

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



PRICE SENSITIVE INFORMATION
CLOSURE OF CLASS I HIGHWAYS TOLL STATIONS
RMB1,313,252,800 CASH COMPENSATION RECEIVABLE IN RETURN

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

The Board wishes to announce that, pursuant to the Notice issued by Guangzhou MCT on 20 October 2010, the Toll Stations will cease operation on or before 31 October 2010, and the Group is required to surrender its operating rights in the Class I highways Toll Stations and subsequently transfer its equity interests in each of Nanxin, Weian, Xinguang and Tailong, which operate the Toll Stations, to the Guangzhou Government. The Company received further notification on 28 October 2010 that in return for the surrender of the Group's said operating rights, the Guangzhou Government will pay to the Group a sum of RMB1,313,252,800 ("**Payment**") in cash on or before 31 December 2011.

The Directors are of the view that the compensation for the closure of the Toll Stations contemplated under the Notice are fair and reasonable and in the interests of the Company and its shareholders as a whole:

1. the closure of the Toll Stations pursuant to the Notice is an accomplishment befitting in the Group's long established business strategy, and allows the Group to focus its management resources on its expressway portfolio with better earning capability; following the closure, the Group will no longer hold any Class I or II highways with controlling interests;
2. the long term growth prospects of the Toll Stations are less attractive in the overall portfolio of the Group;
3. the closure will not have any material adverse impact on the financial conditions of the Group; and
4. the Payment, having consulted an independent valuer appointed by the Company, is fair and reasonable.

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

The Board wishes to announce that, pursuant to the Notice issued by Guangzhou MCT on 20 October 2010, the Toll Stations will cease operation on or before 31 October 2010, and the Group is required to surrender its operating rights in the Toll Stations and subsequently transfer its equity interests in each of Nanxin, Weian, Xinguang and Tailong, which operate the Toll Stations, to the Guangzhou Government. The Company received further notification on 28 October 2010 that in return for the surrender of the Group's said operating rights, the Guangzhou Government will pay to the Group the Payment in the sum of RMB1,313,252,800 in cash on or before 31 December 2011.

The Toll Stations form part of the Guanghua Highway, Guangshan Highway, Guangshen Highway and Guangcong Highway Section II & Provincial Highway 355, all of which are Class I highways in Guangdong Province. As a result of the growing and maturing expressway networks in China, the traffic volume of Class I and II highways managed and operated by the Group has been on an annual downward trend consecutively since 2005. The share of toll revenue and profit contribution from Class I highways to the Group's total toll revenue and to profit attributable to equity holders of the Company has been declining from approximately 38% and 26.2%, respectively in the financial year ended 31 December 2005 to approximately 9% and 3.6%, respectively in the first six months ended 30 June 2010, despite strengthened operational control and management over such Class I highways by the Group. During the interim period of 2009, the Class I highways in the Group's portfolio recorded an impairment of RMB151.9 million due to a substantial decrease in traffic volume and revenue as a result of the then prevailing adverse market conditions. The Directors are of the view that the long term growth prospect of the Class I highways in the Group's portfolio are less attractive in the overall portfolio of the Group.

As disclosed in the Company's recent annual and interim reports, it is the Group's business strategy to increase its investments in expressways and bridges on the one hand, and downsize Class I and II highways in its toll road portfolio on the other in view of the lagging performance of the Class I and II highways over the past years. The Guangzhou Government's decision to close the Toll Stations pursuant to the Notice is, therefore, a perfect fit for the Group's business strategy and allows the Group to focus its management resources on the expressway portfolio with better earning capability and return and pursue other acquisition opportunities. Immediately following the closure of the Toll Stations, the Group will no longer hold any Class I or II highways with controlling interests in its portfolio, total attributable length of the Group's toll roads and bridges will be approximately 218.0 km (before including

Han-Xiao Expressway's attributable toll length of 30.2 km) of which approximately 73.0% (approximately 47.6% before the closure) are expressways. The Group intends to use the Payment from the Guangzhou Government to acquire other quality assets to consolidate and expand its solid foundation for further growth in the future.

The amount of Payment was determined by the Guangzhou Government with reference to the fair value of the Toll Stations as appraised by an independent valuer appointed by the Guangzhou Government. After considering the book values of the Toll Stations, as well as the estimated costs of closing down and employee relocation, the Board believes the closure will not have any material adverse impact on the financial conditions of the Group. Having consulted an independent valuer appointed by the Company, the Board is satisfied that the Payment is fair and reasonable.

Having considered the above factors, the Directors are of the view that the terms of closure of the Toll Stations contemplated under the Notice are fair and reasonable and in the interests of the Company and its shareholders as a whole.

DEFINITIONS

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

“Board”	means the board of Directors;
“Company”	means GZI Transport Limited (越秀交通有限公司*), an exempted company incorporated in Bermuda, the shares of which are listed on the Stock Exchange;
“Directors”	means the directors of the Company;
“Group”	means the Company and its subsidiaries;
“Guangzhou Government”	means 廣州市人民政府 (The People's Government of Guangzhou Municipality*);
“Guangzhou MCT”	means 廣州市交通委員會 (Guangzhou Municipal Committee of Transport*);
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Nanxin”	means 廣州市南新公路發展有限公司 (Guangzhou Nanxin Highways Development Company Limited*), an indirect non wholly-owned subsidiary of the Company and a cooperative joint venture established in the PRC;

“Notice”	《關於廣花等普通公路收費站停止收費有關事項的通知》(the Notice regarding Matters in connection with the Cessation of Toll Fee Collection by the Toll Stations of Normal Highways including Guanghua*) dated 20 October 2010 issued by Guangzhou MCT;
“PRC”	means the People’s Republic of China, and for purposes of this announcement only, excluding Hong Kong, Macao Special Administrative Region and Taiwan;
“RMB”	means Renminbi, the lawful currency of the PRC;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Tailong”	means 廣州市太龍公路發展有限公司 (Guangzhou Tailong Highways Development Company Limited*), an indirect non wholly-owned subsidiary of the Company and a cooperative joint venture established in the PRC;
“Toll Stations”	means the toll stations of 廣花 (Guanghua*), 長安 (Changan*), 雁塔橋 (Yantaqiao*), 南新 (Nanxin*), 和平 (Heping*) and 龍潭 (Longtan*);
“Weian”	means 廣州市維安公路發展有限公司 (Guangzhou Weian Highways Development Company Limited*), an indirect non wholly-owned subsidiary of the Company and a cooperative joint venture established in the PRC; and
“Xinguang”	means 廣州市新廣公路發展有限公司 (Guangzhou Xinguang Highways Development Company Limited*), an indirect non wholly-owned subsidiary of the Company and a cooperative joint venture established in the PRC.

By Order of the Board
GZI Transport Limited
Zhang Zhaoxing
Chairman

Hong Kong, 28 October 2010

As at the date of this announcement, the Board comprises ZHANG Zhaoxing (Chairman), LI Xinmin, LIANG Ningguang, LIU Yongjie, QIAN Shangning and WANG Shuhui, as executive directors; FUNG Ka Pun, LAU Hon Chuen Ambrose and CHEUNG Doi Shu as independent non-executive directors.

** For identification purpose only*