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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: 1052)

**PROPOSED ISSUE OF EXCHANGEABLE BONDS GUARANTEED BY
THE CONTROLLING SHAREHOLDER OF THE COMPANY**

The Company has been informed by YXE, its controlling shareholder, that the Issuer and YXE entered into the Subscription Agreement dated 21 July 2014 with the Lead Managers, pursuant to which the Issuer agreed to issue and the Lead Managers agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the US\$200 million Bonds. The Bonds are guaranteed by YXE and exchangeable into Shares owned by YXE at the initial exchange price of HK\$5.6320 per Share (subject to adjustment) at the option of the holders of the Bonds. Subject to the terms and conditions of the Bonds (including but not limited to certain call options of the Issuer, and certain put options of the holders of the Bonds, that may lead to early redemption of all or some of the Bonds), the exchange period will be from 18 September 2014 after issue of the Bonds to ten business days prior to the Maturity Date. Upon the exercise of exchange rights under any Bonds by their holders, the Issuer will have to deliver the relevant number of Shares, or to satisfy such exchange right by paying an US Dollars amount in cash (determined with reference to the share value of the Bonds) in lieu of Shares, to the relevant holder(s) of the Bonds (or to its order) in accordance with the terms and conditions of the Bonds.

The Bonds will be offered and sold outside the United States in reliance upon Regulation S of the US Securities Act.

This announcement is made pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Listing Rules.

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No new Shares will be issued as a result of or in connection with the issue of the Bonds or upon any exchange of the Bonds.

The initial exchange price of HK\$5.6320 per Share represents a premium of approximately 10.0% to the closing price of the Shares of HK\$5.12 at close of 21 July 2014, a premium of approximately 10.4% to HK\$5.102 being the 5-day average closing price of the Shares over the 5 trading days up to and including 21 July 2014 and a premium of approximately 12.2% to HK\$5.019 being the 10-day average closing price of the Shares over the 10 trading days up to and including 21 July 2014. The exchange price may need to be adjusted for change of control and certain other adjustment events relating to the Company or the Shares, in which case the number of Shares required to be delivered upon the exercise of exchange rights under the Bonds may increase (subject to the Issuer's cash settlement option).

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the following table summarises the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after the Bonds are fully exchanged into Shares at the initial exchange price of HK\$5.6320 (assuming (a) no exercise of the cash settlement option by the Issuer; (b) no adjustment to the exchange price; and (c) no other changes to the issued share capital of the Company):

	As at the date of this announcement		Immediately after the Bonds are fully exchanged into Shares at the initial exchange price of HK\$5.6320 (based on the above assumptions)	
	Number of Shares	% of issued share capital of the Company	Number of Shares	% of issued share capital of the Company
YXE (<i>Note 1</i>)	1,014,796,050	60.65%	739,526,164	44.20%
Matthews International Capital Management, LLC (<i>Note 2</i>)	184,973,000	11.05%	184,973,000	11.05%
Other shareholders	<u>473,393,245</u>	<u>28.3%</u>	<u>748,663,131</u>	<u>44.75%</u>
Total	<u><u>1,673,162,295</u></u>	<u><u>100%</u></u>	<u><u>1,673,162,295</u></u>	<u><u>100%</u></u>

Notes:

1. The entire issued share capital of YXE was beneficially and wholly-owned by Guangzhou Yue Xiu Holdings Limited. YXE's shareholding interest in the Company is held, directly and indirectly, by YXE and its various wholly-owned subsidiaries.
2. Matthews International Capital Management, LLC held these shares as investment manager.

DEFINITIONS

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

“Board”	the board of directors of the Company;
“Bonds”	US\$200 million 1.50% guaranteed exchangeable bonds due 2019 to be issued by the Issuer which the Lead Managers have agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for;
“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;
“Director”	the directors of the Company;
“HK\$”	Hong Kong dollars, the legal currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuer”	Asia View Limited, a direct wholly-owned subsidiary of YXE;
“Lead Managers”	The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc and Nomura International (Hong Kong) Limited;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Maturity Date”	8 August 2019;
“Regulation S”	Regulation S under the US Securities Act;
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreement”	the conditional subscription agreement dated 21 July 2014 entered into among the Issuer, YXE and the Lead Managers in respect of issue of the Bonds;

“US” or “United States”	the United States of America;
“US Securities Act”	the United States Securities Act of 1933, as amended from time to time;
“US\$” or “US Dollars”	United States dollars, the lawful currency of the United States; and
“YXE”	means Yue Xiu Enterprises (Holdings) Limited 越秀企業(集團)有限公司, a company incorporated in Hong Kong with limited liability, the controlling shareholder of the Company directly and indirectly holding approximately 60.65% of the total issued share capital of the Company as at the date of this announcement;
“%”	per cent.

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

Hong Kong, 21 July 2014

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

Executive Directors: *ZHU Chunxiu (Chairman), LIANG Youpan, HE Baiqing and QIAN Shangning*

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