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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)**

### **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE BANK DEPOSITS AND ANCILLARY SERVICES**

#### **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE BANK DEPOSITS AND ANCILLARY SERVICES**

Reference is made to the 2023 Announcement and the 2023 Circular regarding the renewal of continuing connected transactions of the Company in relation to the Bank Deposits with the CHB Group.

On 11 May 2026, the Company entered into the 2027 Bank Deposits and Ancillary Services Agreement for a term of three years for the purpose of, among others, renewing the term of the 2024 Bank Deposits Agreement and amending the scope of the Existing Bank Deposits CCTs to also cover the provision of the Ancillary Services by the CHB Group to the Group.

#### **LISTING RULES IMPLICATIONS**

As CHB is a subsidiary of YXE, the controlling Shareholder, CHB is a connected person of the Company. The maintaining of the Bank Deposits by the Group with the CHB Group and the provision of the Ancillary Services by the CHB Group therefore constitute continuing connected transactions of the Company.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for the New Annual Caps under the 2027 Bank Deposits and Ancillary Services Agreement exceeds 5%, the Transactions are therefore subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **GENERAL**

A circular containing, among other things: (i) further information on the Transactions; (ii) a letter of recommendations from the Independent Board Committee; (iii) a letter of advice from an Independent Financial Adviser; and (iv) a notice of the Special General Meeting is expected to be despatched to the Shareholders on or before 22 May 2026.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 5 May 2023 (the “**2023 Announcement**”) and the circular of the Company dated 23 May 2023 (the “**2023 Circular**”) regarding the renewal of continuing connected transactions of the Company in relation to the Bank Deposits with the CHB Group (the “**Existing Bank Deposits CCTs**”).

## **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE BANK DEPOSITS AND ANCILLARY SERVICES**

### **Background**

As disclosed in the 2023 Announcement and the 2023 Circular, the Company entered into the 2024 Bank Deposits Agreement with CHB on 5 May 2023, the term of which will expire on 31 December 2026.

On 11 May 2026, the Company entered into the 2027 Bank Deposits and Ancillary Services Agreement for a term of three years for the purpose of, among others, renewing the term of the 2024 Bank Deposits Agreement and amending the scope of the Existing Bank Deposits CCTs to also cover the provision of the Ancillary Services by the CHB Group to the Group.

Pursuant to the 2027 Bank Deposits and Ancillary Services Agreement, the Group may, in its ordinary and usual course of business, place and maintain the Bank Deposits with the CHB Group on normal commercial terms from time to time during the term of the 2027 Bank Deposits and Ancillary Services Agreement. The CHB Group will provide the Ancillary Services to the Group as the depositary bank which include, for example, the facilitation of potential dividend distributions by the Group. The placing and maintenance of any such Bank Deposits and the provision of the Ancillary Services shall be subject to the terms and conditions of the CHB Group applicable to independent customers of similar size to the Group from time to time.

### ***Duration***

Subject to the approval by the Independent Shareholders at the Special General Meeting, the term of the 2027 Bank Deposits and Ancillary Services Agreement shall commence on 1 January 2027 and shall continue up to and including 31 December 2029. Subject to compliance with the Listing Rules, the 2027 Bank Deposits and Ancillary Services Agreement may be renewed by the Company and CHB by agreement in writing.

### ***Conditions Precedent***

The 2027 Bank Deposits and Ancillary Services Agreement is conditional upon the approval by the Independent Shareholders of the 2027 Bank Deposits and Ancillary Services Agreement and the transactions contemplated thereunder (including the New Annual Caps) at the Special General Meeting. If that condition is not fulfilled on or before 31 December 2026 or such later date as agreed between the Company and CHB, the 2027 Bank Deposits and Ancillary Services Agreement shall terminate with immediate effect without liability on either party.

### ***Pricing Policy***

The 2027 Bank Deposits and Ancillary Services Agreement provides that the interest rates and other terms applicable to any Bank Deposits shall from time to time be determined based on (1) in the case of deposits in Hong Kong (including deposits in Hong Kong dollars or other currencies), interest rates and other terms offered to the Group by or obtained by the Group from at least two other independent banks in Hong Kong; and (2) in the case of deposits in Chinese Mainland (including deposits in RMB or other currencies), interest rates for deposits in Chinese Mainland set with reference to the standard interest rates published by the PBOC and interest rates and other terms offered to the Group by or obtained by the Group from at least two other independent banks in Chinese Mainland. No additional service fee will be charged by the CHB Group on the Ancillary Services.

Standard Documentation, in such form acceptable to the CHB Group and the Group, may be executed in order to give effect to, or facilitate, the Transactions.

### ***Historical Annual Caps and Amounts***

The existing Annual Caps in respect of the Bank Deposits under the 2024 Bank Deposits Agreement were RMB1,500,000,000 for each of the years ended 31 December 2024 and 2025 and the year ending 31 December 2026.

The highest daily outstanding balance (including accrued interests) of the Bank Deposits actually placed by the Group with the CHB Group on any given day during each of the years ended 31 December 2024 and 31 December 2025 and the period of three months ended 31 March 2026 were as follows:

	<b>For the year ended 31 December 2024 (approximately)</b>	<b>For the year ended 31 December 2025 (approximately)</b>	<b>For the three months ended 31 March 2026 (approximately)</b>
<i>Highest daily outstanding balance of the Bank Deposits on any given day during the year/period</i>	RMB990,600,000	RMB1,262,996,000	RMB1,280,116,000

### ***New Annual Caps and basis of determining the New Annual Caps***

When determining the level of cash to be deposited with banks, the Company takes into account a number of factors, including:

- (i) the expected level of net fund outflow of the relevant financial year;
- (ii) the forecasts on operating income and expenditure of the Group, as well as investment needs of the Group (including, if any, upcoming acquisitions and projects); and
- (iii) the repayment of principal and interests of bank and other borrowings, notes payable and corporate bonds, distribution and/or receipt of dividends, as well as the daily expenses, receivables/payables and other income and expenditure of the Group.

The Group recorded revenue of approximately RMB3.97 billion, RMB3.87 billion and RMB4.33 billion for the years ended 31 December 2023 (“FY2023”), 31 December 2024 (“FY2024”) and 31 December 2025 (“FY2025”), respectively. The slight decrease in the Group’s revenue of approximately 2.5% in FY2024 compared to FY2023 was primarily because of severe weather conditions, including widespread rain, snow, cold and freezing temperatures, that impacted China’s central and eastern regions (such as Hubei Province, Henan Province and Hunan Province) around the Chinese New Year and the increase in toll-free holidays during FY2024 and the traffic diversion some of the projects encountered. For FY2025, the Group recorded an increase in revenue of approximately 12.0% compared to FY2024, primarily because of the consolidation of Pinglin Expressway’s financial performance (consolidated into the financial statements of the Group since 27 November 2024), which resulted in the increase in toll revenue of RMB475 million, as well as the growth in toll revenue from other existing projects.

Notwithstanding the slight fluctuation in the Group's financial performance during FY2023 and FY2024 and the increase in revenue in FY2025 as described above, the existing Annual Caps under the 2024 Bank Deposits Agreement were not exceeded during FY2024, FY2025 and the three months ended 31 March 2026 and, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Company does not anticipate any need to revise the existing Annual Caps during the year ending 31 December 2026. The Group is committed to an overall stable liquidity management to maximize shareholders' return and to ensure a healthy financing structure. Therefore, taking into account its historical financial performance, the amended service scope to include the provision of the Ancillary Services, including but not limited to, potential dividend distribution services, offered by the CHB Group, the level of cash held or maintained by it from time to time and its future investment plans and its relatively stable overall deposits needs, the Company has decided to maintain the New Annual Caps at RMB1,500,000,000 for each of the years ending 31 December 2027, 2028 and 2029 and believes that maintaining the same Annual Caps for such three years would be reasonable.

In addition, maintaining the New Annual Caps at a reasonable level would also allow the Group to benefit more from a healthy competition amongst the CHB Group and the other banks. The Group would not be in a position to invite the CHB Group to provide quotations and compete with the other banks for sizable deposits if the relevant New Annual Cap does not allow enough room for the Group to do so.

Having considered the above, the Company proposes to keep the New Annual Caps at RMB1,500,000,000 for each of the years ending 31 December 2027, 2028, and 2029, respectively.

## **INTERNAL CONTROL PROCEDURES**

The Group has established internal control procedures as follows:

- 1) the Bank Deposits will only be placed with the CHB Group by the Group on a non-exclusive basis. In order to ensure that the interest rates and other terms of the Bank Deposits and the Ancillary Services are on normal commercial terms and no less favourable to the Group, each time before placing any Bank Deposits or using any Ancillary Services, the Group will compare the quotations offered by the CHB Group with those of at least two independent banks. The Group may also take into account factors, including, among others, quality of services, safety of deposits, bank reputation and cooperation history, in making decisions to place deposits with any banks;

- 2) CHB Group will provide online platforms to allow the Group to monitor the balances of the Bank Deposits on a daily basis to ensure that the aggregate balance of the Bank Deposits does not exceed the New Annual Caps. The Group will also monitor to ensure that no additional service fee will be charged by the CHB Group on the provision of the Ancillary Services in accordance with the terms of the 2027 Bank Deposits and Ancillary Services Agreement;
- 3) the Group will prepare a continuing connected transaction report once every six months on the Bank Deposits placed with the CHB Group and the Ancillary Services provided by the CHB Group to the Group which will be submitted to the audit committee of the Board for consideration. Such report will cover, among other things, the status of compliance with the New Annual Caps and utilization of the New Annual Caps;
- 4) the audit committee of the Board will meet at least twice a year to review the implementation of the above measures for the transactions contemplated under the 2027 Bank Deposits and Ancillary Services Agreement and report to the Board;
- 5) the Company will provide information and supporting documents to its independent non-executive Directors and auditor for them to conduct annual review of the continuing connected transactions of the Group;
- 6) the independent non-executive Directors will provide an annual confirmation as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are in accordance with the 2027 Bank Deposits and Ancillary Services Agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole as required by the Listing Rules; and
- 7) the auditor of the Group will be engaged to report on the continuing connected transactions of the Group disclosed in the annual report of the Company in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 (Revised) “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor of the Company will issue a letter to the Board containing their conclusions in relation to, among others, the Transactions for each financial year in accordance with Rule 14A.56 of the Listing Rules confirming whether anything has come to their attention that causes them to believe that the Transactions: (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the 2027 Bank Deposits and Ancillary Services Agreement; and (iv) have exceeded the New Annual Caps. In addition, the independent non-executive Directors will also provide their annual confirmations with respect to the continuing connected transactions of the Group in the annual reports of the Company in accordance with Rule 14A.55 of the Listing Rules.

In addition, in order to mitigate any concentration credit risks associated with placing a substantial amount of deposits at any particular bank (including in particular the potential concentration risks arising from placing substantial amount of the Bank Deposits with the CHB Group), the Company conducts an evaluation of the level of the Bank Deposits placed with the CHB Group at each quarter-end for the purpose of ascertaining the average proportion of cash deposited with the CHB Group, the maximum level of which is targeted to be maintained at a range of 50% to 60% of the total cash and cash equivalents of the Group. Based on the results of the quarterly review, the Company will make adjustments and take appropriate actions if required (including, among others, depositing funds into other banks or financial institutions) to maintain the Bank Deposits at the target level going forward and to lower the relevant concentration risk.

The Company is satisfied that it has an adequate system of controls to safeguard the Transactions, and to provide information for the independent non-executive Directors and auditor to properly review the Transactions annually.

## **REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS**

The Group is principally engaged in the investment, construction and development, operation and management of expressways and bridges in Guangdong Province and other high-growth provinces in the PRC. The Group maintains deposits and other bank balances with banks or financial institutions in Hong Kong and Chinese Mainland from time to time as part of its treasury activities and in order to satisfy its business needs in the ordinary and usual course of business.

CHB, as a reputable and long-established authorized institution supervised by the Hong Kong Monetary Authority in Hong Kong, is able to provide different banking and related financial services in support of the Group's business and treasury activities. Furthermore, CHB Group is also approved and regulated in the PRC by the PBOC and the NFRA. As disclosed in the regulatory disclosure of CHB for the year ended 31 December 2025, CHB Group has all along maintained a stable liquidity maintenance ratio and the CHB Group adopts a robust liquidity risk appetite/tolerance including statutory liquidity ratios and key liquidity metrics to reasonably balance the levels of risk and earnings based on CHB Group's own strategies, financial strength and market position, to ensure its ability to provide stable, reliable and sufficient sources of funds under normal or stressed scenarios. Therefore, the Directors believe that the Bank Deposits maintained by the Group with the CHB Group are unlikely to experience any delay in encashment.

The Company believes that it would be in the interest of the Group to enter into the 2027 Bank Deposits and Ancillary Services Agreement and engage the services of the CHB Group, being the placing and maintenance of the Bank Deposits with the CHB Group and the provision of the Ancillary Services by the CHB Group in this case, on a non-exclusive basis subject always to the Group's internal control procedures and the applicable annual caps. For the reasons discussed in the sub-section headed "New Annual Caps and the basis of determining the New Annual Caps" under the section headed "Continuing Connected Transactions in relation to the Bank Deposits and Ancillary Services" above, the Company considers that the New Annual Caps have been reasonably determined taking into account, among others, the level of cash held or maintained by the Group from time to time and its future investment plans (if any).

The Directors (excluding (i) Ms. Chen Jing, the Director who is also a director of CHB and is regarded as having a material interest in the Transactions and therefore has abstained from voting on the relevant Board resolutions of the Company; and (ii) the independent non-executive Directors whose view will be given after taking into account the advice of the Independent Financial Adviser) are of the view that (i) the 2027 Bank Deposits and Ancillary Services Agreement has been entered into on normal commercial terms and in the ordinary and usual course of the Group's business; (ii) the terms of the 2027 Bank Deposits and Ancillary Services Agreement are fair and reasonable; and (iii) the Transactions (together with the New Annual Caps) are in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As CHB is a subsidiary of YXE, the controlling Shareholder, CHB is a connected person of the Company. The maintaining of the Bank Deposits by the Group with the CHB Group and the provision of the Ancillary Services by the CHB Group therefore constitute continuing connected transactions of the Company.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules for the New Annual Caps under the 2027 Bank Deposits and Ancillary Services Agreement exceeds 5%, the Transactions are therefore subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INFORMATION ON THE COMPANY AND CHB**

### **The Company**

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

## **CHB**

CHB is incorporated in Hong Kong with limited liability. CHB is an authorized institution supervised by the Hong Kong Monetary Authority under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong). The CHB Group is also approved and regulated in the PRC by the PBOC and the NFRA. The CHB Group is principally engaged in the provision of banking and related financial services. CHB is indirectly wholly-owned by YXE.

## **ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE**

An Independent Board Committee comprising Mr. Fung Ka Pun, Mr. Lau Hon Chuen Ambrose, Mr. Cheung Doi Shu and Mr. Peng Vincent Shen has been established to advise the Independent Shareholders in connection with the 2027 Bank Deposits and Ancillary Services Agreement and the transactions contemplated thereunder (including the New Annual Caps). The view of the Independent Board Committee will be set forth in the circular to be despatched to the Shareholders after taking into account the advice of the Independent Financial Adviser.

Yu Ming Investment Management Limited has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the 2027 Bank Deposits and Ancillary Services Agreement and the transactions contemplated thereunder (including the New Annual Caps).

## **SPECIAL GENERAL MEETING AND CIRCULAR**

The Special General Meeting will be convened and held by the Company to consider and, if thought fit, to approve the 2027 Bank Deposits and Ancillary Services Agreement and the transactions contemplated thereunder (including the New Annual Caps).

YXE and its associates will abstain from voting at the Special General Meeting in respect of the proposed resolution(s) to approve the 2027 Bank Deposits and Ancillary Services Agreement and the transactions contemplated thereunder (including the New Annual Caps). Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholder or any of its associates has a material interest in the 2027 Bank Deposits and Ancillary Services Agreement and the transactions contemplated thereunder (including the New Annual Caps), therefore no other Shareholder would be required to abstain from voting on the relevant resolution(s) to be proposed at the Special General Meeting.

A circular containing, among other things: (i) further information on the Transactions; (ii) a letter of recommendations from the Independent Board Committee; (iii) a letter of advice from an Independent Financial Adviser; and (iv) a notice of the Special General Meeting is expected to be despatched to the Shareholders on or before 22 May 2026.

**Shareholders of the Company and potential investors should be aware that the Transactions are subject to the condition precedent set out therein, therefore, the Transactions may or may not proceed. Accordingly, Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“2023 Announcement”	has the meaning ascribed to it under the section headed “Introduction” in this announcement
“2023 Circular”	has the meaning ascribed to it under the section headed “Introduction” in this announcement
“2024 Bank Deposits Agreement”	the master agreement dated 5 May 2023 entered into between the Company and CHB in relation to the Bank Deposits
“2027 Bank Deposits and Ancillary Services Agreement”	the uniform transaction agreement dated 11 May 2026 entered into between the Company and CHB in relation to the Bank Deposits and the Ancillary Services
“Ancillary Services”	the customary depository and ancillary services to be provided by the CHB Group to the Group (or any member of the Group) in respect of the Bank Deposits maintained by the Group with the CHB Group from time to time, which include, for example, potential dividend distributions by the Group
“Annual Caps”	the maximum daily outstanding balance of the Bank Deposits allowed to be placed by the Group with the CHB Group on any given day (including during the course of the provision of the Ancillary Services)
“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Bank Deposits”	deposits of whatever duration and nature and any other bank balances maintained by the Group (or any member of the Group) (including accrued interests) with the CHB Group from time to time
“Board”	the board of Directors
“CHB”	Chong Hing Bank Limited, a company incorporated in Hong Kong with limited liability

“CHB Group”	CHB and its subsidiaries (including its branches and sub-branches in Chinese Mainland)
“Chinese Mainland” and “PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Company”	Yuexiu Transport Infrastructure Limited, a limited liability company incorporated under the laws of Bermuda and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 01052)
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Existing Bank Deposits CCTs”	has the meaning ascribed to it under the section headed “Introduction” in this announcement
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee comprising all independent non-executive Directors, namely, Mr. Fung Ka Pun, Mr. Lau Hon Chuen Ambrose, Mr. Cheung Doi Shu and Mr. Peng Vincent Shen, established to advise the Independent Shareholders in respect of the 2027 Bank Deposits and Ancillary Services Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	Yu Ming Investment Management Limited, 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, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2027 Bank Deposits and Ancillary Services Agreement and the transactions contemplated thereunder

“Independent Shareholders”	the Shareholders, other than YXE and its associate(s)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Annual Caps”	has the meaning ascribed to it under the section headed “Continuing Connected Transactions in relation to the Bank Deposits and Ancillary Services — New Annual Caps and basis of determining the New Annual Caps” in this announcement
“NFRA”	National Financial Regulatory Administration
“PBOC”	The People’s Bank of China
“RMB”	Renminbi, the lawful currency of Chinese Mainland
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended from time to time
“Shares”	ordinary share(s) of the Company
“Shareholder(s)”	Holder(s) of Shares
“Special General Meeting”	the special general meeting of the Company to be convened to consider and, if thought fit, to approve the 2027 Bank Deposits and Ancillary Services Agreement and the transactions contemplated thereunder (including the New Annual Caps)
“Standard Documentation”	any standard documentation, as prescribed by the CHB Group in compliance with applicable legal and regulatory requirements and in accordance with usual banking practices, applicable to the transactions contemplated under the 2027 Bank Deposits and Ancillary Services Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Transactions”	the transactions contemplated under the 2027 Bank Deposits and Ancillary Services Agreement
“YXE”	Yue Xiu Enterprises (Holdings) Limited, a limited company incorporated under the laws of Hong Kong and the controlling shareholder of the Company and the indirect sole shareholder of CHB

“%”

per cent

By Order of the Board  
**Yuexiu Transport Infrastructure Limited**  
**Yu Tat Fung**  
*Company Secretary*

Hong Kong, 11 May 2026

*As at the date of this announcement, 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*