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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)**

**CONNECTED TRANSACTION**  
**DISPOSAL OF MINORITY INTEREST IN A PRC COMPANY**

The Board is pleased to announce that on 7 November 2012, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser. Pursuant to the Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, 4.04% of the equity interest in GZ Securities at the consideration of RMB201,543,200 subject to the fulfilment (or waiver, if applicable) of the Conditions on or before the expiry of 6 months from the date of the Agreement. After Completion, the Group will cease to hold any interest in GZ Securities.

GZ Securities is a PRC company carrying on securities related business of which the Group held 4.04% of its equity interest. The Disposal will result in, among other things, cash proceeds for the Group for additional working capital and/or investment fund and an estimated unaudited gain of approximately RMB91 million (after taking into account, among other things, the proceeds from the Disposal, the carrying value of the Sale Interest, the release of fair value reserve and PRC profit tax) to the Group.

The Agreement is a connected transaction for the Company given that the Purchaser is a connected person of the Company. As the applicable percentage ratios are less than 5%, the Disposal is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **A. THE AGREEMENT**

The Board is pleased to announce that on 7 November 2012, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser. Pursuant to the Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Interest. The principal terms of the Agreement are summarised below:

### **1. Date**

7 November 2012.

### **2. Parties**

- (i) the Vendor, an indirect wholly-owned subsidiary of the Company; and
- (ii) the Purchaser.

For the reasons given under the section headed “Reasons and Benefits for the Disposal” in this announcement, the Agreement constitutes a connected transaction for the Company.

### **3. Assets to be disposed of by the Group**

4.04% of the equity interest in GZ Securities.

### **4. Consideration and its payment**

The Consideration is RMB201,543,200 determined after arm’s length negotiation having taken into account the valuation of the entire equity interest of GZ Securities as at 31 August 2012 as contained in a valuation report (“**Valuation Report**”) prepared by a PRC valuer appointed by the Vendor. According to the Valuation Report, the value of the entire equity interest of GZ Securities was RMB4,982,549,800. The Consideration represents approximately 4.04% of the said value.

The Consideration shall be payable in cash within 15 business days after Completion (i.e. the change of shareholding of GZ Securities contemplated by the Agreement having completed at the relevant Administration of Industry and Commerce).

## 5. Conditions precedent

Completion is conditional upon fulfilment (or waiver, if applicable) of the following Conditions:

- (a) the Disposal having been approved by competent PRC governmental and/or regulatory authorities including without limitation the China Securities Regulatory Commission (中國證券監督管理委員會) and/or the Guangdong Bureau of the China Securities Regulatory Commission\* (中國證券監督管理委員會廣東監管局);
- (b) the Vendor's parent company having performed its obligations in relation to the Disposal as required under the Listing Rules;
- (c) the representations and warranties given by the Vendor under the Agreement remain true, accurate, complete and not misleading from the signing date of the Agreement up to Completion; and
- (d) the representations and warranties given by the Purchaser under the Agreement remain true, accurate, complete and not misleading from the signing date of the Agreement up to Completion.

All the Conditions must be fulfilled (or waived, if applicable) within 6 months after the date of the Agreement. The Conditions under (a) and (b) above cannot be waived. The Condition under (c) above can be waived by the Purchaser in writing while the Condition under (d) above can be waived by the Vendor in writing.

## 6. Completion

Completion shall, subject to the fulfilment (or waiver) of the Condition(s), occur on the date on which the change of shareholding of GZ Securities contemplated by the Agreement having completed at the relevant Administration of Industry and Commerce.

## B. INFORMATION ON GZ SECURITIES

GZ Securities is a company established in the PRC whose scope of business includes advising on investment in securities, financial advising services in relation to dealing in securities and securities investment activities and management of securities assets.

As the Group owns only 4.04% of the equity interest of GZ Securities, GZ Securities is not a subsidiary of the Company and its financial results were not consolidated in the financial statements of the Group. In the financial year ended 31 December 2010, the Vendor received a dividend in the amount of RMB21,600,000 from GZ Securities. Other than the aforesaid dividend, the Vendor has not received any other distributions from GZ Securities in the two financial years ended 31 December 2010 and 31 December 2011 respectively.

For the financial year ended 31 December 2010, GZ Securities together with its subsidiary had an audited net profit of (i) RMB320,202,976.99 before taxation and extraordinary items and (ii) RMB253,208,403.93 after taxation and extraordinary items, according to the PRC Accounting Standard.

For the financial year ended 31 December 2011, GZ Securities together with its subsidiary had an audited net loss of (i) RMB99,494,205.71 before taxation and extraordinary items and (ii) RMB66,566,239.16 after taxation and extraordinary items, according to the PRC Accounting Standard.

The audited fair value of the Sale Interest as at 31 December 2011 as recorded in the financial statements for the financial year ended 31 December 2011 of the Company amounted to RMB138,147,000. According to the Valuation Report, as at 31 August 2012, the appraised value of the entire equity interest of GZ Securities was RMB4,982,549,800. Accordingly, the appraised value of the Sale Interest, being 4.04% of the equity interest in GZ Securities, was approximately RMB201,543,200.

### **C. INFORMATION ON THE GROUP, THE VENDOR AND THE PURCHASER**

The Group is principally engaged in investment in, operation and management of toll expressways and bridges in Guangdong Province and other high-growth provinces in the PRC. The Group has also invested in a terminal project located in the Chishuixu operation area of the Wuzhou port, Guangxi Zhuang Autonomous Region, the PRC. The Vendor is an indirect wholly-owned subsidiary of the Company whose scope of business includes advising on scientific and technical information and provision of services for the management of information network related technique.

The Purchaser is an existing shareholder of GZ Securities holding approximately 6.92% of the equity interest of GZ Securities as at the date of this announcement. It is a company established in the PRC whose scope of business includes investment with its own fund and enterprises management.

#### **D. REASONS AND BENEFITS FOR THE DISPOSAL**

The Sale Interest was acquired by the Group in January 2001 through a trustee at the cost of RMB80,000,000 by way of contribution to the capital of GZ Securities. Completion of the Disposal will result in cash proceeds for the Group in the amount of approximately RMB201,543,200 for additional working capital and/or investment funds. Completion will also result in an estimated unaudited gain of approximately RMB91 million to the Group. This estimated unaudited gain is calculated after taking into account, among other things, the proceeds from the Disposal and the carrying value of the Sale Interest, the release of fair value reserve and assuming that PRC profit tax will be payable.

The Group holds only a minority interest in GZ Securities. After Completion, the Group will cease to hold any interest in GZ Securities. Taking into account that securities business is not among the principal business of the Group and an expected gain as a result of the Disposal as described above, the Directors consider that it is appropriate timing to dispose of the Sale Interest and focus on the core business of the Group in toll expressways and infrastructure.

Having taken into account the above reasons and benefits, the Directors (including the independent non-executive Directors) consider that the terms of the Agreement are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole. The Company confirms that none of the Director have a material interest in the Disposal.

#### **E. IMPLICATIONS UNDER LISTING RULES**

Yue Xiu Hong Kong is the controlling shareholder of the Company holding approximately 60.65% of the issued capital of the Company as at the date of this announcement. Both Yue Xiu Hong Kong and the Purchaser are wholly-owned by GZ Yue Xiu Holdings. The Purchaser, being an indirect subsidiary of GZ Yue Xiu Holdings, is an associate (as defined under the Listing Rules) of GZ Yue Xiu Holdings and therefore a connected person of the Company. Accordingly, the Agreement is a connected transaction for the Company.

As the applicable percentage ratios are less than 5%, the Disposal is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meaning:

“Agreement”	means the equity interest transfer agreement dated 7 November 2012 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Interest;
“Board”	means the board of Directors;
“Company”	means 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;
“Completion”	means completion of the sale and purchase of the Sale Interest;
“Conditions”	means the conditions precedent to Completion;
“connected persons”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	means the consideration payable by the Purchaser for the acquisition of the Sale Interest pursuant to the Agreement, being RMB201,543,200;
“Directors”	means the directors of the Company;
“Disposal”	means the disposal of the Sale Interest by the Vendor pursuant to the Agreement;
“Group”	means the Company and its subsidiaries;
“GZ Securities”	means 廣州證券有限責任公司 (Guangzhou Securities Co. Ltd. *), a company established in the PRC;
“GZ Yue Xiu Holdings”	means 廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited*), a company established in the PRC;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;

“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	means the People’s Republic of China and, for the purposes of this announcement only, excludes Hong Kong, Macau Special Administrative Region and Taiwan;
“Purchaser”	means 廣州越秀金融投資集團有限公司 (Guangzhou Yuexiu Finance Holdings Limited*), a company established in the PRC;
“RMB”	means Renminbi, the lawful currency of the PRC;
“Sale Interest”	means the 4.04% equity interest in GZ Securities owned by the Vendor;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Vendor”	廣州越鵬信息有限公司 (Guangzhou Yue Peng Information Limited*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company;
“Yue Xiu Hong Kong”	means Yue Xiu Enterprises (Holdings) Limited 越秀企業(集團)有限公司, a company incorporated in Hong Kong; and
“%”	means percentage.

By Order of the Board  
**Yuexiu Transport Infrastructure Limited**  
**Zhang Zhaoxing**  
*Chairman*

Hong Kong, 7 November 2012

*As at the date of this announcement, the Board comprises:*

*Executive Directors:* ZHANG Zhaoxing (Chairman), LIANG Youpan, LI Xinmin, LIANG Ningguang, WANG Shuhui and QIAN Shangning

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

*\* For identification purpose only*