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越 秀 交 通 有 限 公 司
GZI Transport Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 1052)

DISCUSSION IN RESPECT OF JOINT DEVELOPMENTS OF EXPRESSWAYS

The Board is pleased to announce that GZI Transport is currently in discussion with GHDC in relation to the joint developments of two expressways in Guangdong Province.

The Board is pleased to announce that GZI Transport is currently in discussion with GHDC in relation to the joint developments of two expressways, namely GEGS and Zengcong, in Guangdong Province. Details of GEGS and Zengcong are as below.

Guanghe Expressway Guangzhou Section (“GEGS”)

It is anticipated that GEGS will be a six-lane expressway with an estimated length of approximately 70.82km. It is currently expected that GEGS will be located in the Pearl River Delta and upon completion of GEGS, will connect Guanghe Expressway (Huizhou Section), Huanan Expressway (Phases II and III), Guangzhou Northern Second Ring Expressway, Zengcong Expressway, Guangzhou Northern Third Ring Expressway, and Provincial Highway S118. The total investment amount of GEGS is expected to be approximately RMB6.60 billion, of which RMB 2.18 billion would be contributed by the joint venture partners of GEGS as registered capital, with the remaining balance of the total investment amount to be raised by way of bank financing in the PRC by GEGS. GZI Transport currently anticipates that Guangzhou Yue Peng, an indirect wholly owned subsidiary of GZI Transport, would contribute approximately RMB872 million, representing 40% of the registered capital of GEGS.

Zengcong Expressway (“Zengcong”)

It is anticipated that Zengcong will be a four-lane expressway with an estimated length of approximately 78 km. It is currently expected that Zengcong will be located in the Pearl River Delta with its main route to start from Jinlan Temple in Zengcheng City, connecting Guanghui Expressway and end at Wenquan County in Conghua City; the secondary route will start from Paitan County in Zengcheng City, passing through Jiangpu County in Conghua City and will connect with Jiebei Expressway. The total investment amount of Zengcong is expected to be approximately RMB4.87 billion, of which RMB 1.61 billion would be contributed by the joint venture partners of Zengcong as registered capital, with the remaining balance of the total investment amount to be raised by way of bank financing in the PRC by Zengcong. GZI Transport currently anticipates that Guangzhou Yue Peng, an indirect wholly owned subsidiary of GZI Transport, would contribute approximately RMB483 million, representing 30% of the registered capital of Zengcong.

GENERAL

The funding required for the possible investments in GEGS and Zengcong is expected to be financed by proceeds from the Open Offer, if completed, and/or internal resources and/or bank borrowings. The Board would like to emphasize that GZI Transport is still in discussions with GHDC regarding the joint developments of GEGS and Zengcong. There is no assurance that GZI Transport and GHDC will eventually enter into any agreement regarding GEGS and Zengcong, as such, shareholders of GZI Transport and investors are urged to exercise caution when dealing in the shares of GZI Transport. As GHDC is a connected person of GZI Transport, the proposed investments in GEGS and Zengcong may constitute a connected and notifiable transaction for GZI Transport under Chapter 14 and Chapter 14A of the Listing Rules, and GZI Transport will take appropriate steps to comply with the relevant requirements under the Listing Rules.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

DEFINITION

“Board”	the board of directors of GZI Transport
“GEGS”	廣河高速公路廣州段 (for identification purposes only, in English, Guanghe Expressway Guangzhou Section)

“GHDC”	廣州市公路開發公司 (for identification purposes only, in English, Guangzhou Highways Development Company), a PRC state-owned enterprise, which is a connected person of GZI Transport as defined in the Listing Rules by virtue of its shareholding interests of 20%, 49%, 20%, 45%, 20%, and 30%, respectively, in six subsidiaries of GZI Transport
“Guangzhou Investment”	Guangzhou Investment Company Limited
“Guangzhou Yue Peng”	廣州越鵬信息有限公司 (for identification purposes only, in English, Guangzhou Yuepeng Information Limited), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of GZI Transport
“GZI Transport”	GZI Transport Limited, an exempted company incorporated in Bermuda, the shares of which are listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Open Offer”	the proposed offer of Shares as referred to in the joint announcement of the GZI Transport and Guangzhou Investment dated 29 June 2007
“PRC”	the People’s Republic of China
“RMB”	renminbi yuan, the lawful currency of the PRC
“Share(s)”	share(s) of HK\$0.1 each in the share capital of GZI Transport
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Zengcong” 增從高速公路 (for identification purposes only, in English,
Zengcong Expressway)

“km” Kilometer

By Order of the Board
GZI Transport Limited
Li Xinmin
Deputy Chairman

Hong Kong, 18 July 2007

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

Executive Directors: OU Bingchang (Chairman), LI Xinmin, QIAN Shangning, LIANG Ningguang, LIANG Yi, CAI Tielong, HE Zili, YUAN Hongping, CHEN Guanzhan, ZHANG Siyuan, LUO Jinbiao and ZHANG Huping

Non-executive Director: POON Jing

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