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越秀交通有限公司

GZI TRANSPORT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1052)

VOLUNTARY ANNOUNCEMENT
ACQUISITION OF THE REMAINING 10% EQUITY INTEREST IN
蒼梧桂海蒼郁高速公路有限公司
(CANGWU GUIHAI CANGYU EXPRESSWAY CO., LTD.)*

This is a voluntary announcement made by the Company.

The Board is pleased to announce that GZT China, a wholly-owned subsidiary of the Company, has entered into the Equity Transfer Agreement with the Vendor in connection with the acquisition of the remaining 10% equity interest in Cangyu which is not already owned by the Group. Cangyu is a limited liability company established in the PRC which holds the operating right of Cangyu Expressway. Upon completion of the Acquisition, Cangyu will become an indirect wholly-owned subsidiary of the Company.

This is a voluntary announcement made by the Company.

1. THE ACQUISITION

On 11 March 2011, GZT China, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Vendor for the acquisition of the Equity Interest.

2. TERMS AND CONDITIONS OF THE EQUITY TRANSFER AGREEMENT

The following is a summary of the principal terms and conditions of the Equity Transfer Agreement:

Date

11 March 2011

Parties

- (1) GZT China
- (2) the Vendor

Consideration

The Consideration payable for the Acquisition is RMB54 million, which was arrived at after arm's length negotiation between the Vendor and GZT China. An amount of RMB20 million is payable as deposit within 7 working days from the date the Equity Transfer Agreement becomes effective. The balance in the amount of RMB34 million is payable within 7 working days after registration of the transfer of Equity Interest at the relevant Administration of Industry and Commerce and the Vendor having provided GZT China with relevant tax clearance documents in relation to the transfer of the Equity Interest.

Approvals

Pursuant to the Equity Transfer Agreement, the Vendor shall be responsible for obtaining the necessary government approvals for the transfer of the Equity Interest. The Vendor is also obliged to assist and coordinate with GZT China to complete registration of the transfer of the Equity Interest and the ancillary changes to the corporate information of Cangyu at the relevant Administration of Industry and Commerce.

Warranties

The Vendor warrants to GZT China, amongst other things, that the Equity Interest is legally owned by him and he has the absolute right to deal with the Equity Interest and the Equity Interest is not subject to any charge or mortgage.

3. INFORMATION ON CANGYU

Cangyu Expressway is located in Cangwu County of Wuzhou City in Guangxi Zhuang Autonomous Region, linking the Cangwu County of Guangxi Zhuang Autonomous Region with the Yunan County of Guangdong Province. It also forms a part of the Guangwu Expressway (from Guangzhou to Wuzhou). The total length of the route is 23.3 km with 1 toll station. The term of the right to operate Cangyu Expressway by Cangyu is 25 years after Cangyu Expressway commenced operation in November 2005.

The principal asset of Cangyu is the operating right of Cangyu Expressway. 90% of the equity interest in Cangyu is held by Grand Speed, a wholly owned subsidiary of the Company.

4. REASONS FOR, AND BENEFITS OF, ENTERING INTO THE ACQUISITION

Upon completion of the Acquisition, Cangyu will become an indirect wholly-owned subsidiary of the Company. This will allow the Group to have an absolute control over the operations of Cangyu. After the acquisition of 90% equity interest in Cangyu by the Group which was completed on 19 January 2009, the income of Cangyu from toll fees has increased substantially. Cangyu Expressway's revenue contribution has demonstrated sustainable growth with the opening of the whole section of Guangwu Expressway since 30 June 2010. It is expected that after the expressway connecting Guigang comes into operation, Cangyu Expressway will be a source of growth for the Group in terms of revenue and profits in future.

The Directors consider that the terms of the Acquisition are on normal commercial terms, fair and reasonable, and in the interests of the shareholders of the Company as a whole.

5. IMPLICATIONS UNDER THE LISTING RULES

The Acquisition constitutes a de minimis connected transaction of the Company, which is exempt from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules pursuant to rule 14A.31(2)(b) of the Listing Rules. Notwithstanding such exemption, the Company made this announcement voluntarily in order to keep the shareholders of the Company informed of the recent development of the affairs of the Group.

DEFINITIONS

“Acquisition”	means the acquisition by GZT China of the Equity Interest from the Vendor pursuant to the Equity Transfer Agreement;
“Board”	the board of Directors;
“Cangyu”	means 蒼梧桂海蒼郁高速公路有限公司 (Cangwu Guihai Cangyu Expressway Co., Ltd.*);
“Cangyu Expressway”	means Cangyu Expressway which runs from Cangwu County of Wuzhou City in Guangxi Zhuang Autonomous Region to the Yunan County of Guangdong Province;
“Company”	means GZI Transport Limited (越秀交通有限公司*), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited;
“Consideration”	means the consideration of RMB54 million payable by GZT China pursuant to the Equity Transfer Agreement;
“Directors”	means the directors of the Company;
“Equity Interest”	means the 10% equity interest in Cangyu owned by the Vendor;
“Equity Transfer Agreement”	means the equity transfer agreement dated 11 March 2011 entered into between GZT China and the Vendor in respect of the transfer of the Equity Interest;
“Grand Speed”	means Grand Speed Limited, a limited liability company incorporated in Hong Kong;
“Group”	means the Company and its subsidiaries;
“GZT China”	means 越秀(中國)交通基建投資有限公司 (Yuexiu (China) Transport Infrastructure Investment Company Limited*) a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“PRC”	means the People’s Republic of China and, for the purpose of this announcement only, excludes Hong Kong, Macau and Taiwan;
“RMB”	means Renminbi, the lawful currency of the PRC;
“subsidiary”	has the same meaning as in section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as at the date of this announcement and “subsidiaries” shall be construed accordingly; and
“Vendor”	means 彭劍雄 (Peng Jianxiong*), a PRC citizen.

* *For identification purposes only.*

By order of the board of
GZI Transport Limited
YU Tat Fung
Company Secretary

Hong Kong, 11 March 2011

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

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

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