 16 November 2020 and will expire on 15 November 2045, and the Shandong-Hebei border to Chengkou section (魯冀界至埕口段) began on 21 January 2022 and will expire 20 January 2047.

3.2 Financial information

Set out below is the financial information on the Target Company in relation to the periods specified below:

	For the eight months ended 31 August 2025 <i>(unaudited)</i> <i>(RMB '000)</i>	For the year ended 31 December 2024 <i>(audited)</i> <i>(RMB '000)</i>	For the year ended 31 December 2023 <i>(audited)</i> <i>(RMB '000)</i>
Revenue	545,757	752,496	563,219
Profits before taxation	287,720	281,271	25,691
Profits after taxation	266,883	281,271	25,691
	As at 31 August 2025 <i>(unaudited)</i> <i>(RMB '000)</i>	As at 31 December 2024 <i>(audited)</i> <i>(RMB '000)</i>	As at 31 December 2023 <i>(audited)</i> <i>(RMB '000)</i>
Total equity	36,457	-230,426	-511,697
Total assets	4,904,601	4,971,081	5,410,438

4 INFORMATION ON THE TARGET EXPRESSWAY

4.1 Location

The Target Expressway is an important section of the Qinbin Expressway. Qinbin Expressway is a connecting route of the Beijing-Harbin Expressway (G1)* (京哈高速公路(G1)), a key expressway in the national expressway network, and also the fastest coastal expressway circling Bohai region. It connects several important ports, including Qinhuangdao Port* (秦皇岛港), Caofeidian Port* (曹妃甸港), Tianjin Port* (天津港), and Huanghua Port* (黄骅港), thereby significantly promotes port industries, logistics and transportation, and the development and utilisation of coastal resources. It has great significance for strengthening the economic ties between Shandong peninsula and Beijing-Tianjin-Hebei region, building the Efficient Ecological Economic Zone of the Yellow River Delta and the Shandong Peninsula Oceanic Economic Zone, and promoting economic integration around the Bohai region.

For reference purposes, set out below is a map showing the location of the Target Expressway:



4.2 Toll mileage and other information

The toll mileage and other information on the Target Expressway are set out below:

Toll mileage:	60.693 km (inclusive of the Zhangweixin River Mega Bridge* (漳衛新河特大橋))
Design speed:	120 km per hour
Number of lanes:	Dual four lanes
Number of toll collection stations:	Four
Completion examination and acceptance:	Completion examination application has been submitted, approval is expected to be received in the first half of 2026
Expiry date of the Toll Collection Right:	
Section from Chengkou to Zhanhua (埕口至沾化段):	15 November 2045
Section from Shandong-Hebei border to Chengkou (魯冀界至埕口段):	20 January 2047

Note:

1. The section from Shandong-Hebei border to Chengkou includes the Zhangweixin River Mega Bridge* (漳衛新河特大橋).

4.3 Toll level

The toll level of the Target Expressway as at the Announcement Date is primarily based on classification of vehicles by reference to (i) (in the case of passenger vehicles) the number of seats or (ii) (in the case of trucks and special purpose vehicles) the number of axles and, where applicable, length of the vehicle and maximum permitted loading weight. Details of the toll rates of the Target Expressway as at the Announcement Date are set out below:

Table: Toll rates based on classification of vehicles

Vehicle class		Classification Standard	General Toll Rate (RMB/km)	Zhangweixin River Mega Bridge Toll Rate (RMB/vehicle)
1	Passenger vehicles	≤ 9 seats	0.58	15.00
	Trucks	(i) Number of axles: two;	0.68	22.50
		(ii) Length of truck: below 6,000 mm; and		
		(iii) Maximum permitted total weight: less than 4,500 kg		
2	Passenger vehicles	10 to 19 seats (including 19 seats)	0.73	22.50
	Trucks	(i) Number of axles: two;	1.29	30.00
		(ii) Length of truck: not less than 6,000 mm; or		
		(iii) Maximum permitted total weight: not less than 4,500 kg		
3	Passenger vehicles	20 to 39 seats (including 39 seats)	0.87	30.00
	Trucks	Number of axles: three	1.90	40.50
4	Passenger vehicles	≥ 40 seats	1.09	37.50
	Trucks	Number of axles: four	2.52	52.50
5	Trucks	Number of axles: five	3.13	60.00
6	Trucks	Number of axles: six	3.74	90.00

Notes:

1. For trucks with more than six axles, the toll rate shall be calculated based on the toll coefficient for six-axle trucks with an increase of 0.5 in the coefficient for each additional axle.
2. The toll standards for special purpose vehicles shall be implemented in accordance with the standards for the corresponding categories of trucks.

5 MARKET VALUE OF THE TARGET EQUITIES AS APPRAISED BY THE VALUER

5.1 Discounted cash flow method under income approach

The Valuation Report in relation to the Target Equities was prepared using the discounted cash flow method under the income approach. The market approach was not adopted due to the unique characteristics of the Target Equities and the lack of market comparables or transactions available as at the Valuation Date to derive an indicative value with a sufficient level of accuracy. The cost approach was not adopted as it did not directly incorporate information about the economic benefits contributed by the business of the Target Company.

The discounted cash flow method involves estimating all future cash flows of the investment and using a discount rate encapsulating the time value of money and risks involved in the business to devolve the future cash flows into a present value. For the purpose of valuing the Target Equities, the free cash flow to equity model (FCFE) for each year was determined as follows:

$$FCFE = \text{Net Income} + \text{Depreciation and Amortisation Expense} - \text{Capital Expenditure} - \text{Change in Net Working Capital} + \text{Net Borrowing}$$

In determining an appropriate discount rate for the purpose of the Valuation Report, the Valuer used the capital asset pricing model (CAPM) to estimate the cost of equity for the Target Equities. The cost of equity takes into account factors including (a) interest rate risks, (b) liquidity risks, (c) market risks and (d) company specific risks. Key inputs and parameters are set out below:

Parameter	As at 31 August 2025	Notes
Risk-free Rate	1.35% – 2.60%	Based on ChinaBond Government Bond Yield Curve sourced from Bloomberg L.P., according to remaining life on concession period, and adjusted according to the remaining life of the Target Expressway in each discounting year
Re-levered Beta	0.239 – 0.880	Based on levered beta of the comparable companies (see note 1) sourced from Bloomberg L.P., and adjusted for ongoing changes in capital structure of the Target Company. As the Target Company shall repay its outstanding borrowings over the course of operation, its capital structure will evolve accordingly, and will result in dynamic shifts in the debt-to-equity ratio.

Parameter	As at 31 August 2025	Notes
Market Risk Premium	5.25%	Based on market risk premium of China sourced from Damodaran
Size Premium	2.66%	Based on size of the Target Equities sourced from Kroll Cost of Capital Navigator
Specific Risk Premium	3.00%	Based on the Valuer's analysis, being the liquidity risk premium and risk concerning the uncertainty of the forecast
Cost of Equity	9.11% – 11.63%	Cost of Equity = Risk Free Rate + Re-levered Beta × Market Risk Premium + Size Premium + Specific Risk Premium
Equivalent Single Discount Rate	10.06%	Model implied

Note 1: Comparable companies for the purpose of determining the re-levered beta include (a) Yuexiu Transport Infrastructure Limited, (b) Chengdu Expressway Co., Ltd., (c) Shenzhen Expressway Corporation Limited, (d) Zhejiang Expressway Co., Ltd., (e) Shenzhen Investment Holdings Bay Area Development Company Limited, and (f) Anhui Expressway company Limited.

5.2 Principal assumptions

The principal assumptions on which the Profit Forecast is based are set out below:

Specific Assumptions

- (i) The Target Company will continue to operate the Target Expressway throughout the concession period, which ends in November 2045 for the section from Chengkou to Zhanhua (埭口至沾化段) and January 2047 for the section from Shandong-Hebei border to Chengkou (魯冀界至埭口段).
- (ii) Capital expenditure will be primarily for maintenance of the Target Expressway throughout the remaining operation period up to January 2047.
- (iii) Traffic volume and toll revenue will develop in accordance with the base case scenario as projected by JSTI, taking into account historical traffic data, economic research, vehicle classification, and toll rates.

- (iv) Operating expenses will develop as projected by JSTI, comprising mainly cost of services from operating (including repair and maintenance costs, green cleaning costs, related labour costs and others), with transfer and handover costs by the expiration of the Concession Right.
- (v) The applicable income tax rate will be 25% throughout the projection period, except for the period ended December 2025 where the Target Company will enjoy a 50% discount on tax payment.

General assumptions

- (i) The Target Company's core operations will continue without material change, supported by sufficient financial, human, and physical capital.
- (ii) The Target Company will continue to be operated under prudent and effective management policies necessary to maintain the character and integrity of the Target Equities.
- (iii) There will be no material change in the existing political, legal, technological, fiscal or economic conditions which might adversely affect the business of the Target Company.
- (iv) All relevant laws, statutes, ordinances and regulations pertaining to the Target Company will be complied with and, where applicable, will be renewable upon expiry, and all operational and contractual terms stipulated in relevant contracts and agreements will be honoured.

5.3 Limiting conditions

Set out below are key limiting conditions of the Valuation Report:

- (i) Reliance has been placed on the accuracy, completeness, and reasonableness of the financial and other information provided to the Valuer by the Company, the Target Company and/or their representatives, alongside public and industry information obtained from sources the Valuer deems reputable. The Valuer has not independently verified any of this information, has not performed any work in the nature of an audit, and takes no responsibility for its accuracy.
- (ii) No environmental, structural or engineering assessments were conducted or provided, and therefore the Valuation Report has not considered the potential impact to the subject property.

Further details of the Valuation Report will be set out in the Circular.

5.4 Traffic Study Report prepared by JSTI

Table A: Summary of the traffic forecast projection on annual average daily traffic basis (vehicles/day)

Year	Baseline case	Optimistic case	Conservative case
2025	21,236	21,236	21,236
2026	13,851	13,882	13,812
2027	15,711	15,783	15,623
2028	16,591	16,705	16,453
2029	14,565	14,699	14,404
2030	13,731	13,887	13,541
2031	16,516	16,764	16,219
2032	17,050	17,369	16,673
2033	17,600	17,997	17,139
2034	18,169	18,647	17,618
2035	18,756	19,321	18,111
2036	19,227	19,894	18,476
2037	19,709	20,485	18,848
2038	20,204	21,093	19,228
2039	20,711	21,719	19,616
2040	21,115	22,242	19,901
2041	21,524	22,784	20,191
2042	21,942	23,339	20,486
2043	22,368	23,908	20,785
2044	22,802	24,492	21,088
2045	23,245	25,090	21,396
2046	23,696	25,704	21,708
2047	24,157	26,333	22,025

Table B: Summary of the traffic forecast projection in annual toll revenue (RMB million)

Year	Baseline case	Optimistic case	Conservative case
2025	897	897	897
2026	599	600	598
2027	648	650	644
2028	691	694	685
2029	588	592	582
2030	571	576	563
2031	697	705	684
2032	719	729	703
2033	737	750	718
2034	759	773	735
2035	780	797	753
2036	799	819	767
2037	813	836	778
2038	830	856	790
2039	847	877	803
2040	863	896	814
2041	874	910	820
2042	887	927	829
2043	900	944	837
2044	916	964	848
2045	854	901	787
2046	353	374	324
2047	20	21	18
Total (based on rounded figures)	<u>16,641</u>	<u>17,088</u>	<u>15,979</u>

Notes:

1. The forecast set out in Table A above excludes (i) “green channel vehicles” that are fresh agricultural products standard container transport vehicles with gross weight, total length and total width not exceeding the maximum limits prescribed by the state and with total height not exceeding 4.2 meters that enjoy the “green channel” policy and are exempted from vehicle tolls and have priority and convenient passage, and (ii) toll-free passenger vehicle traffic during major holidays. The forecast assumes that there will be 23 toll-free days per year from 2026 onwards. The forecast only covers the toll revenue from the Target Expressway, as the service facilities operating right has been transferred to third parties in 2020, such revenue is not included in this forecast.
2. The toll revenue forecast in Table B above includes value-added tax, with a tax rate of 9%.

3. Major assumptions of the Traffic Study Report are as follows: (i) the economic development of the Target Expressway's location will maintain stable but gradually reducing growth (taking into account historical data such as GDP and work reports of local government authorities), (ii) the road network model is based on the latest planning information in respect of the expressway network in Shandong Province and Hebei Province, (iii) assumptions regarding the operation dates and traffic impact of planned and under-construction road and railway projects in the surrounding areas of the Target Expressway (including, without limitation, G228 national highway, reconstruction and expansion of the Hebei section of the Qinbin Expressway and the reconstruction and expansion of Changshen Expressway) and (iv) there is no change to the toll rate standards (disclosed above) and other toll policies. The relevant toll policies are: (a) a base 5% discount on toll fees is applied to passenger vehicles equipped with and using electronic toll collection (ETC) for payment while travelling on all toll roads within the Shandong province; (b) a 15% toll discount for freight trucks with ETC devices and for large operational coaches registered within the province's regulatory platform (the implementation period of which will be extended to and remains in effect until 31 December 2025, and assuming that the policy will remain unchanged during the Target Expressway's operating period); (c) hydrogen-powered vehicles equipped with ETC devices are temporarily exempted from expressway tolls when travelling on provincial expressways, which began on 1 March 2024 and is initiated on a two-year pilot basis, with potential adjustments upon review upon expiration, and assuming that the policy will remain unchanged during the Target Expressway's operating period; (d) green channel policy – toll exemption for standard container vehicles transporting fresh agricultural products whose total weight, length, and width do not exceed the nationally prescribed maximum limits, and whose total height does not exceed 4.2 meters, qualify for the "Green Channel" policy; and (e) toll-free period during major national holidays for passenger vehicles with seven seats or less to be exempted from toll payment.

5.5 Reports from the Board and auditor of the Company

The Board has issued a report confirming that the Directors have made the Profit Forecast after due and careful enquiry. Please refer to Appendix I to this announcement for the said report of the Board.

Ernst & Young have reviewed the arithmetical accuracy of the calculations of the discounted cash flow forecast upon which the Valuation Report is based. Please refer to Appendix II to this announcement for the said report.

6 INFORMATION ON THE PARTIES

6.1 The Group and the Purchaser

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

The Purchaser is a wholly-owned subsidiary of the Company and is an investment holding company.

6.2 The Vendor

The Vendor is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the Guangzhou Municipal People's Government. The Vendor and its subsidiaries are engaged in various businesses, including (i) real estate and property development business; (ii) commercial banking, asset management, finance leasing, futures, business investments and other financial services; (iii) transportation, infrastructure and construction business; and (iv) livestock breeding, dairy industry, food processing and other business. The Vendor is the ultimate controlling shareholder of the Company holding approximately 44.99% of the issued share capital of the Company as at the Announcement Date and therefore a connected person of the Company.

The Vendor is majority owned by the Guangzhou Municipal People's Government of the PRC.

7 REASONS FOR AND BENEFITS OF THE ACQUISITION

Qinbin Expressway is the fastest coastal expressway corridor along the Bohai Rim. The Target Expressway is the Shandong Province section of the Qinbin Expressway, and is an important part of the Beijing-Harbin Expressway (G1) (京哈高速公路(G1)) connecting line in the national expressway network.

The Target Expressway is located in the eastern coastal region of China, specifically in Shandong Province, which is a major economic, population, and industrial province in China. The Acquisition aligns with the Company's regional expansion strategy, thus sharing the benefits of the economic development in the eastern coastal region. The Target Expressway is located along a region with a thriving chemical industry, numerous seaports, and significant freight transport functions, with a high proportion of truck traffic volume (close to 50% of total traffic volume in 2024). In the future, it will continue to benefit from the deepening of economic cooperation in the Bohai Rim region and the further strengthening of economic ties between Shandong and the Beijing-Tianjin-Hebei region, with the proportion of trucks expected to continue to remain relatively stable.

The Chengkou to Zhanhua section of the Target Expressway expires in 2045, and the Shandong-Hebei border to Chengkou section (including the Zhangweixin River Mega Bridge) expires in 2047. Upon completion of the Acquisition, the weighted average remaining concession period of the controlled expressways of the Group will be extended by approximately 0.8 year, further enhancing the Group's sustainable development capabilities.

The Target Company's revenue for the year of 2024 was approximately RMB752.50 million. The completion of the Acquisition will expand the Group's revenue sources. As the Target Company was profitable for the year ended 31 December 2024 and the eight months ended 31 August 2025, the Company believes that the Target Company can continuously bring enhanced profits to the Group after Completion. It will also serve as a beneficial complement to the Group's asset portfolio following the disposal of its 60% equity interest in Jinxiong Expressway and the expiration of the toll collection period of Northern Ring Road in 2024, which is conducive to mitigating the impact on revenue and profit resulting from the diversion of expressway network, the expiry of the concession period of the Group's other projects or the reconstruction and expansion works on GNSR Expressway.

Save and except for Mr. Pan Yongqiang, none of the Directors has material interests in the Acquisition and the transactions contemplated thereunder. Save and except for Mr. Pan Yongqiang, no Director was required to abstain from voting on the relevant resolution(s) at the board meeting.

Taking into account the reasons and benefits described above, the Board (excluding the Independent Directors) considers that the terms of the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The view of the Independent Directors is subject to the advice of the IFA and the opinion of the Independent Board Committee will be set forth in the Circular.

8 IMPLICATIONS UNDER THE LISTING RULES

8.1 Discloseable and connected transaction

As the highest applicable percentage ratio in respect of the Acquisition exceeds 5% but is less than 25% and the Vendor is the ultimate controlling shareholder of the Company, the Acquisition constitutes both a discloseable transaction of the Company under Chapter 14 of the Listing Rules and a connected transaction of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. The Company will convene the SGM at which a resolution will be proposed for the Independent Shareholders to consider and, if thought fit, approve the Acquisition.

In accordance with the Listing Rules, the Independent Board Committee has been established to consider the Acquisition and to advise the Independent Shareholders on how to vote on the resolution to be proposed at the SGM in relation thereto. An independent financial adviser has been appointed by the Company to advise the Independent Board Committee as well as the Independent Shareholders in this regard.

8.2 SGM and Circular

As additional time is required to prepare the information to be included in the Circular containing, among other things, (i) further details of the Acquisition; (ii) a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders; (iii) a letter from the IFA containing its advice to the Independent Board Committee and the Independent Shareholders; (iv) the Valuation Report; and (v) summary of the Traffic Study Report, the Circular is expected to be dispatched to the Shareholders on or before 31 December 2025.

8.3 Shareholders required to abstain from voting at the SGM

The Vendor, its associates, Mr. Pan Yongqiang and his spouse will be required to abstain from voting on the resolution to be proposed at the SGM to approve the Acquisition. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholder would be required to abstain from voting on the resolution to approve the Acquisition.

8.4 Formation of the Independent Board Committee

The Independent Board Committee, comprising all the Independent Directors, has been formed and will, after taking into account the advice of the IFA, provide its advice to the Independent Shareholders, including but not limited to whether the terms of the Acquisition and the transactions contemplated thereunder are fair and reasonable and how to vote on the resolution in relation to the Acquisition. The advice of the Independent Board Committee to the Independent Shareholders will be included in the Circular.

8.5 Appointment of the independent financial adviser

In accordance with the Listing Rules, Yu Ming has been appointed as the IFA to advise the Independent Board Committee and the Independent Shareholders, including but not limited to whether the terms of the Acquisition and the transactions contemplated thereunder are fair and reasonable and whether the Independent Shareholders should vote in favour of the resolution in relation to the Acquisition. The advice of the IFA to the Independent Board Committee and the Independent Shareholders will be included in the Circular.

Yu Ming is a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

9 EXPERTS AND CONSENTS

The following are the qualifications of experts who have given opinions or advice contained in this announcement:

Name	Qualifications
Ernst & Young	Certified Public Accountants
JSTI Group Co., Ltd	Independent professional traffic consultant
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Independent professional business valuer
East & Concord Partners Guangzhou (北京天達共和(廣州)律師事務所)	PRC legal advisers

As at the Announcement Date, none of the above experts has any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the above experts has given and has not withdrawn its written consent to the issue of this announcement with the inclusion herein of its letter, report, opinion and/or the references to its name in the form and context in which they appear.

The Acquisition is subject to certain conditions being satisfied (or waived, if applicable), and therefore Completion may or may not occur. Any estimates, projections, targets, forecasts, timelines and other forward-looking statements made or proposed by the Company or the Directors in this announcement are based on its or their current expectations and assumptions. These statements are subject to uncertainties and are not guarantees of future performance or development. Accordingly, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

10 DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following respective meanings:

“Accounts Date”	31 August 2025
“Acquisition”	the acquisition of the Target Equities

“Announcement Date”	the date of this announcement, being 3 December 2025
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Circular”	the circular of the Company in relation to the Acquisition to be dispatched to the Shareholders
“Company”	Yuexiu Transport Infrastructure Limited, an exempted company incorporated in Bermuda, the shares of which are listed on the Stock Exchange (stock code: 01052)
“Compensation Amounts”	has the meaning as defined in section 2.8 (The Compensation Amounts) of this announcement
“Completion”	completion of the sale and purchase of the Target Equities in accordance with the SPA
“Completion Date”	the date on which the Completion occurs
“Concession Right”	the concession right for the Target Expressway, obtained by the Target Company by entering into a concession agreement for Chengkou (Shandong-Hebei Border) to Zhanhua expressway with the Shandong Provincial Department of Transport (licensing authority) and obtaining the approval from the Shandong Provincial People’s Government (including but not limited to the right to operate the Target Expressway and the Toll Collection Right)
“Condition(s)”	the condition(s) precedent for the Completion
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director”	a director of the Company
“Group”	the Company and its subsidiaries
“Guangxi Guizheng”	Guangxi Guizheng Expressway Investment and Construction Co., Ltd.* (廣西桂政高速公路投資建設有限公司), a former shareholder of the Target Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFA”	Yu Ming, the independent financial adviser appointed by the Company in accordance with the Listing Rules for the purposes of advising and making recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, the SPA and the transactions contemplated thereunder
“Independent Board Committee”	the independent board committee of the Company established in accordance with the Listing Rules to advise and to make recommendations to the Independent Shareholders on the Acquisition and the transactions contemplated thereunder
“Independent Director”	an independent non-executive Director
“Independent Shareholders”	Shareholders other than those who (i) have a material interest in the Acquisition and therefore are, together with their associates, required to abstain from voting on the resolution to approve the Acquisition under the Listing Rules; or (ii) are otherwise required to abstain from voting on (or voting in favour of) the resolution to approve the Acquisition under other applicable laws, rules or regulations
“JSTI”	JSTI Group Co., Ltd* (蘇交科集團股份有限公司), the traffic consultant of the Group in relation to the Acquisition, which is listed on Shenzhen Stock Exchange (stock code: 300284)
“km”	kilometre
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	collectively, the Purchaser and the Vendor
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“PRC” or “China”	the People’s Republic of China
“Profit Forecast”	has the meaning as defined in section 2.4 (Total Consideration) of this announcement

“Purchaser”	Yuexiu (China) Transport Infrastructure Investment Company Limited* 越秀 (中國) 交通基建投資有限公司, a company established in the PRC and a wholly-owned subsidiary of the Company
“Qiangrong Holdings”	Qiangrong Holdings Group Co., Ltd * (強榮控股集團有限公司), a shareholder of the Target Company holding 15% of the equity interests of the Target Company
“Qinbin Expressway”	Qinhuangdao-Binzhou Expressway (G1011)* (秦皇島—濱州高速公路 (G1011)), an expressway connecting Qinhuangdao in Hebei Province and Binzhou in Shandong Province
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened for the Independent Shareholders to consider and, if thought fit, approve the Acquisition (including any adjournment thereof)
“Shandong”	Shandong Province (山東省) of the PRC
“Shareholder”	a holder of the Shares
“Shares”	ordinary shares of nominal value of HK\$0.10 each in the capital of the Company
“SPA”	the conditional sale and purchase agreement in relation to the transfer of the Target Equities entered into between the Vendor and the Purchaser on 3 December 2025
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Shandong Qinbin Expressway Construction Co., Ltd.* (山東秦濱高速公路建設有限公司), which was held as to 85% and 15% by the Vendor and Qiangrong Holdings respectively as at the date of the SPA
“Target Equities”	85% of the equity interests in the Target Company held by the Vendor

“Target Expressway”	Chengkou (Shandong-Hebei border) to Zhanhua section of the Qinbin Expressway (秦濱高速公路埕口(魯冀界)至沾化段)
“Toll Collection Right”	the toll collection right over the Target Expressway
“Total Consideration”	has the meaning as defined in section 2.4 (Total Consideration) of this announcement
“Traffic Study Report”	the traffic volume, operation and maintenance cost forecast report dated 3 December 2025 prepared by JSTI in respect of the Target Expressway
“Valuation Date”	31 August 2025
“Valuation Report”	the valuation report dated 3 December 2025 prepared by the Valuer in relation to the valuation of the Target Equities as at the Valuation Date
“Valuer”	Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the independent professional business valuer appointed by the Company in relation to the Acquisition
“Vendor”	Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團股份有限公司)
“Yu Ming”	Yu Ming Investment Management Limited

By order of the Board
Yuexiu Transport Infrastructure Limited
LIU Yan
Chairman

Hong Kong, 3 December 2025

As at the Announcement Date, the Board comprises:

Executive Directors: **LIU Yan (Chairman), YAO Xiaosheng, 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**

* *For ease of reference, the names of the PRC established companies or entities (if any) and the PRC laws and regulations (if any) have generally been included in this announcement in both Chinese and English languages and in the event of inconsistency, the Chinese language shall prevail.*

APPENDIX I LETTER FROM THE BOARD

3 December 2025

The Listing Division
The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square
8 Connaught Place Central, Hong Kong

Dear Sirs,

Discloseable and connected transaction: acquisition of Shandong Qinbin Expressway Construction Co., Ltd.* (山東秦濱高速公路建設有限公司) (the “Target Company”)

We refer to the valuation report dated 3 December 2025 issued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“**Valuer**”) in relation to the valuation (“**Valuation**”) of 85% of the equity interests of the Target Company. The Valuation, which is prepared based on discounted cash flow method, is regarded as a profit forecast under Rule 14.61 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

We have discussed with the Valuer different aspects including the bases and assumptions upon which the Valuation has been prepared, and reviewed the Valuation for which the Valuer is responsible. We have also considered the report issued by our auditor (namely Ernst & Young) pursuant to Rule 14.60A(2) of the Listing Rules.

On the basis of the foregoing, we are of the opinion that the Valuation prepared by the Valuer has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of the board of directors of
Yuexiu Transport Infrastructure Limited
LIU Yan
Chairman

APPENDIX II REPORT FROM REPORTING ACCOUNTANTS ON THE DISCOUNTED CASH FLOW FORECAST IN CONNECTION WITH THE VALUATION OF THE MARKET VALUE OF THE 85% EQUITY INTERESTS IN SHANDONG QINBIN EXPRESSWAY CONSTRUCTION CO., LTD.

The following is the text of a report received from Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this announcement.

To the Directors of Yuexiu Transport Infrastructure Limited

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the “**Forecast**”) on which the valuation dated 3 December 2025 prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited in respect of the market value of 85% equity interests in Shandong Qinbin Expressway Construction Co., Ltd (the “**Target Company**”) as at 31 August 2025 is based. The valuation is set out in the announcement of Yuexiu Transport Infrastructure Limited (the “**Company**”) dated 3 December 2025 (the “**Announcement**”) in connection with the acquisition of 85% equity interests in the Target Company. The valuation based on the Forecast is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Directors’ responsibilities

The directors (the “**Directors**”) of the Company are solely responsible for the preparation of the Forecast in accordance with the bases and assumptions (the “**Assumptions**”) determined by the Directors and as set out in the section headed “5. MARKET VALUE OF THE TARGET EQUITIES AS APPRAISED BY THE VALUER” of the Announcement. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Forecast and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecast based on our work. The Forecast does not involve the adoption of accounting policies.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast in all material respects, in accordance with the Assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecast prepared based on the Assumptions made by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

We are not reporting on the appropriateness and validity of the Assumptions on which the Forecast are based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of the Target Company. The Assumptions used in the preparation of the Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.60A(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

Opinion

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled in all material respects in accordance with the Assumptions adopted by the Directors.

Yours faithfully,

Ernst & Young
Certified Public Accountants

Hong Kong

3 December 2025