 **GUANGZHOU INVESTMENT COMPANY LIMITED**
越秀投資有限公司
(Stock Code: 0123)

 **GZI Transport Limited**
越秀交通有限公司
(Stock Code: 1052)

 **GZI Real Estate Investment Trust**
越秀房地產投資信託基金
(Stock Code: 0405)

Corporate Presentation

2007 Annual Results

17 April 2008



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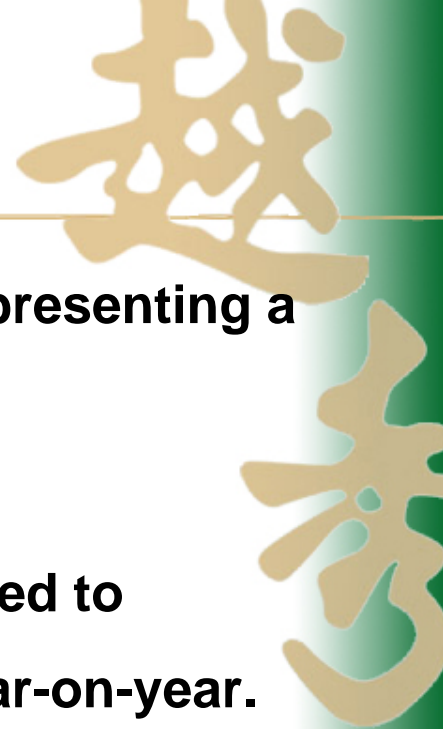
Business Overview

Business Overview (1)



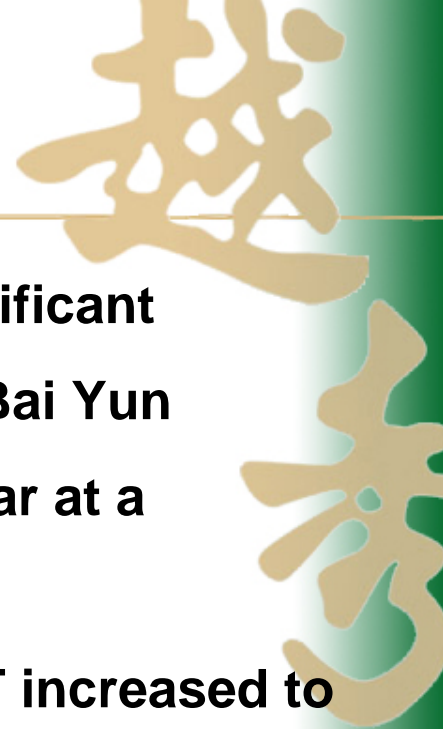
- **The Chinese economy maintained its growth with GDP increase by 11.4%. The GDP of Guangzhou, the third largest city in China, rose 14.5% year-on-year to RMB705.1 billion.**
- **Although various uncertainties about the global economy began to surface and China further strengthened its macroeconomic control efforts, GZI managed to produce remarkable results.**

Business Overview (2)



- Revenue of GZI amounted to HK\$7,065 million, representing a 52% increase over the previous year.
- Profit attributable to equity holders of GZI amounted to HK\$1,072 million, representing a 50% increase year-on-year. Basic earnings per share amounted to HK15.46 cents, representing a 45% increase year-on-year.
- We recommend the distribution of a final dividend of HK2.5 cents per share. Together with the interim dividend of HK2.3 cents per share, the dividend payout rate for the year is 31%.

Business Overview (3)



- The revenue of property business recorded a significant growth, meanwhile a land bank in Jin Sha Zhou , Bai Yun District of Guangzhou was acquired during the year at a relatively low price.
- For toll road business, the Group's interest at GZT increased to 45.28%.
- For newsprint business, PM9 in Nan Sha Plant successfully proceeded to trial production and PM8 at Hai Zhu Plant completed its technical up-grading. The sales revenue increased by approximately 19%.
- GZI REIT, a 31.33% interest associate, reported an satisfactory results.



2007 Annual Results of GZI

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Financial Highlights(1)



	Unit	2007	2006	Change
Revenue	HK\$ mil	7,065	4,658	+52%
Gross profit	HK\$ mil	2,025	1,002	+102%
Gross profit margin	%	29	22	
Fair value gains on investment properties	HK\$ mil	362	747	-52%
Profit attributable to equity holders (1)	HK\$ mil	1,072	713	+50%
Net profit margin (1)	%	15	15	
Basic earning per share (1)	HK cents	15.46	10.64	+45%
Total dividend per share	HK cents	4.8	4.19	+15%
Price/Earnings ratio	Times	14.81	20.49	-28%
Price/Book ratio	Times	1.18	1.33	-11%

(1) Excluding minority interests



Financial Highlights(2)



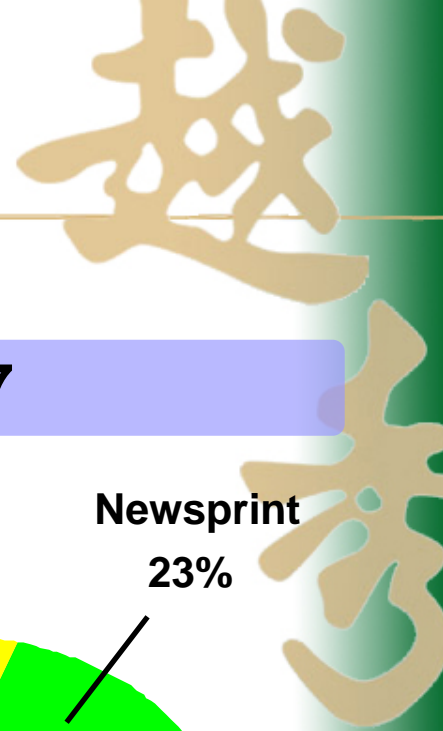
	unit	31Dec 2007	31Dec 2006	Change
Bank balances and cash	HK\$ bil	3.588	2.306	+56%
Total Borrowings	HK\$ bil	12.626	5.839	+116%
Total assets	HK\$ bil	44.144	29.622	+49%
Shareholders' equity (1)	HK\$ bil	13.830	11.137	+24%
Net asset per share (1)	HK\$	1.94	1.64	+18%
Gearing ratio (2)	%	40	24	+67%

(1) Excluding minority interests

(2) Gearing ratio is equivalent to net borrowings to total capitalization

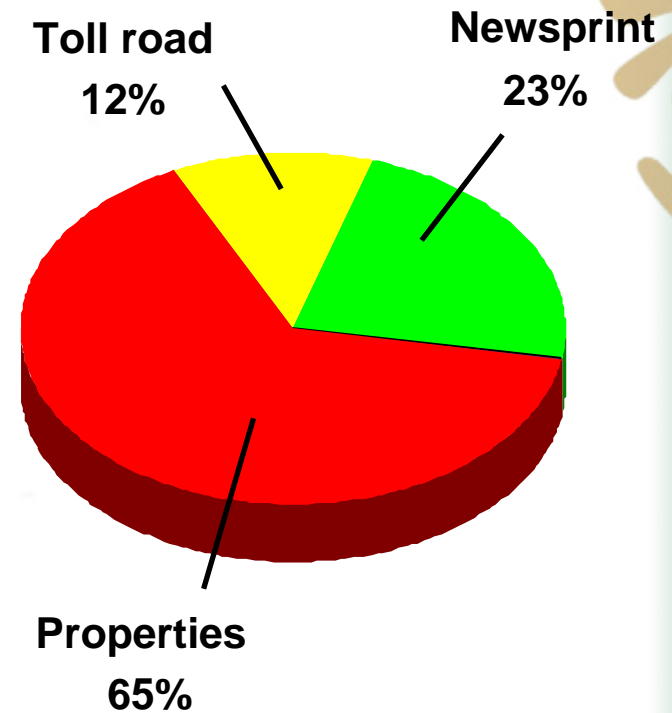


Revenue by segment



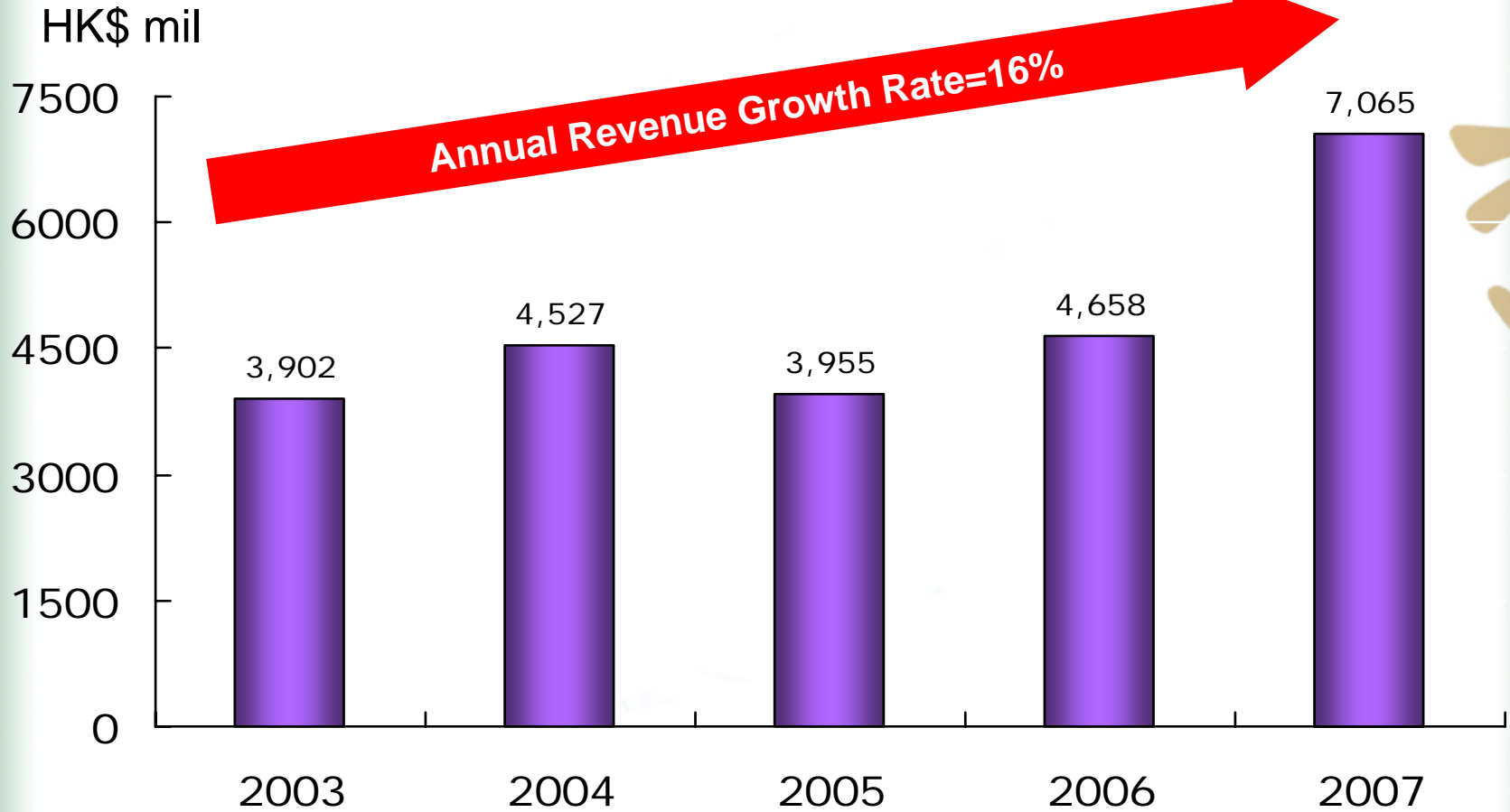
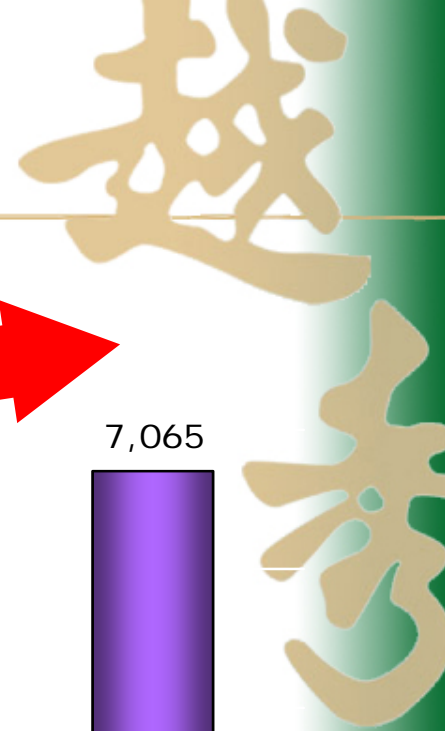
(HK\$ mil)	2007	2006	change
Properties	4,584	2,857	+60%
Toll road	871	449	+94%
Newsprint	1,610	1,352	+19%
Total	7,065	4,658	+52%

2007



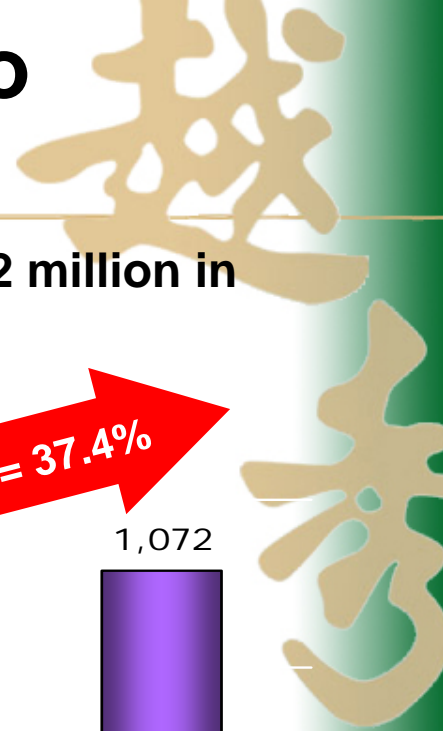


Trend of Revenue

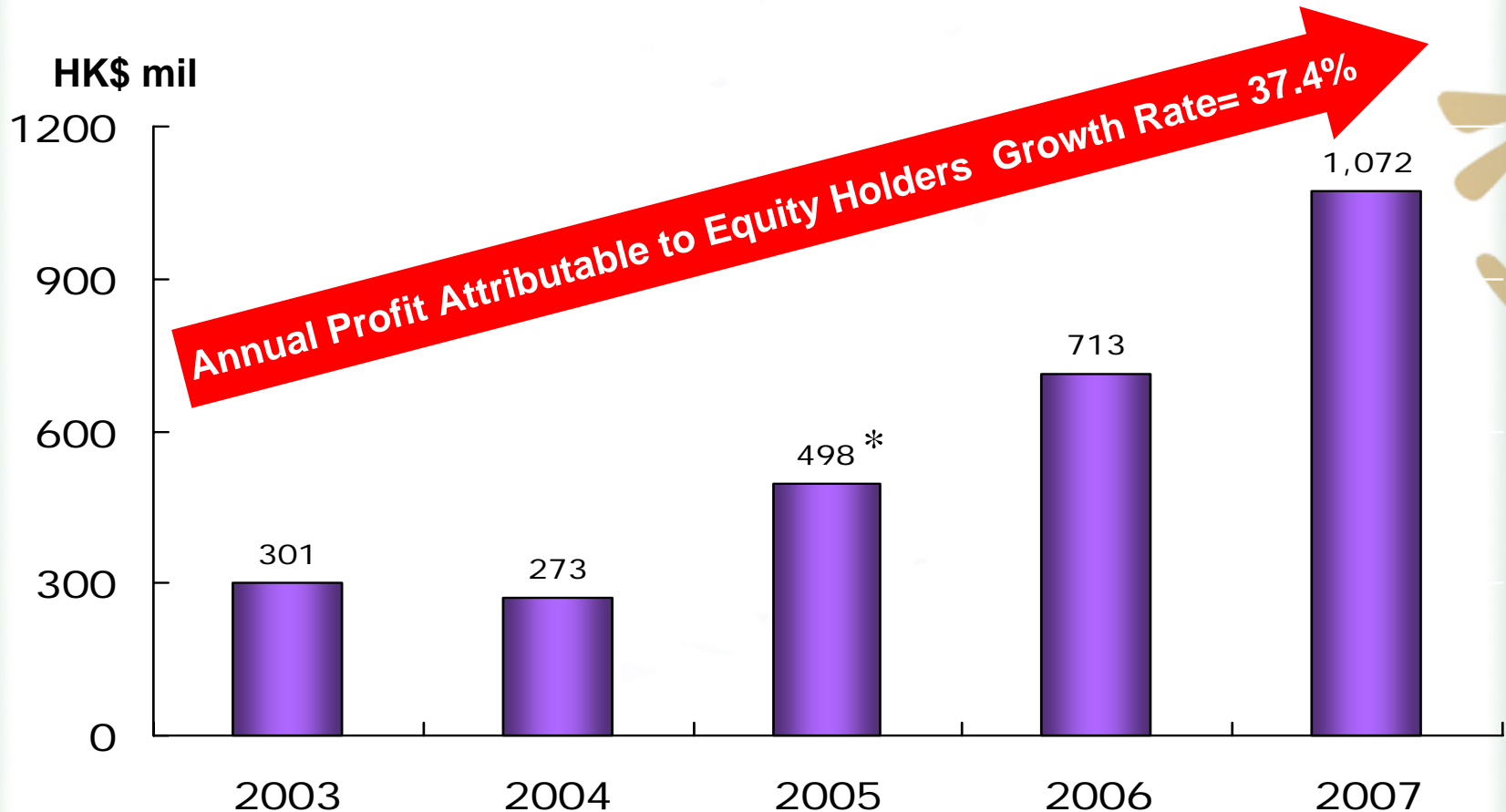




Trend of profit attributable to equity holders



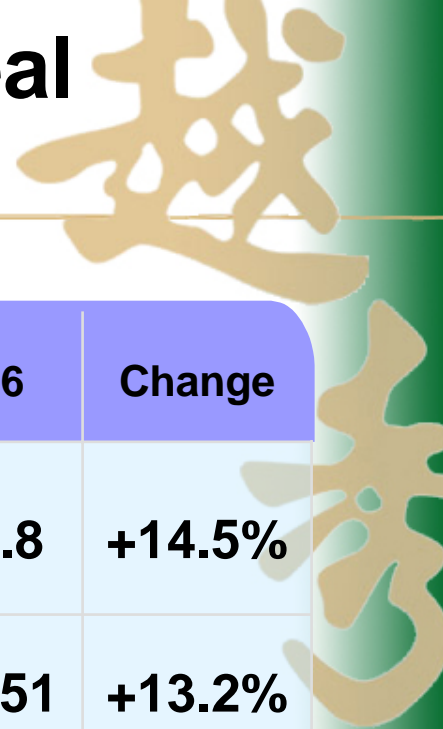
Profit attributable to equity holders amounted to HK\$1,072 million in 2007, representing a 50% increase year-on-year.



* Excluded the special gain on disposal of 4 properties to GZI REIT



Overview of Economy and Real Estate Market in Guangzhou

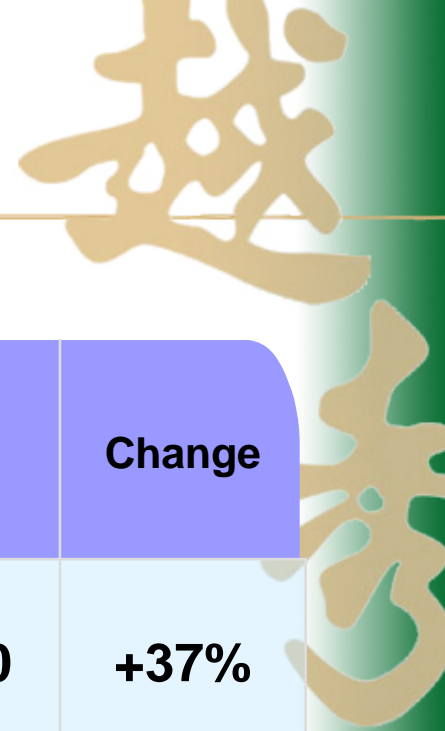


	Unit	2007	2006	Change
GDP	RMB bil	705.1	606.8	+14.5%
Income per capita of urban citizens	RMB	22,469	19,851	+13.2%
Average selling price of commodity residential properties in Guangzhou	RMB per sq.m	8,599	6,315	+36.2%
Transaction area of commodity residential properties in Guangzhou	mil sq.m.	8.02	9.25	-13.3%

Source : Construction Committee and Statistics Bureau of Guangzhou



Sales of Properties



	Unit	2007	2006	Change
Recognized GFA of properties sold	sq. m.	360,000	261,600	+37%
Sales revenue	HK\$ mil	3,475	1,967	+77%
Average selling price	HK\$ /sq.m	9,690	7,519	+29%

Area sold booked in 2007

Project	Land Use	GFA (sq. m.)	Location
Springland Garden (Block 5-8)	Residential	78,700	Hai Zhu
Glade Village	Villa	51,800	Cong Hua
Xing Hui Ya Yuan	Residential	47,300	Tian He
Jiang Nan New Mansion (B1、B2)	Residential	45,900	Hai Zhu
Bin jiang Yi yuan (Block 4-5)	Residential	38,300	Hai Zhu
Victory Plaza (Tower Building A)	Office	30,800	Tian He
Yue Xiu City Plaza	Office	23,300	Yue Xiu
Other Projects	N/A	42,500	N/A
Total		Approx. 360,000	



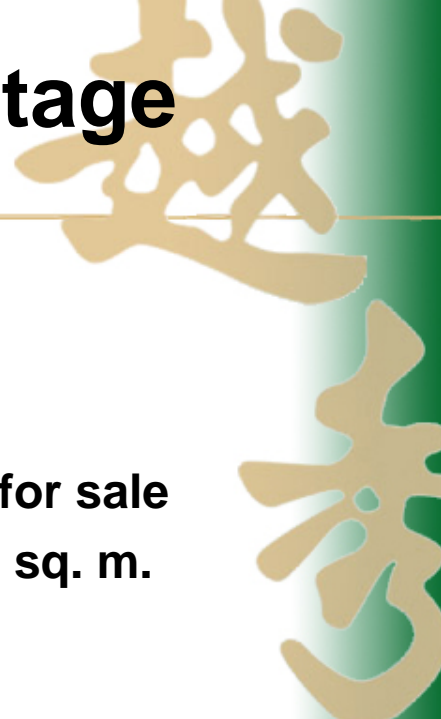
Pre-sold area not yet recognised in 2007



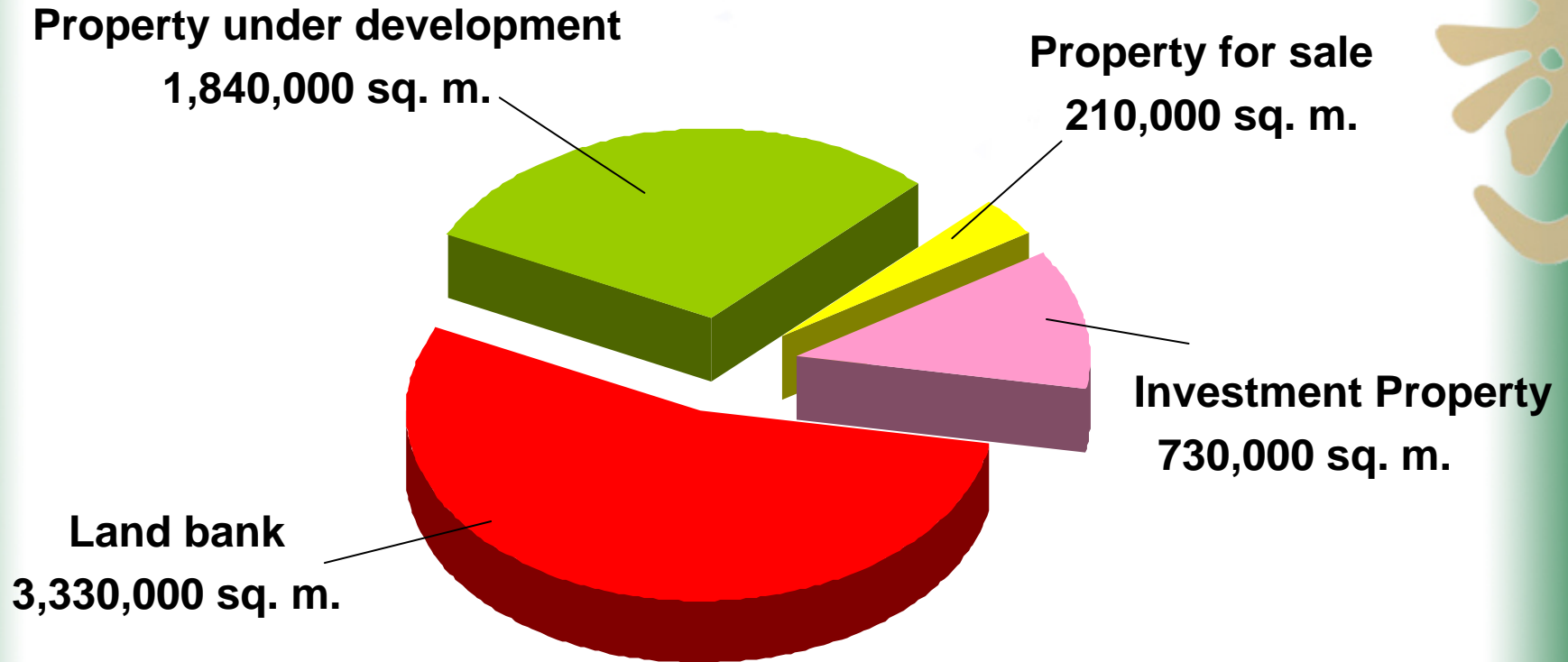
Project	Land Use	GFA (sq. m.)	Location
Springland Garden	Residential	42,300	Hai Zhu
Southern Le Sand	Villa	35,100	Nan Sha
Victory Plaza (Tower Building A)	Office	22,100	Tian He
Glade Village	Villa	17,100	Cong Hua
Ling Nan Ya Yuan	Office	6,200	Bai Yun
Binjiang Yiyuan	Residential	3,000	Hai Zhu
Other Projects	N/A	17,400	N/A
Total		Approx. 140,000	



Total GFA of Properties (at stage of development)



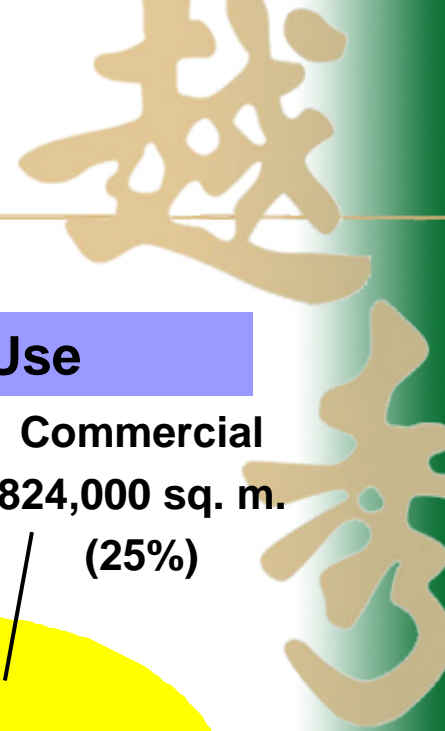
Stage of Development



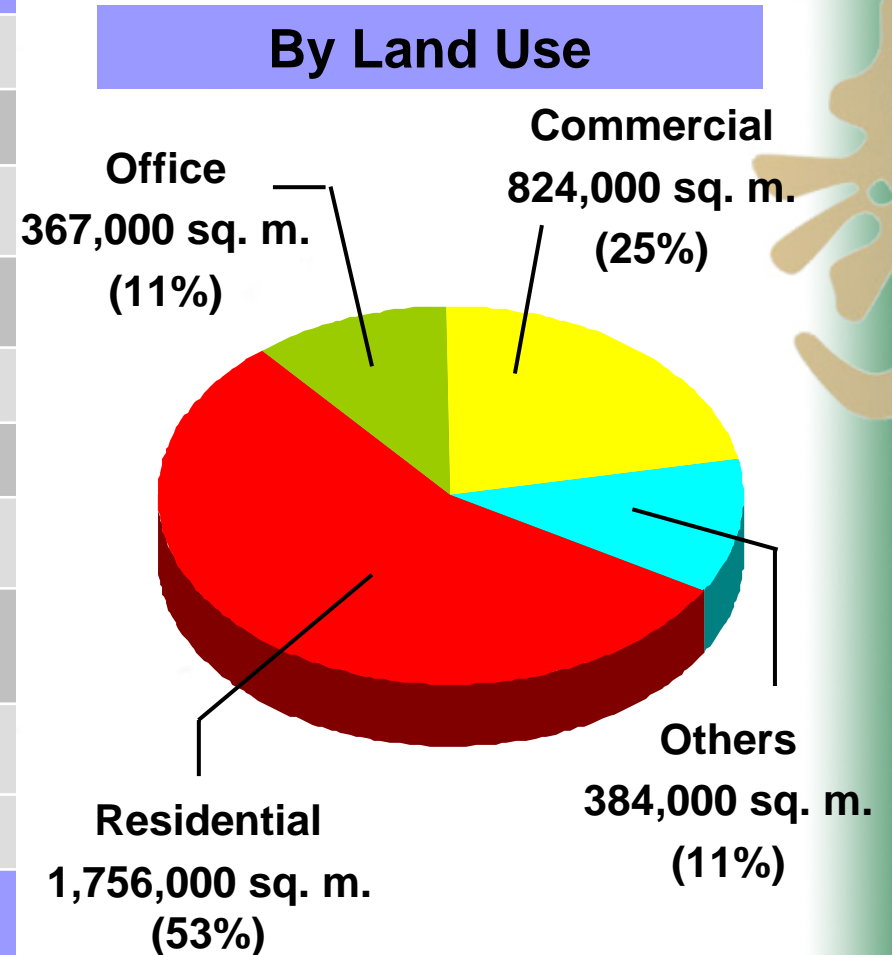
* As at 31Dec 2007



Land Bank

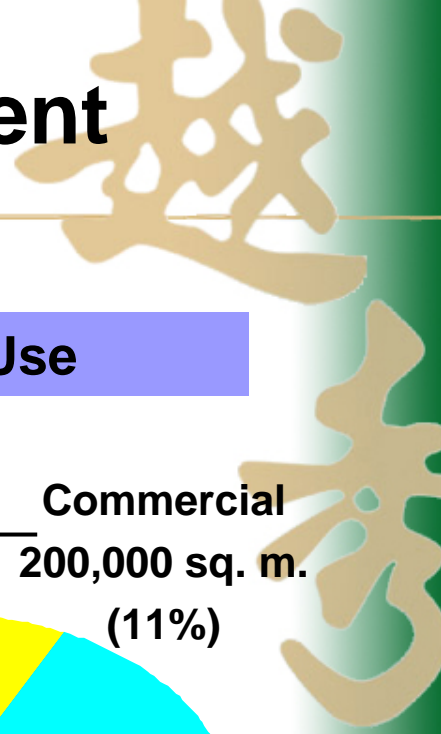


Major Projects	GFA (sq. m.)
Southern Le Sand	1,490,000
Liwan Property	450,000
Pearl River New City Site	280,000
Jiang Nan New Mansion	230,000
Springland Garden	180,000
Glade Village	146,000
Jin Sha Zhou B07、B08	140,000
Jiang Nan New Village phase 3&4	138,000
Sports Stadium Building	125,000
Other projects	160,000
Total	Approx. 3,330,000



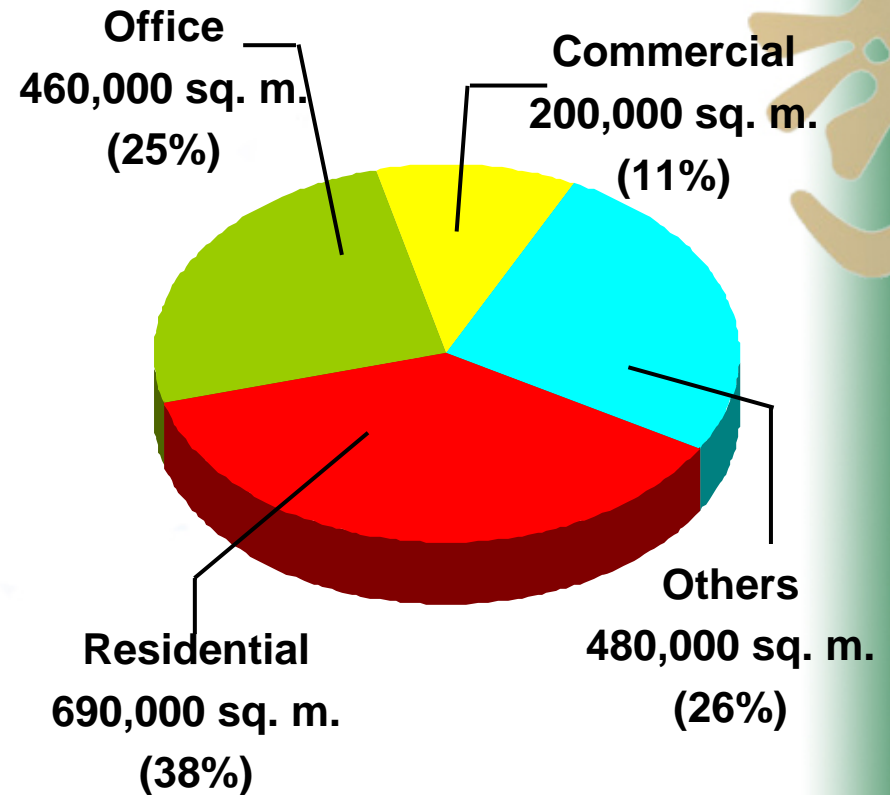


Properties Under Development



Major Project	GFA (sq. m.)
West Tower Project	450,000
Southern Le Sand	440,000
Spring Garden	190,000
Asia Pacific Century Plaza	232,000
Jiang Nan New Village Zone 1&4 Phase 1	162,000
Xing Hui Yun Jin (E3-1)	186,000
Ling Nan Ya Yuan	90,000
Other projects	85,000
Total	Approx. 1,840,000

By Land Use





Investment Properties

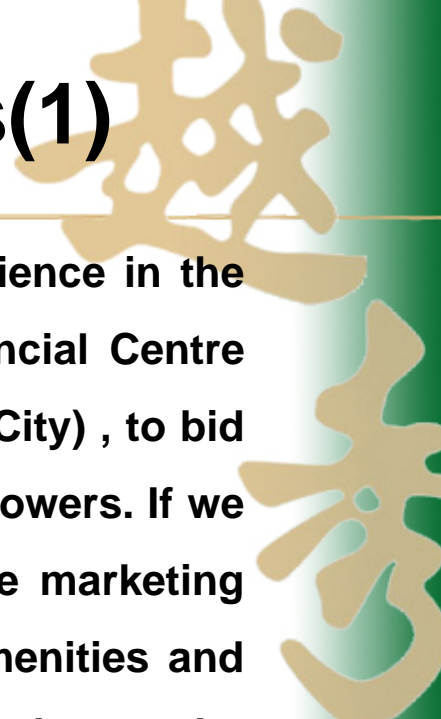


Major Projects	Land Use	GFA (sq. m.)	Location
Commercial Plaza of Guangzhou Eastern Train Terminal	Commercial	85,000	Tian He
Jin Han Building	Office	46,000	Yue Xiu
Guang Yuan Cultural Centre	Commercial	32,000	Bai Yun
Xiangkang Commercial Plaza	Commercial	29,000	Bai Yun
Huang Shi Garden	Commercial	29,000	Bai Yun
Hong Fa Building	Office	17,000	Tian He
Jiangxing Building	Office	16,000	Hai Zhu
Yue Xiu City Plaza	Commercial	16,000	Yue Xiu
Xinghui Guo Ji	Commercial	13,000	Tian He
Other projects (including Over 5,500 units of carpark space)	N/A	448,000	N/A

GFA of Investment Properties: Approx. 730,000 sq. m.



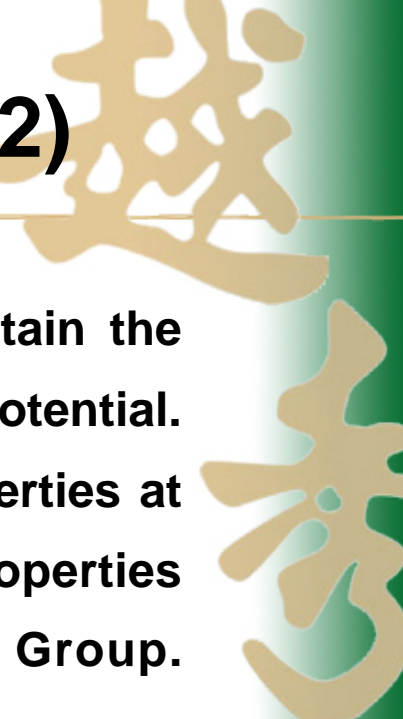
Outlook of property business(1)



- **As to our land bank, the Group will make full use of its experience in the bidding for and constructing of Guangzhou International Financial Centre (West Tower of Mega-Twin Commercial Tower, Pearl River New City) , to bid for the adjacent landmark project of East Tower of Mega Twin Towers. If we succeed in the land bid, we could enjoy more flexibility in the marketing positioning, layout of the composite functions, provision of amenities and marketing strategy of the twin towers which would greatly enhance the synergistic and integral development of the towers.**
- **The Group will continue to enhance management control, shortening the construction period or accelerating development. Appropriate measures will be adopted to expedite sales, in order to achieve a positive cycle of cash inflow.**



Outlook of property business(2)



- **As to Investment Property, the Group intends to maintain the valued commercial properties with greater appreciation potential. Meanwhile, The Group plans to dispose of low end properties at appropriate time, so as to improve the investment properties portfolio and generate additional cash flow to the Group.**
- **In the next few years, the Group will speed up the property construction to completion cycle ,target to improve over 30% (average annual increase). In 2008, 1,180,000 square metres are scheduled to commence its construction stage.**
- **The Group will enhance healthy cost control and risk management control , maintain a leverage finance structure.**



Outlook of property business (3)

Saleable areas in 2008

Project Name	GFA (m ²)
Springland Garden (Block 1-4/14-16)	135,000
Ke Yi Hao Yuan	124,000
Southern Le Sand (Phase2/3)	99,000
Glade Village (Block E、 F)	89,000
Ling Nan Ya Yuan	70,000
Victory Plaza (Tower Building B)	34,000
Other projects	38,000
Total	Approx. 590,000



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2007 Annual Results of GZI Transport





Financial Highlights (1)



	Unit	2007	2006	change
Revenue	HK\$ mil	871	449	+94%
Operating profit	HK\$ mil	424	185	+129%
Share of profit less losses of associates	HK\$ mil	314	241	+30%
Share of profit less losses of joint ventures	HK\$ mil	-12	75	-116%
Profit attributable to equity holders	HK\$ mil	581	461	+26%
Basic earning per share	HK cents	44.4	41.3	+8%
Interim dividend per share	HK cents	13.5	13.5	+0%
Price/ Earning ratio*	Times	11.8	9.4	+26%
Price/ Book ratio	Times	1.13	1.04	+9%

* Adjusted as annual P/E ratio basing on the interim results



Financial Highlights (2)



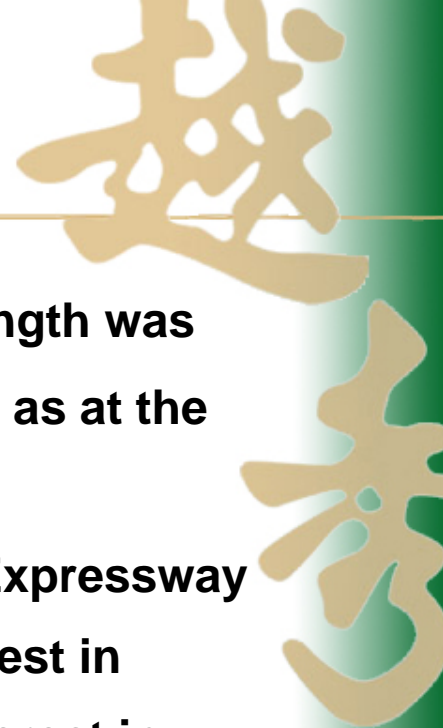
	Unit	As at 31 Dec 2007	As at 31 Dec 2006	change
Bank balances and cash	HK\$ bil	2.29	0.34	+574%
Bank loans	HK\$ bil	1.27	0.45	+182%
Total assets	HK\$ bil	11.39	4.95	+130%
Total liabilities	HK\$ bil	2.10	0.53	+300%
Shareholder's equity	HK\$ bil	7.78	4.19	+86%
Net assets per share ⁽¹⁾	HK\$	4.64	3.75	+24%
Gearing Ratio ⁽²⁾	%	14.0	9.7	+44%

(1) Excluding minority interests

(2) Gearing ratio= (Bank loans - Loans payable to minority shareholders)/Total equity



Operation Highlights (1)



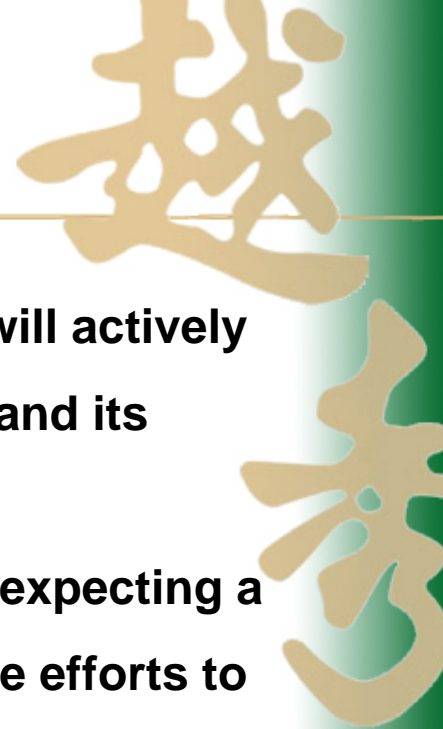
- **A total of 13 toll road and bridge projects. Attributable length was 315.4 km as at the end of 2006 and increased to 323.9 km as at the end of 2007.**
- **Increased control in Guangzhou Northern Second Ring Expressway**
 - **Completed the acquisition of an additional 20% interest in GNSR in March 2007, increased the Group's total interest in GNSR from 40% to 60%.**
- **Increased control in Humen Bridge**
 - **Completed the acquisition of an additional 2.78% interest in Humen Bridge Co. for the consideration of RMB194.6 million in September, increased the Group's equity interest in Humen Bridge Co. to 27.78%.**



Operation Highlights (2)



- **Rights issue of GZI Transport**
 - **GZI Transport raised approximately HK\$2,192 million (before expense) by open offer of 558 million GZI Transport new shares.**
 - **GZI's control in GZI Transport increased from 34.30% to 45.28% which is expected to bring to the Group a stable growth in return.**



- **With over HK\$2.29 billion cash on hand, GZI Transport will actively invest in toll road business so as to strengthen and expand its scale and create long-term stable return.**
- **Toll Roads are entering to a steady high-growth period, expecting a satisfactory growth in future. The Company will put more efforts to study expressway projects and plans to reduce the proportion of Class I and II highway projects.**
- **Signed the Letter of Intent of an Expressway from Songming to Anning in Yunnan province ,with the length of approx. 60 km and total investment of HK\$ 6,770 million and registered capital of HK\$ 2,370 million. The group has its 80% equity interest.**



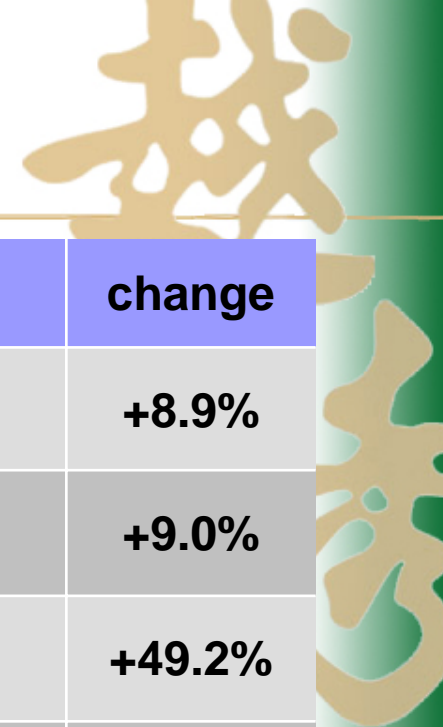
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2007 Annual Results of GZI REIT





Financial Highlights (1)



	Unit	2007	2006	change
Rental income	HK\$ mil	402	369	+8.9%
Net property income	HK\$ mil	353	324	+9.0%
Net profit after tax	HK\$ mil	364	244	+49.2%
Earnings per Unit	HK\$	0.3643	0.2444	+49.1%
Distributions per Unit	HK\$	0.2258	0.2067	+9.2%
Closing price at 31 Dec	HK\$	3.08	3.07	+0.33%
Distributions yield per Unit based on closing price at 31 Dec	%	7.33	6.73	N/A



Financial Highlights (2)



	Unit	31Dec 2007	31Dec 2006	change
Total assets	HK\$ mil	5,192	4,677	+11.0%
Total liabilities	HK\$ mil	1,657	1,477	+12.2%
Net assets attributable to Unitholders	HK\$ mil	3,535	3,200	+10.5%
Total borrowings as a percentage of gross assets	%	25	27	-7.4%
Gross liabilities as a percentage of gross assets	%	32	32	0%
Net assets attributable to Unitholders per Unit	HK\$	3.535	3.200	+10.5%



Operational Highlights (1)



Property	Rental area as at 31 Dec 2007	Occupancy rate as at 31 Dec 2007	Rental income (HK\$ mil)	Rental income breakdown
White Horse Building Units	50,129 m ²	99.2%	267.4	66.5%
Fortune Plaza Units	40,356 m ²	98.8%	51.6	12.9%
City Development Plaza Units	42,398 m ²	97.3%	45.1	11.2%
Victory Plaza Units	27,262 m ²	92.4%	37.9	9.4%
Total	160,145 m²	97.4%	402	100%



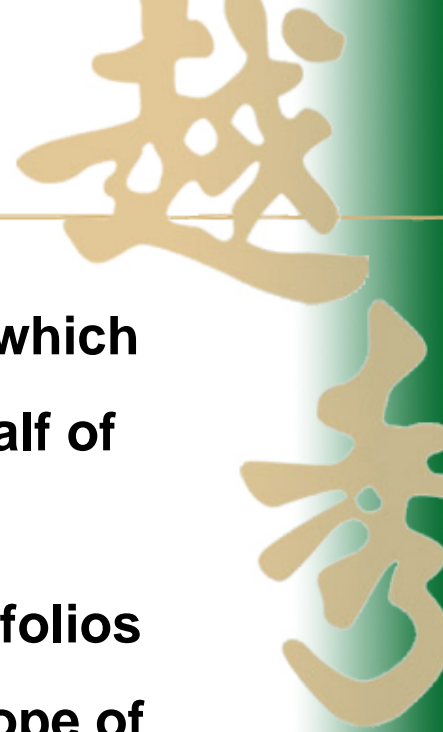
Operational Highlights (2)



- **Rental income in the period amounted to HK\$402 million, posting a year-on-year growth of 8.9%. Rental collection rate reached 100%.**
- **Contributing 67% to the total rental income, White Horse Building Units consolidated its position as a national garment wholesale market leader.**
- **Victory Plaza located at central area of Tian He District with the environment improving.**
- **Fortune Plaza and City Development Plaza achieved stable performance. Highly recognized by our tenants, all quality tenants are retained.**



Outlook



- **The acquisition of Yue Xiu New Metropolis Plaza, which was owned by GZI, will be completed in the first half of 2008.**
- **It is expected that there will be more property portfolios available for acquisition after the geographical scope of investment has been expanded. Currently some potential projects in high-growth economic cities are under consideration.**
- **Enhance operation management, raise rent level, optimize tenant mix and maintain good relationships with tenants.**

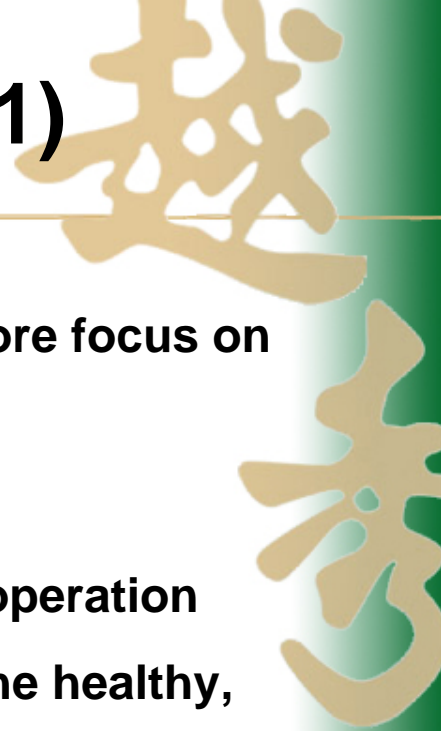


Future outlook and strategy

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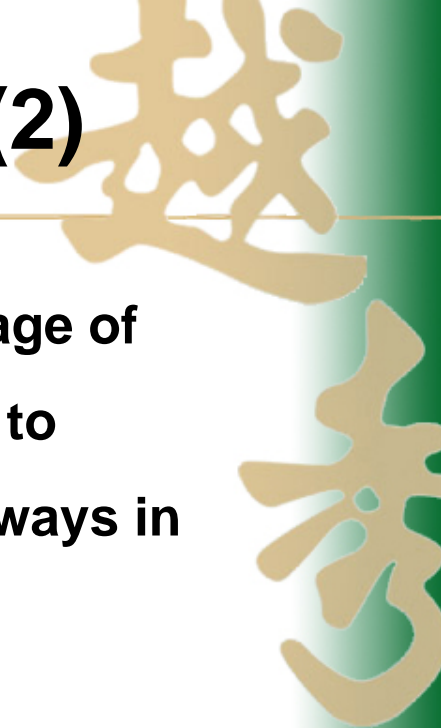
Future outlook and strategy (1)



- **GZI will maintain a prudent operation strategy and more focus on property business as its principal business.**
- **GZI will improve its efficiency in operation, enhance operation management, optimize human resource to facilitate the healthy, stable development in the long term.**
- **For the newsprint business, it plans to increase production capacity, improve cost control and to increase sales. Feasibility studies will be employed to study the availability of structure change as and when market changes.**



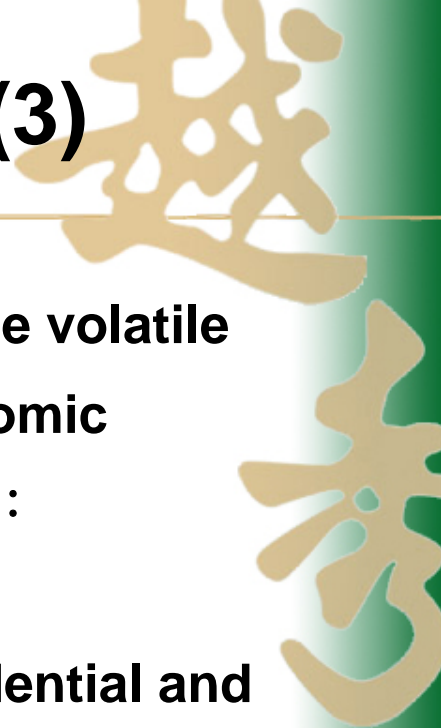
Future outlook and strategy (2)



- **The Group will fully capitalise on GZT's advantage of cash hoard, actively enhance investment effect to participate in the construction of State expressways in various approaches.**
- **After the expansion of geographical scope of investment, the GZI REIT is actively seeking and considering appropriate property portfolios for acquisition.**



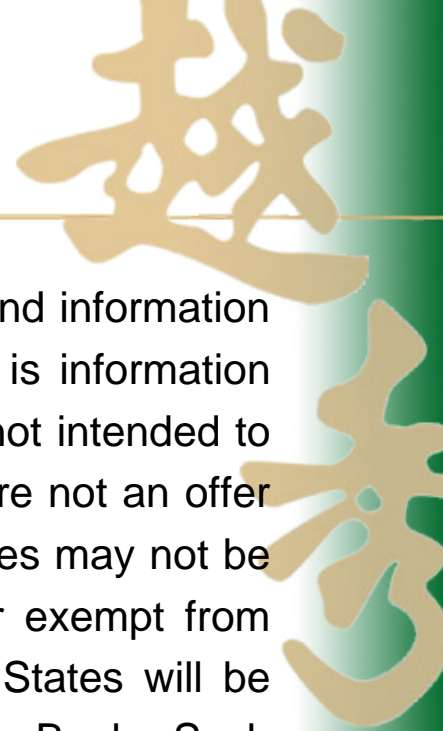
Future outlook and strategy (3)



- **Looking into the future, the global economy will be volatile and China will continue to implement macroeconomic control measures. Our advantages are as follows :**
 - **following prudent operation strategy**
 - **mainly developing top and middle grade residential and commercial properties**
 - **maintaining the bank loan at reasonable level**
 - **keeping sufficient cash flow**
 - **the Group's land bank mostly located in central areas of Guangzhou at a relatively low price(Only approx. RMB 1 billion of land premium (undue) have not been paid).**



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