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## 廣東粵運交通股份有限公司

**Guangdong Yueyun Transportation Company Limited\***

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 03399)**

### **CONTINUING CONNECTED TRANSACTIONS PROPERTY MANAGEMENT ENTRUSTMENT AGREEMENT**

Reference is made to the announcement of the Company dated 31 December 2012 in respect of, among other things, the Old Property Management Entrustment Agreement.

The term of the Old Property Management Entrustment Agreement will expire on 31 May 2014. On 29 May 2014, Yueyun Investment Management as appointor and Yuehing Property Management as appointee entered into the Property Management Entrustment Agreement in respect of the provision of property management services of Yueyun Building for a term from 1 June 2014 to 31 December 2016.

GCGC owns an aggregate of approximately 66.96% of the issued share capital of the Company. As of the date of this announcement, Yueyun Investment Management is a wholly-owned subsidiary of GCGC. Yuehing Property Management is an indirect wholly-owned subsidiary of the Company. Therefore, Yueyun Investment Management is a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Property Management Entrustment Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the proposed annual caps for the years ending 31 December 2014, 2015 and 2016 for the transactions contemplated under the Property Management Entrustment Agreement exceed 0.1% but are under 5%, the transactions contemplated under the Property Management Entrustment Agreement are subject to the announcement, reporting and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **Property Management Entrustment Agreement**

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The term of the Old Property Management Entrustment Agreement will expire on 31 May 2014. On 29 May 2014, Yueyun Investment Management as appointor and Yuehing Property Management as appointee entered into the Property Management Entrustment Agreement in respect of the provision of property management services of Yueyun Building for a term from 1 June 2014 to 31 December 2016.

### **Principal terms of the Property Management Entrustment Agreement**

Date	:	29 May 2014
Parties	:	(1) Yueyun Investment Management, as appointor (2) Yuehing Property Management, as appointee
Entrusted services	:	Yueyun Investment Management appointed Yuehing Property Management to carry out property management services in respect of Yueyun Building, including but not limited to:  (1) repair, maintain and manage the common area, common facilities and ancillary facilities  (2) maintain hygiene of public area  (3) maintain public order  (4) collect management fees, electricity charges and other relevant fees and charges from all users of Yueyun Building  (5) collect rental and handle rental business on behalf of Yueyun Investment Management
Term	:	1 June 2014 to 31 December 2016

- Entrustment fee : Yuehing Property Management is allowed to keep the management fees, electricity charges and other relevant fees and charges collected from all users of Yueyun Building and treat them as the entrustment fees
- Renewal : The Property Management Entrustment Agreement, subject to compliance with the relevant requirements under the Listing Rules, may be renewed for not more than three years upon expiry

### Historical Figures

	<b>Year ended 31 December 2011 (Approx. RMB)</b>	<b>Year ended 31 December 2012 (Approx. RMB)</b>	<b>Year ended 31 December 2013 (Approx. RMB)</b>
Total amounts (including management fees, electricity charges and other relevant fees and charges)	7,936,000	3,014,000	7,304,000

### Annual Caps

Below are the maximum annual aggregate amounts receivable by Yuehing Property Management in respect of the provision of property management services under the Old Property Management Entrustment Agreement and the Property Management Entrustment Agreement, which are determined by reference to (1) the management fee at RMB23 per square meter per month, (2) the carpark usage fee at RMB600 per car per month, and (3) other estimated relevant fees and charges based on the historical transaction amounts:

	<b>Annual Cap</b>
For the year ending 31 December 2014	: RMB8,400,000
For the year ending 31 December 2015	: RMB9,000,000
For the year ending 31 December 2016	: RMB9,220,000

## **Reasons for and benefits of entering into the Property Management Entrustment Agreement**

The property management of Yueyun Building has always been carried out by Yuehing Property Management. The provision of property management services would generate a considerable amount of revenue to Yuehing Property Management and enhance the financial position of the Group.

The terms of the Property Management Entrustment Agreement were determined after arm's length negotiations between the parties with reference to the prevailing property management charges for comparable premises in the vicinity. The Board (including the independent non-executive Directors) considers that the Property Management Entrustment Agreement was entered into in the ordinary and usual course of business of the Company on normal commercial terms. The terms and conditions of the Property Management Entrustment Agreement and the related annual caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Mr. Liu Wei and Mr. Li Bin are both non-executive Directors. Mr. Liu Wei serves as the deputy general manager of GCGC, and Mr. Li Bin serves as the deputy head of strategic development department of GCGC. Mr. Fei Dachuan is an executive Director and a deputy general manager of the Company, as well as an executive director and the general manager of Yueyun Investment Management. Therefore, as each of Mr. Liu Wei, Mr. Li Bin and Mr. Fei Dachuan is deemed to have a material interest in the transactions contemplated under the Property Management Entrustment Agreement, they have abstained from voting on the resolutions passed by the Board to approve the Property Management Entrustment Agreement. None of the other Directors has any material interest in the transactions contemplated under the Property Management Entrustment Agreement and none of them was required to abstain from voting on the resolutions passed by the Board to approve the Property Management Entrustment Agreement.

## **LISTING RULES IMPLICATIONS**

GCGC owns an aggregate of approximately 66.96% of the issued share capital of the Company. As of the date of this announcement, Yueyun Investment Management is a wholly-owned subsidiary of GCGC. Yuehing Property Management is an indirect wholly-owned subsidiary of the Company. Therefore, Yueyun Investment Management is a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Property Management Entrustment Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the proposed annual caps for the years ending 31 December 2014, 2015 and 2016 for the transactions contemplated under the Property Management Entrustment Agreement, exceed 0.1% but are under 5%, the transactions contemplated under the Property Management Entrustment Agreement are subject to the announcement, reporting and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITIONS

The following expressions in this announcement have the following meanings:

“Board”	board of Directors
“Company”	Guangdong Yueyun Transportation Company Limited* (廣東粵運交通股份有限公司) (Stock code: 03399), a joint stock limited company established under the laws of the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“GCGC”	Guangdong Provincial Communication Group Company Limited (廣東省交通集團有限公司), a state-owned enterprise established under the laws of the PRC and a controlling shareholder of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Old Property Management Entrustment Agreement”	the property management entrustment agreement dated 19 June 2012 entered into between Yueyun Investment Management as appointor and Yuehing Property Management as appointee in respect of the provision of property management services of Yueyun Building for a term for a term of two years from 1 June 2012 to 31 May 2014

“Property Management Entrustment Agreement”	a property management entrustment agreement dated 29 May 2014 entered into between Yueyun Investment Management as appointor and Yuehing Property Management as appointee in respect of the provision of property management services of Yueyun Building for a term from 1 June 2014 to 31 December 2016
“PRC”	The People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yuehing Property Management”	Guangdong Yuehing Property Management Company Limited (廣東運興物業管理有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Yueyun Building”	Yueyun Building, 32 Hong Shan Second Road, Yuexie District, Guangzhou, Guangdong Province, the PRC
“Yueyun Investment Management”	Guangzhou Yueyun Investment Management Company Limited (廣州粵運投資管理有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of GCGC

By Order of the Board  
**Guangdong Yueyun Transportation Company Limited**  
**Xuan Zongmin**  
*Chairman of the Board*

Guangzhou, the PRC, 29 May 2014

*As at the date of this announcement, the Board comprises Mr. Xuan Zongmin, Mr. Tang Yinghai, Mr. Yao Hanxiong, Mr. Fei Dachuan and Mr. Guo Junfa as executive Directors; Mr. Liu Wei and Mr. Li Bin as non-executive Directors; and Mr. Gui Shouping, Mr. Liu Shaobo, Mr. Peng Xiaolei and Mr. Jin Wenzhou as independent non-executive Directors.*

\* *For identification purposes only*