

Universal Travel Group Signs Agreement to Acquire 90% of Tianjin Golden Dragon International Travel Service Company

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Expands packaged tours and corporate travel services

Universal Travel Group (BULLETIN BOARD: UTVG) , which operates through its wholly owned subsidiary, Shenzhen Yu Zhi Lu Aviation Service Company Ltd. (YZL), a leading travel and cargo transportation agency in Southern China, announced today that it has entered into an agreement with the shareholders of Tianjin Golden Dragon International Travel Service Co., the largest travel agency in the city of Tianjin, China, whereby Universal Travel Group would acquire, in the aggregate, 90% of the outstanding capital stock of Tianjin Golden Dragon. The purchase price for this majority stake will be \$7,889,000, of which \$3,600,000 will be paid in cash and \$4,289,000 will be satisfied by the issuance of 1,053,800 shares of Universal Travel stock. The cash portion will be paid in two installments. The first payment of \$2.2 million will be made within one year of the closing of the acquisition and the remaining \$1.4 million will be paid within two years of the closing, in accordance with a promissory note to be issued by Universal Travel Group at the closing of the acquisition.

Established in 1995, Tianjin Golden Dragon specializes in domestic and international tour packaging. The company reported unaudited sales revenue of \$16.17 million and net income of \$1.13 million in FY'06. Golden Dragon offers several specialized package tours to Hunan, Changsha, Shaoshan, Kunming, Dali and Lijiang. The company also organizes tour packages for holidays and special events, such as an Olympics tour in support of the 2008 games, "Wedding Tours" to celebrate honeymoons and "Parents' Tours" designed for families to travel together.

Tianjin Golden Dragon has garnered nationwide recognition for its unique tourist products, namely its branded "Parents' Tour," which has served more than 100,000 people since its introduction. In 2006, Tianjin Golden Dragon served more than 150,000 customers and was ranked twenty-ninth in revenue in the Chinese travel industry.

Universal Travel Group's Chairwoman and CEO Jiangping Jiang said, "The majority position with Golden Dragon cements our commitment to the packaged tour market in China, which was established with our acquisitions of Xi'an Golden Net and Shanghai Lanbao earlier this year. We hope to close this transaction by the end of 2007 to ensure our company's competitive edge as we continue to integrate all five subsidiaries. We expect that the packaged tours segment will drive the growth of the air ticketing and hotel reservation segments in the future."

Jiang continued, "We estimate that the packaged tours segment will contribute about a substantial amount of Universal Travel Group's revenue. At present, China's tourism market demand is \$150 billion, with a projected increase of 10% in the next five years. This represents broad development prospects for our company and a wonderful opportunity for further growth. In addition, we believe that the 2008 Beijing Olympics will further boost the overall business performance of UTVG."

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