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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)

VOLUNTARY ANNOUNCEMENT POTENTIAL DISPOSAL OF 60% EQUITY INTEREST IN A SUBSIDIARY THROUGH PUBLIC TENDER

This is a voluntary announcement made by the Company.

THE POTENTIAL DISPOSAL

The Company announces that Choice Tone (an indirect wholly-owned subsidiary of the Company) proposes to dispose of its 60% equity interest in the Target Company. Since the Disposal Interests are deemed to be state-owned assets under the relevant laws and regulations of the PRC, the Potential Disposal will be conducted by way of Public Tender on GUAEE in accordance with the relevant rules and regulations of the PRC governing the disposal of state-owned assets.

The Target Company is principally engaged in the construction, operation, management and maintenance of the Jinxiong Expressway.

As at the date of this announcement, the Minimum Consideration has yet to be determined and will be announced in the Formal Tender Notice.

POTENTIAL IMPLICATIONS UNDER THE LISTING RULES

The Potential Disposal, if materialised, and subject to the identity of the transferee and its relationship with the Company, may constitute a notifiable and/or connected transaction of the Company and may be subject to the reporting, announcement and shareholders' approval (as applicable) requirements under Chapter 14 and/or 14A of the Listing Rules.

Further announcement(s) in respect of the Potential Disposal will be made by the Company in compliance with the Listing Rules as and when necessary.

As the Potential Disposal may or may not materialise, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

I THE POTENTIAL DISPOSAL

The Company announces that Choice Tone (an indirect wholly-owned subsidiary of the Company) proposes to dispose of its 60% equity interest in the Target Company.

Since the Disposal Interests are deemed to be state-owned assets under the relevant laws and regulations of the PRC, the Potential Disposal will be conducted by way of Public Tender on GUAEE in accordance with the relevant rules and regulations of the PRC governing the disposal of state-owned assets.

Public Tender

The Public Tender will include a pre-tender process and formal tender process. For the pre-tender process, the Pre-Listing Disclosure is made to the public on the websites of GUAEE at <http://www.gduae.com> and GEMAS at <http://gz.gemas.com.cn> on the date of this announcement, in compliance with the relevant regulatory requirements of the PRC. The publication period will be twenty (20) working days from the day following the date of Pre-Listing Disclosure on the websites of GUAEE and GEMAS. The Pre-Listing Disclosure does not constitute any offer, and the final terms of the Potential Disposal is subject to the terms to be disclosed in the Formal Tender Notice and the final Equity Transaction Agreement.

To commence the formal tender process, Choice Tone will need to submit, subsequent to the publication period for the Pre-Listing Disclosure, the Formal Tender Notice to GUAEE and GEMAS setting out, among others: (i) the Minimum Consideration; (ii) the principal terms of the transaction; and (iii) the descriptions and qualifications of the intended transferees.

The publication period will be twenty (20) working days from the day following the disclosure of the Formal Tender Notice on the websites of GUAEE and GEMAS. During the publication period for the Formal Tender Notice, intended transferees are required to complete the application procedures.

As at the date of this announcement, the Minimum Consideration has yet to be determined and the same will be announced in the Formal Tender Notice in due course.

II INFORMATION ON THE TARGET COMPANY, JINXIONG EXPRESSWAY AND TIANJIN EXPRESSWAY CO.

The Target Company

The Target Company is principally engaged in the construction, operation, management and maintenance of the Jinxiong Expressway. As at the date of this announcement, the equity interests of the Target Company are held by Choice Tone and Tianjin Expressway Co. as to 60% and 40%, respectively.

Set out below are the key audited financial information of the Target Company for the year ended 31 December 2023 and for the 5 months ended 31 May 2024, prepared in accordance with PRC accounting standards:

	For the five months ended 31 May 2024	For the year ended 31 December 2023
	<i>RMB'000</i> <i>(audited)</i>	<i>RMB'000</i> <i>(audited)</i>
Revenue	36,611	85,795
Profit before income tax	13,155	21,343
Net profit	11,262	15,970
	As at 31 May 2024	As at 31 December 2023
	<i>RMB'000</i> <i>(audited)</i>	<i>RMB'000</i> <i>(audited)</i>
Total assets	228,401	249,631
Total liabilities	30,455	47,057
Total equity	197,946	202,574

Jinxiong Expressway

The Jinxiong Expressway spans for a total length of 23.9 kilometres, starting from Wangqingtu County (located near the border between Tianjin and Bazhou, Hebei) and ending at Tianjin Hongqiao Dingzigu No. 3 Interchange. The entire Jinxiong expressway serves as an important expressway connecting Baoding, Xiong'an and Tianjin. Additionally, it links with the Beijing-Shanghai Expressway at Wangqingtu Interchange, facilitating travel to Beijing and Shanghai.

III REASONS FOR AND BENEFITS OF THE POTENTIAL DISPOSAL

Since its establishment, the Target Company has been engaging in the construction, operation, management and maintenance of the Jinxiong Expressway. Considering the toll collection period has six years remaining and the extension will be subject to regulatory approval and further capital expenditure, the Company has evaluated its strategy and expects that the Potential Disposal will generate immediate cash inflow which is expected to improve the Company's net profit after the completion of the transaction.

IV POTENTIAL IMPLICATIONS UNDER THE LISTING RULES

The Potential Disposal, if materialised, and subject to the identity of the transferee and its relationship with the Company, may constitute a notifiable and/or connected transaction of the Company and may be subject to the reporting, announcement and shareholders' approval (as applicable) requirements under Chapter 14 and/or 14A of the Listing Rules.

Further announcement(s) in respect of the Potential Disposal will be made by the Company in compliance with the Listing Rules as and when necessary.

As the Potential Disposal may or may not materialise, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

V DEFINITIONS

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

“Board”	the board of Directors
“Choice Tone”	Choice Tone Limited (翔通有限公司), a company incorporated in Hong Kong with limited liability, and an indirect wholly-owned subsidiary of the Company
“Company”	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 Main Board of the Stock Exchange (Stock Code: 01052)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal Interests”	60% equity interest in the Target Company held by Choice Tone

“Equity Transaction Agreement”	an equity transaction agreement to be entered into between Choice Tone and the transferee in respect of the Potential Disposal according to the rules of GUAEE
“Formal Tender Notice”	the notice of the Public Tender in relation to the Potential Disposal expected to be published by Choice Tone on the websites of GUAEE and GEMAS
“GEMAS”	Guangzhou Enterprises Mergers and Acquisition Services (廣州產權交易所), the platform under GUAEE for conducting transfer of state-owned assets
“GUAEE”	GuangDong United Assets and Equity Exchange (廣東聯合產權交易中心), the only institution in Guangdong Province engaging in transfer of state-owned assets
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jinxiong Expressway”	the Tianjin section of the Jinxiong expressway* (津雄高速公路), an expressway which starts from Wangqingtu County (near the border between Tianjin and Bazhou, Hebei) and ends at the Tianjin Hongqiao Dingzigu No.3 Interchange, further details of which are set out in the section headed “II Information on the Target Company, Jinxiong Expressway and Tianjin Expressway Co.” in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Minimum Consideration”	the base price for the transfer of the Disposal Interests which will be announced in the Formal Tender Notice
“Potential Disposal”	the potential disposal of the Disposal Interests by Choice Tone
“PRC”	the People’s Republic of China
“Pre-Listing Disclosure”	the preliminary disclosure of information relating to the Potential Disposal on the websites of GUAEE and GEMAS
“Public Tender”	the public tender for the Potential Disposal through GUAEE
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Tianjin Jinfu Expressway Co., Ltd. (天津津富高速公路有限公司), a sino-foreign joint venture established under the laws of the PRC
“Tianjin Expressway Co.”	Tianjin Expressway Group Co., Ltd. (天津高速公路集團有限公司), a company established under the laws of the PRC with limited liability
“%”	per cent

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

Hong Kong, 30 September 2024

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

Executive Directors: *LIU Yan (Chairman), HE Baiqing, 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*