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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

**ACQUISITION OF THE REMAINING 10% EQUITY
INTERESTS IN A NON-WHOLLY-OWNED SUBSIDIARY
OPERATING THE CHANGZHU EXPRESSWAY ON VARIED TERMS**

The Board is pleased to announce that the Purchaser, a wholly-owned subsidiary of the Company, and Zhonghe have entered into the Transfer Agreement dated 11 November 2015 to vary the terms for the 10% Acquisition provided under the 2010 Agreement.

Pursuant to the Transfer Agreement, the Purchaser has agreed to acquire, and Zhonghe has agreed to sell, the 10% Equity Interest at the New Consideration (i.e. RMB112,193,686.40) which is lower than the Original Consideration (being RMB130.3 million). Changzhu Company is principally engaged in the management and operation of the Changzhu Expressway. As at the Announcement Date, the Purchaser owns 90% of the equity interest in Changzhu Company. Upon completion of the 10% Acquisition, the Company will, through the Purchaser, own 100% of the equity interest in the Changzhu Company, which will become an indirect wholly-owned subsidiary of the Company. The financial results of Changzhu Company will continue to be consolidated in the financial statements of the Group upon Completion.

The 10% Acquisition constitutes a connected transaction of the Company by virtue of Zhonghe being a connected person of the Company. However, the 10% Acquisition is exempt from the independent shareholders' approval requirement pursuant to Rules 14A.76(2)(a) and 14A.101 of the Listing Rules as more specifically described in the section headed "7. Implications under the Listing Rules".

The Board is pleased to announce that on 11 November 2015, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Transfer Agreement with Zhonghe to vary the terms for the 10% Acquisition provided under the 2010 Agreement. Set out below are more details on the Transfer Agreement and relevant information.

1. BACKGROUND

Reference is made to the 2010 Announcement whereby, among other things, the 10% Acquisition and the 90% Acquisition were announced. As disclosed in the 2010 Announcement, the 10% Acquisition and the 90% Acquisition together constituted a discloseable transaction under the Listing Rules. The 90% Acquisition was completed in June 2011 after which the Changzhu Company became a non-wholly-owned subsidiary of the Company.

In the 2010 Announcement, it was disclosed that conditional upon the due satisfaction by the parties of their respective obligations under the 2010 Agreement, Zhonghe agreed to sell, and the Purchaser agreed to acquire, the 10% Equity Interest within one year after the final inspection and acceptance of the Changzhu Expressway is completed by the Vendors. Following satisfaction by the parties of their respective obligations under the 2010 Agreement i.e. (a) there being no default or breach of any party's obligations and that the sale and purchase of the 90% Equity Interest having been completed in accordance with the terms of the 2010 Agreement; and (b) completion of the final inspection and acceptance of Changzhu Expressway as aforesaid in December 2013, the Purchaser and Zhonghe re-examined the original terms for the 10% Acquisition and after negotiations on arm's length, agreed to vary such terms by entering into the Transfer Agreement.

2. THE TRANSFER AGREEMENT

Set out below is a summary of the principal terms of the Transfer Agreement:

(a) Date

11 November 2015.

(b) Parties

Zhonghe as vendor and the Purchaser as purchaser.

As at the Announcement Date, Zhonghe is a substantial shareholder of the Changzhu Company holding the 10% Equity Interest. As Zhonghe is a substantial shareholder of a subsidiary of the Company (namely, the Changzhu Company), Zhonghe is a connected person of the Company as at the date of the Transfer Agreement.

(c) Assets to be acquired by the Group

The assets to be acquired by the Group is the 10% Equity Interest.

As at the Announcement Date, 90% of the equity interest of the Changzhu Company is owned by the Group through the Purchaser and the remaining 10% is owned by Zhonghe. The Purchaser will acquire the 10% Equity Interest from Zhonghe in accordance with the Transfer Agreement. Upon Completion, the Company will, through the Purchaser, own 100% of the equity interest of the Changzhu Company and the financial results of the Changzhu Company will continue to be consolidated in the financial statements of the Group upon Completion. To the best of the Directors' knowledge and belief and having made all reasonable enquiries, the original acquisition cost of the 10% Equity Interest to Zhonghe was approximately RMB92,930,000, representing 10% of the capital of the Changzhu Company contributed by Zhonghe.

(d) New Consideration

The consideration for the transfer of the 10% Equity Interest shall be RMB112,193,686.40 payable in cash. The New Consideration shall be paid into an escrow account ("**Escrow Account**") under the joint control of the Purchaser and Zhonghe within five working days after the approval of the transfer of the 10% Equity Interest has been approved by the Department of Commerce of the Hunan Province (湖南省商務廳). The New Consideration will be released from the Escrow Account within five working days after completion of the registration of changes of shareholding at the relevant Administration of Industry and Commerce.

The New Consideration was determined through arm's length negotiations between Zhonghe and the Purchaser and on a commercial basis taking into account, among other things, the Original Consideration. Under the 2010 Agreement, the consideration for the 10% Equity Interest was 1/9 of the consideration payable for the 90% Equity Interest plus interests as more specifically disclosed in the 2010 Announcement. The amount of the New Consideration is equivalent to 1/9 of the consideration paid for the 90% Equity Interest and is lower than the Original Consideration by approximately RMB18.1 million. The New Consideration will be funded by internal resources.

(e) **Termination**

If the registration of the changes of shareholding at the relevant Administration and Industry of Commerce contemplated by the Transfer Agreement cannot be completed within six months of the date of signing of the Transfer Agreement notwithstanding endeavours having given by the Purchaser and Zhonghe, the Transfer Agreement shall be terminated automatically.

3. INFORMATION ON THE CHANGZHU COMPANY AND THE CHANGZHU EXPRESSWAY

The Changzhu Company is a company established in the PRC with limited liability and is principally engaged in the investment, construction, management and operation of the Changzhu Expressway. It owns the franchise to operate the Changzhu Expressway for a term of 30 years commencing on 31 August 2010.

The length of the Changzhu Expressway which is subject to toll collection is 46.5 kilometres. The starting point of the Changzhu Expressway is located north of Huanghua Village in the Changsha County, with the main line ending at the intersection between the Litan Expressway and Longtoupu, and the Zhuzhou connecting line ending north-west of the Zhuzhou electrical machine factory. The Changzhu Expressway has four lanes in dual direction, a road base of 26 metres wide, designed for a traffic speed of 100 kilometres per hour.

Set out below is the financial information of the Changzhu Company for the two financial years before the date of the Transfer Agreement prepared in accordance with the Hong Kong Financial Reporting Standards as extracted from the audited consolidated financial statements of the Company:

| | For the year ended | |
|---|-----------------------------|-----------------------------|
| | 31 December 2013 | 31 December 2014 |
| | <i>(RMB'000)</i> | <i>(RMB'000)</i> |
| Income from operations | 141,344 | 168,008 |
| (Loss) before tax and extraordinary items | (64,092) | (40,313) |
| (Loss) after tax and extraordinary items | (81,073) | (55,092) |

4. INFORMATION ON THE GROUP AND THE PURCHASER

The Group is principally engaged in the investment in, operation and management of expressways and bridges 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.

5. INFORMATION ON ZHONGHE

The scope of business of Zhonghe includes, among other things, investment (without involvement in the management in the investment) and provision of advisory services in investment and management, construction materials and equipment in construction.

6. REASONS AND BENEFITS FOR ENTRY INTO THE TRANSFER AGREEMENT

The 10% Acquisition was provided under the 2010 Agreement, the completion of which was subject to the fulfilment of the conditions as disclosed in the section headed “1. Background” of this announcement. Following the fulfilment of those conditions in December 2013, the Purchaser and Zhonghe re-examined the original terms for the 10% Acquisition and after negotiations on arm’s length, agreed to vary such terms by entering into the Transfer Agreement. As disclosed in the section headed “2. The Transfer Agreement — (d) New Consideration” in this announcement, the New Consideration is lower than the Original Consideration.

Having taken into account the above reasons and benefits, the Directors (including the independent non-executive Directors) consider that the terms of the Transfer Agreement are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole. None of the Directors have a material interest in the transactions contemplated by the Transfer Agreement.

7. IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios are less than 5%, the 10% Acquisition does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. However, as Zhonghe is a connected person of the Company by virtue of it being a substantial shareholder of a subsidiary of the Company (namely, the Changzhu Company), the Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the Transfer Agreement is on normal commercial terms and the relevant

percentage ratios are less than 5%, it is subject to reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Rule 14A.76(2)(a) of the Listing Rules. Additionally, as (i) Zhonghe is a connected person at the subsidiary level; (ii) the Board has approved the Transfer Agreement; and (iii) the independent non-executive Directors have confirmed that the terms of the Transfer Agreement are fair and reasonable, the transactions contemplated by the Transfer Agreement are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the Transfer Agreement is also exempt from the independent shareholders' approval requirement under Rule 14A.101 of the Listing Rules.

DEFINITIONS

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

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|-----------------------|--|
| “10% Acquisition” | means the acquisition of the 10% Equity Interest provided under the 2010 Agreement as varied by the Transfer Agreement; |
| “10% Equity Interest” | means the 10% equity interest in the Changzhu Company owned by Zhonghe; |
| “2010 Agreement” | means the equity interest transfer agreement dated 21 December 2010 entered into between the Purchaser and the Vendors in relation to the 10% Acquisition and the 90% Acquisition; |
| “2010 Announcement” | means the announcement of the Company dated 21 December 2010 in relation to the 2010 Agreement; |
| “90% Acquisition” | means acquisition of the 90% Equity Interest pursuant to the 2010 Agreement; |
| “90% Equity Interest” | means the 90% equity interest in the Changzhu Company; |
| “Announcement Date” | means the date of this announcement, being 11 November 2015; |
| “Board” | means the board of Directors; |

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|---------------------------|--|
| “Changzhu Company” | means 湖南長株高速公路開發有限責任公司 (Hunan Changzhu Expressway Development Company Limited*), a company established in the PRC with limited liability; |
| “Changzhu Expressway” | means the Changsha to Zhuzhou expressway in the Hunan Province, the PRC, comprising the main line and the Zhuzhou connecting line; |
| “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 10% Acquisition in accordance with the Transfer Agreement; |
| “connected person” | has the meaning given to it under the Listing Rules; |
| “Directors” | means the directors of the Company; |
| “Group” | means the Company and its subsidiaries; |
| “Hong Kong” | means the Hong Kong Special Administrative Region of the PRC; |
| “Independent Third Party” | means third party independent of, and not connected with the Company and its connected persons; |
| “Listing Rules” | means the Rules Governing the Listing of Securities on the Stock Exchange; |
| “New Consideration” | means the consideration for the 10% Acquisition provided under the Transfer Agreement, being RMB112,193,686.40; |
| “Original Consideration” | means the consideration payable for the 10% Acquisition under the 2010 Agreement as disclosed in the 2010 Announcement, being RMB130.3 million (inclusive of interests thereon); |
| “PRC” | means the People’s Republic of China excluding, for the purposes of this announcement only, Hong Kong, Taiwan and the Macao Special Administrative Region; |

| | |
|---------------------------|---|
| “Purchaser” | means 越秀(中國)交通基建投資有限公司 (Yue Xiu (China) Transportation Construction Investment Company Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company; |
| “Stock Exchange” | means The Stock Exchange of Hong Kong Limited; |
| “substantial shareholder” | has the meaning given to it under the Listing Rules; |
| “Transfer Agreement” | means the equity interest transfer agreement dated 11 November 2015 entered into between Zhonghe and the Purchaser in relation to the variation of the terms for the 10% Acquisition provided under the 2010 Agreement; |
| “Vendors” | means the vendors under the 2010 Agreement, being (i) Zhonghe and (ii) 武漢奧深科技集團有限公司 (Wuhan Aoshen Technology Group Company Limited*), a company established in the PRC with limited liability; |
| “Zhonghe” | means 湖南中和威特投資有限公司 (Hunan Zhonghe Weite Investment Company Limited*), a company established in the PRC with limited liability; and |
| “%” | means percentage. |

By Order of the Board
Yuexiu Transport Infrastructure Limited
Zhu Chunxiu
Chairman

Hong Kong, 11 November 2015

As at the Announcement Date, 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

* For identification purpose only