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越 秀 交 通 有 限 公 司
GZI Transport Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 1052)

**REORGANISATION PROPOSED BY THE CONTROLLING
SHAREHOLDERS OF THE COMPANY RELATING
TO SHARES IN THE COMPANY
AND
RESUMPTION OF TRADING**

The Board would like to announce that it has been informed by GZI and Yue Xiu that GZI and its subsidiaries propose to enter into the Reorganisation in relation to the Shares with a view to streamlining the businesses of GZI and the Company. It is expected that, immediately following the completion of the Reorganisation, GZI will cease to hold any Shares while Yue Xiu will remain as the controlling shareholder of each of GZI and the Company. Shareholders should review the announcement published by GZI on the date hereof for details of the Reorganisation.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on Friday, 16 October 2009, pending the issue of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on Wednesday, 21 October 2009.

Shareholders and potential investors of the Company should note that the Reorganisation is conditional upon the fulfillment of certain conditions. Therefore, the Reorganisation may or may not proceed. Shareholders and potential investors of the Company should, therefore, exercise extreme caution when dealing in the Shares. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

The board of directors (the “**Board**”) of GZI Transport Limited (越秀交通有限公司) (the “**Company**”) would like to announce that it has been informed by Guangzhou Investment Company Limited (越秀投資有限公司) (“**GZI**”) (the Company’s controlling shareholder) and Yue Xiu Enterprises (Holdings) Ltd. (越秀企業(集團)有限公司) (“**Yue Xiu**”) (the controlling shareholder of GZI and, through GZI, the controlling shareholder of the Company) that GZI and its subsidiaries propose to undertake certain reorganization steps (the “**Reorganisation**”) in relation to the shares of the Company (“**Shares**”) with a view to streamlining the businesses of GZI and the Company. It is expected that, immediately following the completion of the Reorganisation, GZI will cease to hold any Shares while Yue Xiu will remain as the controlling shareholder of each of GZI and the Company. The Reorganisation comprises, among other steps, a declaration by GZI of a special dividend to be effected by way of a distribution in specie of Shares to GZI’s qualifying shareholders with a cash alternative and an offer for the sale of Shares (the “**Share Offer**”) by GZI to GZI’s qualifying shareholders, which Share Offer is fully-underwritten by Yue Xiu. The Reorganisation is subject to, among other conditions, the approval of the Share Offer by GZI’s independent shareholders. Shareholders of the Company (“**Shareholders**”) should review the announcement published by GZI on the website of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on the date hereof for details of the Reorganisation.

While the Company is not a party to the Reorganisation, the Board is of the view that the Reorganisation is in the interest of the Company and its shareholders as a whole on the basis that the Company’s existing shareholder base will be broadened and its public float is expected to increase as a result of the Reorganisation. The Company will offer any reasonable assistance required by Yue Xiu and GZI for the purposes of the Reorganisation.

The Board has been informed by Yue Xiu that currently it has no intention to make any significant change to the senior management of the Company or to implement any significant change in the operation and existing business of the Company after completion of the Reorganisation. As part of the streamlining process, it is proposed that the composition of the Board will be downsized with an injection of new talents with different expertise in the Company’s business who are able to be more focused on the Company’s transport business. After the change of composition of the Board has been determined, the Company will make a separate announcement in respect of the same in accordance with the requirements of the Listing Rules.

This announcement is published by the Company pursuant to Rule 13.09 of the Rules Governing the Listing of Securities of the Stock Exchange.

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By order of the board of
GZI Transport Limited
ZHANG Zhaoxing
Chairman

Hong Kong, 20 October 2009

As at the date of this announcement, the board of the Company comprises:

Executive Directors: ZHANG Zhaoxing (Chairman), LI Xinmin, QIAN Shangning, LIANG Ningguang, LIANG Yi, LIU Yongjie, CAI Tielong, CHEN Guanzhan, YUAN Hongping, ZHANG Siyuan, LUO Jinbiao and ZHANG Huping

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