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越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 123)

**SEPARATION OF NON-PROPERTY RELATED BUSINESS TO FOCUS
ON PROPERTY BUSINESS**

**DECLARATION OF A SPECIAL DIVIDEND BY THE COMPANY TO
BE EFFECTED BY WAY OF DISTRIBUTION IN SPECIE OF GZT
SHARES WITH A CASH ALTERNATIVE**

**MONETARIZATION OF INTEREST IN GZT RESULTING IN CASH
PROCEEDS OF APPROXIMATELY HK\$1,631.5 MILLION THROUGH
AN OFFER FOR SALE OF GZT SHARES BY THE COMPANY TO
THE QUALIFYING SHAREHOLDERS UNDERWRITTEN BY YUE XIU**

MAJOR AND CONNECTED TRANSACTION

**PROPOSED CHANGE OF NAME
AND
RESUMPTION OF TRADING**

Financial adviser to the Company



Standard Chartered Bank (Hong Kong) Limited

INTRODUCTION

The Board is pleased to announce that the Company proposes to streamline the businesses of the Group in order to focus on the Property Business. Following the completion of such streamlining process, which will involve the separation of its non-property related business, the Company proposes to change its name to Yuexiu Property Company Limited (越秀地產股份有限公司) to signify the Group's new business development direction and a single focused line of business. The Company also proposes to change its stock short name.

THE REORGANISATION

Considering the strong growth potentials of the PRC domestic property sector, the Group has been streamlining itself by disposing certain non-property related businesses for the past two years. Following such streamlining, the Group was able to take advantage of the quick recovery of the domestic economy, in particular the property sector, resulting from the quantitative easing credit policies implemented by the PRC government to combat the onslaught of the global economic meltdown and commit more resources to its property business and selectively increase its land bank in the first three quarters of 2009. As at 18 October 2009, the Group's sale of GFA and revenue, including contract sale and preliminary sale (the formal sale contracts of which will be entered into soon), amount to 476,178 square meters and approximately HK\$6.20 billion, respectively, which have already exceeded this year's target of 450,000 square meters and HK\$5 billion, representing increases of 44.8% and 54.8%, respectively, as compared to the sale of GFA and revenue (including contract sale and preliminary sale) for the period from 1 January 2008 to 18 October 2008.

To enable the Company to more effectively capitalize on the robust growth of the PRC domestic property sector, the Company proposes to focus singly on the Property Business and streamline its current corporate structure. The management of the Company, including the Directors, believes that it would be beneficial for the Group to focus on the Property Business and for GZT to focus on the Transport Business. The Company proposes to effect the streamlining by way of the Reorganisation, which involves, among other steps, the GZT Share Distribution and the Share Offer. Pursuant to the GZT Share Distribution, the Board conditionally declared a special dividend to be effected by way of a distribution in specie of GZT Shares to the Qualifying Shareholders with a Cash Alternative. Pursuant to the Share Offer, the Company proposes to make an offer for sale of all the GZT Shares held by it immediately following completion of the GZT Share Distribution to the Qualifying Shareholders in proportion. It is expected that, immediately following completion of the Reorganisation, the Group will cease to hold any GZT Shares.

The Directors believe that the Reorganisation and the proposed change of name will be a major milestone for the Company in its strategy to focus its financial and management resources on the Property Business. This would enable each of the respective companies to independently access capital as and when needed, which should facilitate more efficient financial management and funding allocation. At the same time, it would allow both management and shareholders to independently benchmark their performance against competition. Another objective of the Reorganisation is to streamline the administrative, accounting and corporate approval processes. The Share Offer is intended to generate net cash proceeds (after the Cash Payments payable to the Qualifying Shareholders who have elected to receive the Cash Payments (if any) and subject to relevant expenses) of approximately HK\$1,631.5 million to the coffers of the Company, which will be primarily used in acquisition of additional land bank and property development, and to offer to all Qualifying Shareholders an equal opportunity to participate in the future steady growth prospects of the infrastructure business through GZT at the same time. Yue Xiu is fully underwriting the Share Offer to minimize the potential volatility in GZT's share price during the Reorganisation and to reflect Yue Xiu's continued confidence in both the Company and GZT.

Upon completion of the Reorganisation, the Company would no longer consolidate the financials of GZT into its balance sheet and profit and loss account. For more details of the financial impact of the Reorganisation on the Group, please refer to the paragraph headed "Financial Effect of the Reorganisation to the Group" of this announcement.

The Directors (other than the members of the independent board committee of the Company who will express their view in the circular to be issued by the Company after receipt of the advice of the independent financial adviser) consider that the terms of the Reorganisation are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

LISTING RULE IMPLICATIONS

The Share Offer constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. Further, as Yue Xiu is the controlling shareholder (and, thus, a connected person) of the Company, the Share Offer also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Therefore, the Share Offer is subject to the relevant reporting, announcement and independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

GENERAL

A circular in respect of the proposed change of name of the Company together with the notice convening the EGM for the purpose of considering and, if thought fit, approving the Company's change of name will be despatched to the Shareholders as soon as practicable. A second circular including, among other things, details of the Reorganisation, the recommendation of the independent board committee of the Company in relation to the Share Offer, a letter of advice from independent financial advisor to the independent board committee of the Company and the Independent Shareholders in relation to the Share Offer and a second EGM notice for the purpose of considering and, if thought fit, approving the Share Offer will also be despatched to the Shareholders as soon as practicable and in any event not less than 14 clear days before the date of the EGM.

The Prospectus Documents setting out details of the Share Offer will be despatched to the Qualifying Shareholders as soon as practicable after the EGM, subject to and conditional upon the Share Offer having been approved by the Independent Shareholders at the EGM.

At the request of the Company, trading in the shares of the Company 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 resumption of trading in the shares of the Company from 9:30 a.m. on Wednesday, 21 October 2009.

WARNING OF THE RISK OF DEALING IN SHARES

Shareholders and potential investors of the Company should note that the GZT Share Distribution and the Share Offer are conditional upon the fulfillment of the Share Offer Conditions. Any Shareholder or other person dealing in Shares prior to the date on which such conditions are fulfilled, will accordingly bear the risk that the GZT Share Distribution and the Share Offer may not proceed.

Shareholders and potential investors of the Company should also note that the market price of the GZT Shares may fluctuate and may be higher or lower than the Offer Price under the Share Offer.

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.

A. INTRODUCTION

The Board is pleased to announce that the Company proposes to streamline the businesses of the Group in order to focus on the Property Business. Following the completion of such streamlining process, which will involve the separation of its non-property related business, the Company proposes to change its name and its stock name.

The Company proposes to effect the streamlining by way of the Reorganisation, which involves, among other steps, the GZT Share Distribution and the Share Offer, details of which are set out in this announcement. It is expected that, immediately following the completion of the Reorganisation, the Group will cease to hold any GZT Shares. Details of the Reorganisation are set out in the section headed “Proposed Reorganisation” below.

B. PROPOSED CHANGE OF NAME

Following the completion of the streamlining process, the Company proposes to change its name to Yuexiu Property Company Limited (越秀地產股份有限公司) to signify the Group’s new business development direction and a single focused line of business. The Company also proposes to change its stock short name.

The change of name will be subject to, among other things, (i) completion of the Reorganisation; (ii) the passing of a special resolution by the Shareholders; and (iii) the approval of the Registrar of Companies in Hong Kong. The change of name shall take effect from the date on which the certificate of change of name is issued by the Registrar of Companies in Hong Kong. The Company will, subject to satisfaction of the foregoing conditions, carry out the necessary filing procedures with the Registrars of Companies in Hong Kong.

The change of name will not affect any of the rights of any Shareholder. All existing share certificates in issue bearing “Guangzhou Investment Company Limited (越秀投資有限公司)” will, after the change of name, continue to be evidence of title to the shares of the Company under its new name and will be valid for trading, settlement and delivery for the same number of shares in the new name of the Company on the Stock Exchange.

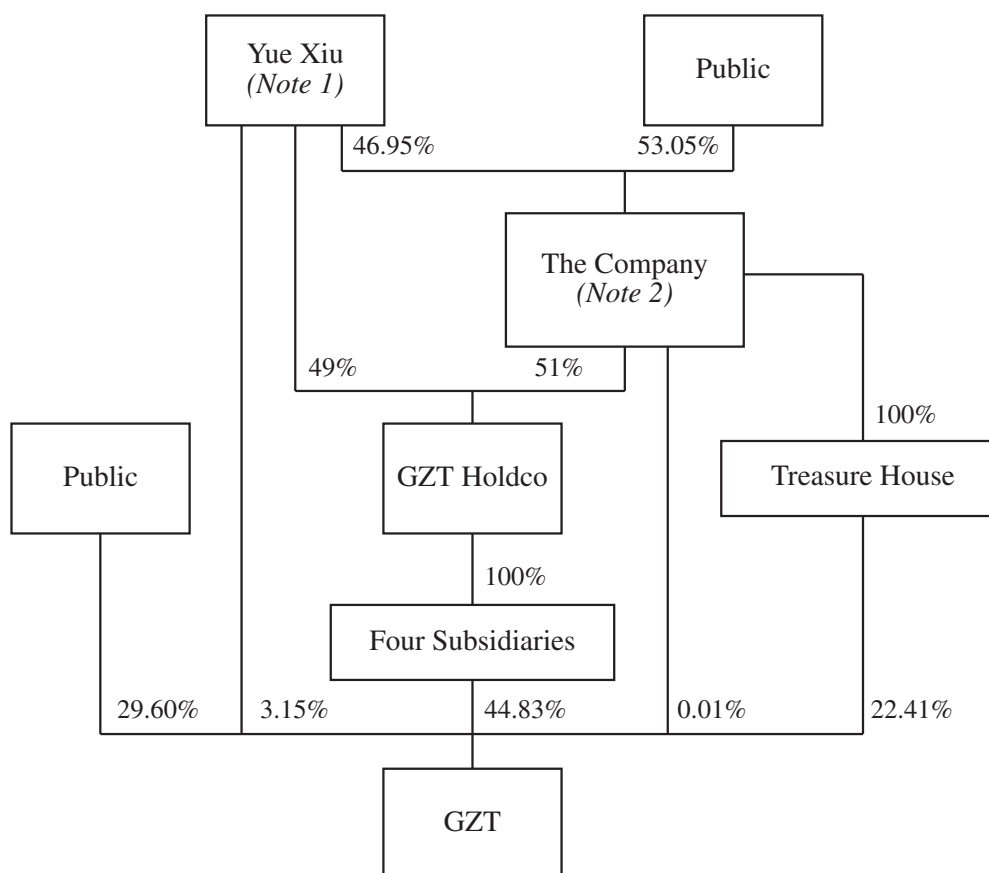
The Company will make a further announcement on the effective date of the change of name.

C. EXISTING SHAREHOLDING STRUCTURE OF THE GROUP

As at the date of this announcement, GZT has an issued share capital of HK\$167,316,229.50 divided into 1,673,162,295 GZT Shares, of which:

- (a) 52,679,113 GZT Shares, which represent approximately 3.15% of GZT's issued share capital as at the date of this announcement, are held by Yue Xiu and its wholly-owned subsidiaries;
- (b) 375,201,000 GZT Shares, which represent approximately 22.42% of GZT's issued share capital as at the date of this announcement, are held by the Company and its wholly-owned subsidiary, namely Treasure House; and
- (c) 750,000,000 GZT Shares, which represent approximately 44.83% of GZT's issued share capital as at the date of this announcement, are held indirectly by GZT Holdco (through the Four Subsidiaries). GZT Holdco is, in turn, held indirectly by Yue Xiu as to 49% and by the Company as to 51%.

The simplified corporate chart of the Group as at the date of this announcement is as follows:



Notes:

1. Yue Xiu's interests in GZT Holdco is held via its wholly-owned subsidiary.
2. The Company's interest in GZT Holdco is held via its wholly-owned subsidiary.

D. PROPOSED REORGANISATION

The Reorganisation involves the GZT Share Distribution, the Share Offer and that, as part of the Reorganisation, Yue Xiu and the Company will reorganize their interests in GZT pursuant to the Inter-Company Distribution and Transfer for the purpose of effecting the GZT Share Distribution and the Share Offer.

(1) DECLARATION OF A SPECIAL DIVIDEND BY THE COMPANY TO BE EFFECTED BY WAY OF DISTRIBUTION IN SPECIE OF GZT SHARES WITH A CASH ALTERNATIVE

Distribution

On 16 October 2009, the Board conditionally declared a special dividend of approximately HK\$641.6 million. The Directors propose to distribute, by way of a distribution in specie of GZT Shares, to the Qualifying Shareholders whose names appear on the register of members at the close of business on the Record Date. Pursuant to the GZT Share Distribution, the Company will distribute GZT Shares to the Qualifying Shareholders on the basis of 60 GZT Shares for every 2,000 Shares held at the close of business on the Record Date. Any Qualifying Shareholder not holding a multiple of 2,000 Shares will be entitled to receive GZT Shares on a pro-rata basis provided that the entitlement of such Shareholder will be rounded down to the nearest whole number of GZT Shares (i.e., no fractional GZT Share will be distributable). The GZT Share Distribution is conditional upon the fulfilment of the Share Offer Conditions and completion of the Inter-Company Distribution and Transfer, and is intended to be carried out at about the same time with the Share Offer.

The number of GZT Shares distributable pursuant to the GZT Share Distribution will be approximately 213.9 million GZT Shares, which represent approximately 12.78% of GZT's issued share capital as at the date of this announcement. Such GZT Shares will be distributed based on the share price of HK\$3.00 per GZT Share and the total amount of the special dividend declared for the GZT Share Distribution will be approximately HK\$641.6 million.

Qualifying Shareholders

To qualify for the GZT Share Distribution, the Shareholders must:

- (a) be registered as a member of the Company on the register of members of the Company; and
- (b) not be an Excluded Shareholder,

at the close of business on the Record Date.

Excluded Shareholders

The GZT Share Distribution is not made available to the Excluded Shareholders in relation to whom the Directors, after reasonable enquiries, consider that the exclusion of such Shareholders is necessary or expedient either due to the legal restrictions under the laws of the relevant places or the requirements of the relevant regulatory body or stock exchange in those places. For Excluded Shareholders (if any), who will not be transferred GZT Shares pursuant to the GZT Share Distribution, the GZT Shares which such Excluded Shareholders would otherwise have been entitled to receive will be allocated to the Share Offer for offer to the Qualifying Shareholders in the manner described in the section headed “Share Offer” below. The proceeds of the sale of such GZT Shares will be used to fund Cash Payments to the Excluded Shareholders on the basis of the number of GZT Shares which the relevant Excluded Shareholders would otherwise have been entitled to receive under the GZT Share Distribution and the Offer Price.

It is the responsibility of any Shareholder outside Hong Kong wishing to elect the Cash Alternative and/or to receive the Cash Payments to satisfy himself/herself/itself, before so electing, as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents and to pay any taxes and duties required to be paid in such territory in connection therewith. The Company reserves the right to refuse to accept a Form of Election if it believes that the election of the Cash Alternative by the relevant Shareholder would violate the applicable securities or other laws or regulations of any jurisdiction.

Cash Alternative

To allow each of the Qualifying Shareholders (other than Yue Xiu) to have a choice as to whether to receive all of the GZT Shares to which he/she/it is entitled pursuant to the GZT Share Distribution or to receive a Cash Payment in the alternative, it is proposed that each of them will be given a Cash Alternative. **Each such Qualifying Shareholder may only choose to receive the Cash Alternative in respect of the**

whole of (but not part) (save in the case of HKSCC Nominees Limited, which may exercise the Cash Alternative in respect of the whole or part of) his/her/its GZT Shares proposed to be distributed to him/her/it pursuant to the GZT Share Distribution in consideration of a Cash Payment. A Form of Election in respect of the election to receive the Cash Alternative or GZT Shares pursuant to the GZT Share Distribution will be despatched to each such Qualifying Shareholder during the book closure period and before the date of the EGM.

For illustration purpose, if a Qualifying Shareholder holds 2,000 GZI Shares, he/she/it will be entitled to elect to receive:

(1) 60 GZT Shares; OR

(2) HK\$180 if you elect to receive Cash Alternative

pursuant to the GZT Share Distribution.

Procedure for election

If the Registrar does not receive the Form of Election from a Qualifying Shareholder (other than Yue Xiu) by the aforesaid date and time or if the Form of Election is not completed in accordance with the instructions printed herein and therein, such Qualifying Shareholder will be deemed to have elected to receive a **Cash Payment** instead of the GZT Shares proposed to be distributed to him/her/it and, hence, will not receive GZT Shares pursuant to the GZT Share Distribution.

Electing the Cash Alternative will not preclude Qualifying Shareholders from participating in the Share Offer

If Qualifying Shareholders choose to elect the Cash Alternative, Qualifying Shareholders will still be entitled to participate in the Share Offer (described below) and your right to accept your entitlement to the GZT Shares proposed to be offered to Qualifying Shareholders pursuant to the Share Offer will not be affected.

Undistributed GZT Shares resulting from the election of Cash Alternative to be allocated to the Share Offer

The aggregate number of GZT Shares allocated for distribution which are not taken by the Qualifying Shareholders (other than Yue Xiu) pursuant to the GZT Share Distribution resulting from the election of Cash Alternative by the relevant Qualifying Shareholders will be allocated to the Share Offer for offer to the Qualifying Shareholders in the manner described in the section headed “Share Offer”

below. The maximum number of Undistributed GZT Shares that may arise from the election of the Cash Alternative by all Qualifying Shareholders (other than Yue Xiu) under the GZT Share Distribution will be approximately 113.5 million GZT Shares.

Irrevocable Undertaking

Pursuant to the Irrevocable Undertaking, Yue Xiu has irrevocably undertaken to accept all the GZT Shares proposed to be distributed to it pursuant to the GZT Share Distribution being approximately 100.4 million GZT Shares, in aggregate.

It is strongly recommended that any Shareholder or other person dealing in Shares and is in doubt about his/her/its position should seek advice from his/her/its own professional advisers.

(2) OFFER FOR SALE OF GZT SHARES BY THE COMPANY TO THE QUALIFYING SHAREHOLDERS

The Board proposes that, subject to and conditional upon the fulfillment of the Share Offer Conditions, the Company will make an offer for the sale of all the GZT Shares held by it immediately following completion of the Inter-Company Distribution and Transfer and the GZT Share Distribution. The actual number of Offer Shares subject to the Share Offer will be not less than approximately 543.8 million GZT Shares, subject to adjustment if there are any Undistributed GZT Shares resulting from, among other things, the election of the Cash Alternative by the Qualifying Shareholders under the GZT Share Distribution.

For illustration purpose, assuming that all Qualifying Shareholders (other than Yue Xiu) had elected to receive the Cash Alternative under the GZT Share Distribution, the total number of Offer Shares subject to the Share Offer would be approximately 657.3 million GZT Shares in aggregate (representing approximately 39.3% of the issued share capital of GZT as at the date of this announcement), which will be offered to the Qualifying Shareholders in the proportion of 184 Offer Shares for every 2,000 Shares held at the close of business on the Record Date and at the Offer Price.

Assuming that there were no Undistributed GZT Shares under the GZT Share Distribution, the total number of Offer Shares subject to the Share Offer would be approximately 543.8 million GZT Shares in aggregate (representing approximately 32.5% of the issued share capital of GZT as at the date of this announcement), which will be offered to the Qualifying Shareholders in the proportion of 152 Offer Shares for every 2,000 Shares held at the close of business on the Record Date and at the Offer Price.

Offer statistics

- Total Number of Offer Shares : Not less than approximately 543.8 million GZT Shares in aggregate, subject to adjustment if there are any Undistributed GZT Shares.
- Basis of the Share Offer : Not less than 152 Offer Shares for every 2,000 Shares held at the close of business on the Record Date, subject to adjustment if there are any Undistributed GZT Shares.
- Offer Price : HK\$3.00 per Offer Share, payable in cash in full on acceptance (The total Offer Price receivable by the Company (after the Cash Payments payable to the Qualifying Shareholders who have elected to receive the Cash Payments (if any) and subject to relevant expenses) for all the Offer Shares is expected to be approximately HK\$1,631.5 million)
- Number of GZT Shares in issue as at the date of this announcement : 1,673,162,295 GZT Shares
- To the best knowledge and belief of the Board, as at the date of this announcement, there are no outstanding options, warrants, derivatives or securities convertible or exchangeable into GZT Shares.

The Company will make a separate announcement as soon as practicable after the last day of acceptance of the Form of Election in relation to the results of election by the Qualifying Shareholders (other than Yue Xiu) under the GZT Share Distribution, the total number of GZT Shares subject to the Share Offer and the number of Offer Shares to be offered for every 2,000 Shares held at the close of business on the Record Date.

Qualifying Shareholders

The Share Offer is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders and (ii) the Prospectus, for information only, to the Excluded Shareholders (other than to those Excluded Shareholders in relation to whom the Directors, after reasonable enquires, consider that the exclusion of such Shareholders is necessary or expedient either due to the legal restrictions under the laws of the relevant places or the requirements of the relevant regulatory body or stock exchange in those places). To qualify for the Share Offer, the Shareholders must:

- (a) be registered as a member of the Company on the register of members of the Company; and

(b) not be an Excluded Shareholder,

at the close of business on the Record Date.

The Share Offer will be extended to the Qualifying Shareholders.

No transfer of rights to purchase and no application for excess Offer Shares

The invitation to purchase the Offer Shares to be made to the Qualifying Shareholders will not be transferable. There will not be any trading of such rights to purchase on the Stock Exchange.

The Qualifying Shareholders will not be entitled to purchase any Offer Share in excess of their respective rights to purchase. Any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by Yue Xiu.

Rights of the Excluded Shareholders

If, at the close of business on the Record Date, a Shareholder's registered address and correspondence address on the register of members of the Company is in a place outside Hong Kong, that Shareholder may not be eligible to take part in the Share Offer as the Prospectus Documents are not expected to be registered and/or filed under the applicable securities legislation of any jurisdictions other than Hong Kong. The Board will make enquiries with its lawyers as to whether the offer for sale of the Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange. If, after making such enquiry, the Board is of the opinion that it would be necessary or expedient not to offer the Offer Shares to such Overseas Shareholders, the Share Offer will not be made available to such Overseas Shareholders. The results of the enquiries and the basis of exclusion of the Overseas Shareholders will be included in the circular to be despatched to the Shareholders. As at 20 October 2009, the Company has Overseas Shareholders in Australia, Canada, the PRC, Spain, United Kingdom, Macau and the United States of America with an aggregate shareholding of less than 0.005% of the issued share capital of the Company as at the date of this announcement.

The Company will send the Prospectus, for information only, to the Excluded Shareholders (if any), other than to those Excluded Shareholders in relation to whom the Directors, after reasonable enquires, consider that the exclusion of such Shareholders is necessary or expedient either due to the legal restrictions under the laws of the relevant places or the requirements of the relevant regulatory body or stock exchange in those places. The Company will not send the application form in respect of the purchase of Offer Shares to the Excluded Shareholders. However, so

long as the Excluded Shareholders are Independent Shareholders, they are entitled to cast their votes on the resolution(s) in relation to the Share Offer at the EGM. All Shareholders are entitled to cast their votes on the resolution in relation to the Company's change of name at the EGM.

Offer Price

The Offer Price is HK\$3.00 per Offer Share, payable in cash in full on application. The Offer Price represents:

- (a) a discount of approximately 3.23% to the closing price of HK\$3.10 per GZT Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 2.04% over the average closing prices of HK\$2.94 per GZT Share for the last five consecutive trading days up to and including the Last Trading Day;
- (c) a premium of approximately 3.09% over the average closing price of HK\$2.91 per Share for the last ten consecutive trading days up to and including the Last Trading Day;
- (d) a premium of approximately 3.09% over the average closing price of HK\$2.91 per Share for the last thirty consecutive trading days up to and including the Last Trading Day; and
- (e) a discount of approximately 40.48% to the audited consolidated net assets value of HK\$5.04 per GZT Share as at 30 June 2009, being the date of which the latest unaudited consolidated financial statements of GZT were made up.

Based on the Offer Price and assuming that there were no Undistributed GZT Shares, the aggregate value of all the Offer Shares is expected to be approximately HK\$1,631.5 million. The Offer Price was arrived at with reference to the market price of the GZT Shares under the prevailing market conditions and was agreed on an arm's length basis between the Company and Yue Xiu as the underwriter of the Share Offer. The Directors consider the Offer Price and the rate of discount to the closing price on the Last Trading Day to be fair and reasonable and in the interests of Shareholders as a whole.

Intended use of proceeds

It is the present intention of the Directors to use all the anticipated cash proceeds (after the Cash Payments payable to the Qualifying Shareholders who have elected to receive the Cash Payments (if any) and subject to relevant expenses) to be received by the Company from the sale of the Offer Shares for the acquisition and

development of real estate projects in the PRC and working capital purposes. Based on the estimation of Directors, the cash proceeds (after the Cash Payments payable to the Qualifying Shareholders who have elected to receive the Cash Payments (if any) and subject to relevant expenses) to be received by the Company from the sale of the Offer Shares is expected to be approximately HK\$1,631.5 million.

Stamp duty

Buyer's ad valorem stamp duty at a rate of 0.1% of the market value of the GZT Shares or consideration payable by the Qualifying Shareholders who accept the Share Offer, whichever is higher, will be payable by such Qualifying Shareholders together with the Offer Price for the Offer Shares payable to the Company. The Company will arrange for payment of the buyer's ad valorem stamp duty on behalf of the accepting Qualifying Shareholders and will pay the seller's ad valorem stamp duty in connection with the transfer of the Offer Shares under the Share Offer.

Status of the Offer Shares

Subject to the fulfilment of the Share Offer Conditions, the Offer Shares to be sold under the Share Offer shall be fully-paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date of completion of the transfer of the Offer Shares pursuant to the Share Offer.

The Offer Shares are listed and tradeable, and will immediately after completion of the Share Offer, continue to be listed and tradeable, on the Stock Exchange, subject to the relevant rules and regulations of the Stock Exchange.

Fractional entitlements

Any Shareholder not holding a multiple of 2,000 Shares will be entitled to purchase GZT Shares on a pro-rata basis provided that the entitlement of such Shareholder will be rounded down to the nearest whole number of GZT Shares (i.e., any entitlement to purchase a fraction of GZT Share will be disregarded). The unsold Offer Shares resulting from such rounding down arrangement, together with other Offer Shares not taken up by the Qualifying Shareholders and any Undistributed GZT Shares (if applicable) will be purchased by Yue Xiu pursuant to the underwriting arrangement for the Share Offer.

Certificates of the Offer Shares

Subject to the fulfilment of the Share Offer Conditions and the completion of the Inter-Company Distribution and Transfer, share certificates for the Offer Shares will be posted to those entitled thereto by ordinary post at their own risk at such time as set out in the Prospectus.

Irrevocable Undertaking

Pursuant to the Irrevocable Undertaking, Yue Xiu has irrevocably undertaken to take up all its entitlements under the Share Offer being not less than approximately 254.4 million Offer Shares (assuming that there were no Undistributed GZT Shares under the GZT Share Distribution) and not more than 307.9 million Offer Shares (assuming that all Qualifying Shareholders (other than Yue Xiu) had elected to receive the Cash Alternative under the GZT Share Distribution), in aggregate.

The Underwriting Agreement and underwriting arrangements

On 20 October 2009, the Company and Yue Xiu entered into the Underwriting Agreement, the principal terms and conditions of which are summarized below:

Date	: 20 October 2009
Underwriter	: Yue Xiu, the controlling shareholder of the Company
Maximum number of Offer Shares being underwritten by Yue Xiu	: Pursuant to the Underwriting Agreement, Yue Xiu has conditionally agreed to underwrite the Offer Shares, including any Undistributed GZT Shares (if applicable) and unsold Offer Shares resulting from the rounding arrangement (if applicable) and any Offer Shares not taken up by the Qualifying Shareholders (other than Yue Xiu) at HK\$3.00 per Offer Share on a fully underwritten basis, being not more than approximately 349.4 million Offer Shares subject to the terms and conditions of the Underwriting Agreement. The aggregate value of such Offer Shares (determined by reference to the Offer Price of HK\$3.00 per GZT Share) amounts to approximately HK\$1,048.2 million.

No commission will be payable to Yue Xiu. The Company will reimburse Yue Xiu for all reasonable costs and expenses incurred in connection with the underwriting under the Underwriting Agreement.

The ordinary course of business of Yue Xiu does not include underwriting.

The Underwriting Agreement also contains customary warranties, representations and indemnities provisions provided by the Company in favour of Yue Xiu.

Conditions precedent to the Underwriting Agreement

The Underwriting Agreement is conditional upon, among other things, fulfillment of the following conditions precedent:

- (a) despatch of the circular of the Company in relation to, among other matters, the Share Offer to all the Shareholders;
- (b) obtaining the approval of the Independent Shareholders for the Share Offer by way of poll at the EGM;
- (c) the registration with the Registrar of Companies in Hong Kong of one copy of each of the Prospectus Documents to be issued by the Company duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto (if any) in compliance with the Companies Ordinance) not later than the Prospectus Posting Date;
- (d) despatch of the Prospectus Documents to the Qualifying Shareholders and despatch of a copy of the Prospectus stamped “For Information Only” to the Excluded Shareholders (other than to those Excluded Shareholders in relation to whom the Directors, after reasonable enquires, consider that the exclusion of such Shareholders is necessary or expedient either due to the legal restrictions under the laws of the relevant places or the requirements of the relevant regulatory body or stock exchange in those places) on or before the Prospectus Posting Date;
- (e) the Company having received written consent from the relevant banks in respect of the Reorganisation (including the Share Offer);
- (f) compliance with and performance of all the undertakings and obligations of the Company under clause 3 of the Underwriting Agreement; and
- (g) compliance with and performance of all the undertakings and obligations of Yue Xiu under clause 3 of the Underwriting Agreement.

Save for conditions precedent (e) and (f) (which may be waived by Yue Xiu) and condition precedent (g) (which may be waived by the Company), none of the above conditions precedent can be waived by the Company or Yue Xiu.

Termination of the Underwriting Agreement

Pursuant to the Underwriting Agreement, Yue Xiu, as the underwriter, has the right to terminate the arrangements by notice in writing given to the Company at any time prior to 8:00 a.m. on the Prospectus Posting Date, if one or more of the events or matters (whether or not forming part of a series of events) occur, arise or exist, which, in the reasonable opinion of Yue Xiu, is or are likely to have a material adverse effect on the business or financial or trading position or prospects of GZT and/or its Subsidiaries (as defined in the Underwriting Agreement). Upon giving of notice of such termination of the Underwriting Agreement, all obligations of Yue Xiu as the underwriter under the Underwriting Agreement will cease and terminate and no party to the Underwriting Agreement shall have any claim against the other party to the Underwriting Agreement in respect of any matter or thing arising out of or in connection with the Underwriting Agreement except in respect of any antecedent breach of the Underwriting Agreement and the Share Offer will not proceed.

(3) INTER-COMPANY DISTRIBUTION AND TRANSFER INVOLVED IN THE REORGANISATION

In order to effect the GZT Share Distribution and the Share Offer, Yue Xiu and the Company will reorganize their interests in GZT before the completion of the GZT Share Distribution and the Share Offer as follows, subject to and conditional upon the fulfilment of the Share Offer Conditions:

- (a) GZT Holdco will distribute its interests in the Four Subsidiaries to the Company and Yue Xiu, following which the Four Subsidiaries will distribute the respective GZT Shares held by them to Yue Xiu and the Company, so that Yue Xiu and the Company will (whether directly or indirectly) hold such GZT Shares in proportion to their respective interests in GZI Holdco; and
- (b) Treasure House, a wholly-owned subsidiary of the Company, will transfer the GZT Shares held by it to the Company.

Immediately following completion of the Inter-Company Distribution and Transfer and before completion of the GZT Share Distribution and the Share Offer:

- (a) Yue Xiu will, directly and indirectly (excluding indirect ownership of GZT Shares through the Company), hold 420,179,113 GZT Shares, representing approximately 25.11% of GZT's issued share capital as at the date of this announcement; and
- (b) the Company will directly hold 757,701,000 GZT Shares, representing approximately 45.29% of GZT's issued share capital as at the date of this announcement.

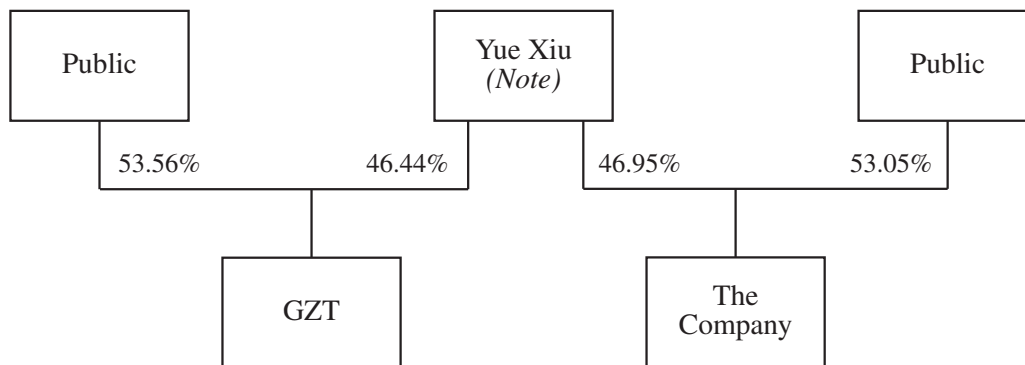
E. SHARE OFFER CONDITIONS

Completion of the Share Offer is subject to and conditional upon fulfillment of the following conditions:

- (a) the Share Offer having been approved by the Independent Shareholders; and
- (b) the Underwriting Agreement having become unconditional and Yue Xiu not having terminated the Underwriting Agreement in accordance with the terms thereof.

F. SHAREHOLDING STRUCTURE OF THE COMPANY AND GZT AFTER THE REORGANISATION

Immediately following completion of the Reorganisation, assuming that there were no Undistributed GZT Shares, all Qualifying Shareholders had accepted the Offer Shares and all of the Offer Shares to which the Excluded Shareholders are entitled had been taken up by Yue Xiu pursuant to the terms of the Underwriting Agreement, the simplified corporate chart of the Company and GZT will be as follows:



Note:

Yue Xiu's interest in GZT will be held via its wholly-owned subsidiaries.

Assuming that there were no Undistributed GZT Shares and all of the Offer Shares were taken up by Yue Xiu pursuant to the Underwriting Agreement, up to approximately 63.62% of the issued share capital of GZT will be held by Yue Xiu immediately following completion of the Reorganisation.

Assuming that all Qualifying Shareholders (other than Yue Xiu) had elected to receive the Cash Alternative and all Qualifying Shareholders had accepted the Offer Shares, up to approximately 49.60% of the issued share capital of GZT will be held by Yue Xiu immediately following completion of the Reorganisation.

Assuming that all Qualifying Shareholders (other than Yue Xiu) had elected to receive the Cash Alternative and all of the Offer Shares were taken up by Yue Xiu pursuant to the Underwriting Agreement, up to approximately 70.40% of the issued share capital of GZT will be held by Yue Xiu immediately following completion of the Reorganisation.

Upon completion of the Reorganisation, GZT will cease to be a subsidiary of the Company.

G. PROPOSED CHANGE TO THE BOARD COMPOSITION OF GZT

As part of the streamlining process, it is proposed that the composition of the GZT 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 Transport Business.

H. EXPECTED TIME OF COMPLETION OF THE REORGANISATION

It is expected that the Reorganisation will complete by the end of 2009.

I. FINANCIAL EFFECT OF THE REORGANISATION TO THE GROUP

In order to illustrate the financial effect of the Reorganisation to the Group, the figures set out in this section have been calculated based on the unaudited consolidated financial results of the Company for the six months ended 30 June 2009. The actual financial effect of the Reorganisation can only be determined upon completion of the Reorganisation by reference to the actual financial figures of the Company at that time and the market price of GZT Shares at that time.

Upon completion of the Reorganisation, the Company would no longer consolidate the financials of GZT into its balance sheet and profit and loss account. As at 30 June 2009, the share of net asset value of the Group's interest in GZT was approximately HK\$3,821 million, representing approximately 25.0% of the Group's unaudited consolidated net asset value as at the same day in the amount of approximately HK\$15,382.0 million. This interest in GZT had contributed to the Group's consolidated profit attributable to shareholders of HK\$79.8 million, for the six months ended 30 June 2009, and HK\$275.1 million, for the year ended 31 December 2008 (representing approximately 11.7% and 45.2%, respectively, of the Group's consolidated profit attributable to shareholders for the same period). Despite the loss of such contribution to the Group's consolidated profit following completion of the Reorganisation, the Board believes that the Group may be able to generate enhanced return by investing the cash derived from the Share Offer in the real estate sector.

The key balance sheet impact of the Reorganisation will be a reduction in the Group's consolidated net asset value by approximately 14.4% as compared to the Group's unaudited consolidated net asset value as at 30 June 2009. The Board believes such reduction in net asset value will not have any material adverse impact on the Group's financials and operations. It is also expected that the Group may incur a one time non-cash loss as a result of the Reorganisation due to the difference between the Group's share of net assets value of GZT and the market value of those shares by reference to which the GZT Share Distribution and the Share Offer are determined. (For illustration purpose only and as calculated based on the unaudited consolidated financial statements of the Group as at 30 June 2009, the amount of such one time non-cash loss that the Group may incur is estimated to be approximately HK\$1,578.2 million which represents the difference between the Group's share of net assets value of GZT of approximately HK\$3,821 million as at 30 June 2009 and the market value of those shares by reference to the Offer Price of HK\$3 per GZT Share after taking into account the transaction costs for the Reorganisation). Despite this one time non-cash loss for the Group, the Board believes that Shareholders may benefit from the ability to directly participate in the future growth prospects of GZT by acquiring GZT Shares pursuant to the GZT Share Distribution and, where applicable, the Share Offer. Upon completion of the Reorganisation, the Company's distributable reserves would be decreased by approximately HK\$820 million and such reduction in distributable reserves would not materially affect the Company's existing distribution policy.

In terms of cash level, the Company will receive net cash proceeds (after the Cash Payments payable to the Qualifying Shareholders who have elected to receive the Cash Payments (if any) and subject to relevant expenses) in the amount of approximately HK\$1,631.5 million pursuant to the Share Offer. As at 30 June 2009, the Group had an unaudited consolidated net debt (being total borrowings net of cash and cash equivalent) of approximately HK\$8,112.2 million representing net gearing (net debt divided by net asset value) of 52.7%. Upon completion of the Reorganisation, the consolidated net debt of the Group would be decreased by approximately HK\$840 million and the net gearing would be increased by 2.5%. Although there is no apparent change in the gearing of the Group, the Board believes that the Group will benefit from the greater flexibility and direct control over the additional cash to be received from the Share Offer.

J. REASONS FOR THE REORGANISATION

China's economic resilience in light of the global financial crisis is a testament to the effectiveness of the government's stimulus package, its unique position in today's global economy and the increasing consumption power of its people. Considering the strong growth potentials of the PRC domestic property sector, the Group has been

streamlining itself by disposing certain non-property related businesses for the past two years. Following such streamlining, the Group was able to take advantage of the quick recovery of the domestic economy, in particular the property sector, resulting from the quantitative easing credit policies implemented by the PRC government to combat the onslaught of the global economic meltdown and commit more resources to its property business and selectively increase its land bank in the first three quarters of 2009. As at 18 October 2009, the Group's sale of GFA and revenue, including contract sale and preliminary sale (the formal sale contracts of which are expected to be entered into soon), amount to 476,178 square meters and approximately HK\$ 6.2 billion, respectively, which have already exceeded this year's target of 450,000 square meters and HK\$5 billion, representing increases of 44.8% and 54.8%, respectively, as compared to the sale of GFA and revenue (including contract sale and preliminary sale) for the period from 1 January 2008 to 18 October 2008.

The Group currently engages in the Property Business, and via GZT, also in the Transport Business. To enable the Company to more effectively capitalize on the robust growth of the PRC domestic property sector, the Company proposes to focus singly on the Property Business and streamline its current corporate structure. The management of the Company, including the Directors, believes that it would be beneficial for the Group to focus on the Property Business and for GZT to focus on the Transport Business. This would enable each of the respective companies to independently access capital as and when needed, which should facilitate more efficient financial management and funding allocation. At the same time, it would allow both management and shareholders to independently benchmark their performance against competition. The Directors believe that the Reorganisation and the proposed change of name will be a major milestone for the Company in its strategy to focus its financial and management resources on the Property Business.

Another objective of the Reorganisation is to streamline the administrative, accounting and corporate approval processes. In the past, due to the existing two tier ownership structure, certain projects undertaken by GZT required to be approved by the respective boards of the Company and GZT and by their respective shareholders. The Reorganisation will eliminate these inefficiencies and streamline these processes.

The Share Offer is intended to generate cash proceeds (after the Cash Payments payable to the Qualifying Shareholders who have elected to receive the Cash Payments (if any) and subject to relevant expenses) of approximately HK\$1,631.5 million to the coffer of the Company, which will be primarily used in acquisition of additional land bank and property development, and to offer to all Qualifying Shareholders an equal opportunity to participate in the future steady growth

prospects of the infrastructure business through GZT at the same time. Yue Xiu is fully underwriting the Share Offer to minimize the potential volatility in GZT's share price during the Reorganisation and to reflect Yue Xiu's continued confidence in both the Company and GZT.

In determining the proportion of GZT Shares to be distributed pursuant to GZT Share Distribution and to be sold under the Share Offer, the Board has considered the following factors:

- (a) the funding requirement of the Group and the cash to be generated from the Reorganisation;
- (b) the prevailing market price of GZT Shares immediately before this announcement; and
- (c) the flexibility provided to the existing Shareholders in their decision to purchase and retain a proportionate interest in GZT.

To effectively capitalize on the quick rebound and the long term growth prospect of the PRC domestic property market, the Company proposes to commit more resources to expand its scale of operation. The Company is expected to raise funds to finance its planned expansion of its land bank and property development projects. After taking into account various options available, the Directors consider that the proposed Reorganisation, including the GZT Share Distribution and the Share Offer, to be in the best interests of the Company and all Shareholders as a whole as it strikes a nice balance between the funding requirements of the Company required for the expansion and possible adverse dilution effects of a new issue or the servicing costs of new debt. Above all, the proposed Reorganisation treats all Shareholders equally and fairly. The Directors (other than the members of the independent board committee of the Company who will express their view in the circular to be issued by the Company after receipt of the advice of the independent financial adviser) consider that the terms of the Reorganisation are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

K. LISTING RULE IMPLICATIONS

The Share Offer constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. Further, as Yue Xiu is the controlling shareholder (and, thus, a connected person) of the Company and Yue Xiu will take up its entitlement to the Offer Shares under the Share Offer pursuant to the Irrevocable Undertaking and may acquire any Offer Shares not taken up by the Qualifying Shareholders (other than Yue Xiu) pursuant to the Underwriting Agreement, the Share Offer also constitutes a

connected transaction for the Company under Chapter 14A of the Listing Rules. Therefore the Share Offer is subject the relevant reporting, announcement and independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

L. GENERAL

EGM

The EGM will be convened for:

- (a) the Independent Shareholders to consider and, if thought fit, to approve the Share Offer, including the Underwriting Agreement and the transactions contemplated thereunder (Yue Xiu and its associates will abstain from voting for the Share Offer in the EGM); and
- (b) the Shareholders to consider and, if thought fit, to approve the change of name of the Company subject to the completion of the Reorganisation.

Closure of register of members for the EGM

Based on the expected timetable, the register of members of the Company will be closed from Monday, 23 November 2009 to Thursday, 26 November 2009 for the purpose of determining the eligibility of the Shareholders to the GZT Share Distribution and to participate in the Share Offer and to attend the EGM. No transfer of Shares will be registered during such book closure period. In order to qualify for the GZT Share Distribution, the Share Offer and the eligibility to attend the EGM, all transfers must be lodged with the Company's share registrar in Hong Kong, Tricor Abacus Ltd. of 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Friday, 20 November 2009 (Hong Kong time).

Independent board committee and independent financial adviser to be established and appointed

An independent board committee of the Company comprising the independent non-executive Directors only will be established to make recommendations to the Independent Shareholders in respect of the Share Offer. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard and an announcement will be made upon the appointment of the independent financial adviser.

Circular

A circular in respect of the proposed change of name of the Company together with the notice convening the EGM for the purpose of considering and, if thought fit, approving the Company's change of name will be despatched to the Shareholders as soon as practicable. A second circular including, among other things, details of the Reorganisation, the recommendation of the independent board committee of the Company in relation to the Share Offer, a letter of advice from independent financial advisor to the independent board committee of the Company and the Independent Shareholders in relation to the Share Offer and a second EGM notice for the purpose of considering and, if thought fit, approving the Share Offer will also be despatched to the Shareholders not less than 14 clear days before the date of the EGM.

Prospectus Documents relating to the Share Offer

The Prospectus Documents setting out details of the Share Offer will be despatched to the Qualifying Shareholders as soon as practicable after the EGM, subject to and conditional upon the Share Offer having been approved by the Independent Shareholders at the EGM.

Shareholders or Qualifying Shareholders holding Shares as a nominee, trustee or registered holder in any other capacity

Any Qualifying Shareholder who holds the Shares as a nominee, trustee or registered holder in any other capacity will not be treated differently from any other registered holder. Any beneficial owner of the Shares whose Shares are registered in the name of a nominee, trustee or registered holder in any other capacity may wish to make arrangements with such nominee, trustee or registered holder in relation to the GZT Share Distribution and the Share Offer. Any such person may consider whether it wishes to arrange for the registration of the relevant Shares in the name of the beneficial owner prior to the Record Date.

M. INFORMATION RELATING TO THE PARTIES INVOLVED IN THE REORGANISATION

Yue Xiu

Yue Xiu is a limited liability company incorporated in Hong Kong. Yue Xiu is the principal investment vehicle of the Guangzhou Municipal People's Government in Hong Kong. It is principally engaged in a wide range of businesses and industries, including property development and investment (through the Company); investment,

operation and management of toll expressways, national highways and bridges (through GZT); manufacturing and selling of newsprint; cement and ready mixed concrete; dry cell battery manufacturing; financial as well as stock broking and insurance services.

The Company

The Company is a limited liability company incorporated in Hong Kong whose shares are listed on the Stock Exchange and the stock exchange operated by Singapore Exchange Securities Trading Limited. Currently, the Company is principally engaged in the businesses of (i) property development and investment in the PRC, including Hong Kong and (ii) investment, operation and management of toll expressways, national highways and bridges mainly located in the Guangdong Province (through GZT, a subsidiary of the Company whose shares are also listed on the Stock Exchange, see below). The Company also holds a 35.58% interest in GZI Real Estate Investment Trust, a Hong Kong collective investment scheme authorised under Section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). As at the date of this announcement, the Company had an issued share capital of HK\$712,899,191.40 divided into 7,128,991,914 ordinary shares of HK\$0.10 each. Of such shares, 3,346,735,248 ordinary shares, which represent approximately 46.95% of the Company's issued share capital as at the date of this announcement, are held indirectly by Yue Xiu through its wholly-owned subsidiaries.

GZT

GZT is a limited liability company incorporated in Bermuda whose shares are listed on the Stock Exchange. GZT is principally engaged in the investment, operation and management of toll expressways, national highways and bridges mainly located in the Guangdong Province. The shareholding structure of GZT as at the date of this announcement has been set out above.

The financial information of GZT for the two years ended 31 December 2007 and 31 December 2008, as extracted from its 2008 annual report, is as follows:

	For the year ended	
	31 December 2007	31 December 2008
	<i>(HK\$ '000)</i>	<i>(HK\$ '000)</i>
Net profits (before taxation and extraordinary items)	645,595	836,232
Net profits (after taxation and extraordinary items)	561,706	748,202

N. RESUMPTION OF TRADING

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 resumption of trading in the Shares from 9:30 a.m. on Wednesday 21 October 2009.

WARNING OF THE RISK OF DEALING IN SHARES

Shareholders and potential investors of the Company should note that the GZT Share Distribution and the Share Offer are conditional upon the fulfillment of the Share Offer Conditions. Any Shareholder or other person dealing in Shares prior to the date on which such conditions are fulfilled, will accordingly bear the risk that the GZT Share Distribution and the Share Offer may not proceed.

Shareholders and potential investors of the Company should also note that the market price of the GZT Shares may fluctuate and may be higher or lower than the Offer Price under the Share Offer.

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.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used in this announcement:

“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Cash Alternative”	an alternative available to each of the Qualifying Shareholders (other than Yue Xiu) to elect to receive the Cash Payment in lieu of the whole of (in the case of HKSCC Nominees Limited, the whole or part of) the GZT Shares proposed to be distributed to him/her/it pursuant to the GZT Share Distribution
“Cash Payment”	a cash payment in an amount to be determined by reference to the Offer Price, which is to be paid to the Qualifying Shareholders who elect to receive the Cash Alternative and to the Excluded Shareholders (if any)

“Company”	Guangzhou Investment Company Limited (越秀投資有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange and on the stock exchange operated by Singapore Exchange Securities Trading Limited
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“connected person”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules
“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, to approve the change of name of the Company and the Share Offer, including the Underwriting Agreement and the transactions contemplated thereunder
“Excluded Shareholder(s)”	those Overseas Shareholders to whom the Board, based on enquiries made with its lawyers and on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place, considers it necessary or expedient not to offer the Offer Shares or the Cash Alternative under the GZT Share Distribution
“Form of Election”	a form of election in respect of the Cash Alternative to be despatched to each Qualifying Shareholder (other than Yue Xiu) during the book closure period and before the date of the EGM
“Four Subsidiaries”	four wholly-owned subsidiaries of GZT Holdco (namely, Housemaster Holdings Limited, Power Head Limited, Delta Force Holding Limited and Lawson Enterprises Limited)
“Group”	the Company and its subsidiaries

“GZT”	GZI Transport Limited (越秀交通有限公司), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“GZT Holdco”	GZI Transport (Holdings) Limited, a company incorporated in the British Virgin Islands with limited liability
“GZT Share(s)”	ordinary share(s) of HK\$0.10 par value each in the share capital of GZT
“GZT Share Distribution”	the distribution in specie of GZT Shares to the Shareholders as registered at the close of business on the Record Date representing a special dividend in the aggregate amount of approximately HK\$641.6 million, which is conditional upon the fulfilment of the Share Offer Conditions and completion of the Inter-Company Distribution and Transfer
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Shareholders”	Shareholders (other than Yue Xiu and its associates)
“Inter-Company Distribution and Transfer”	the transactions described under the sub-section headed “Inter-Company Distribution and Transfer Involved In the Reorganisation” under the section headed “Proposed Reorganisation”
“Irrevocable Undertaking”	the irrevocable undertaking given by Yue Xiu on 20 October 2009 under which it has irrevocably undertaken to accept all the GZT Shares proposed to be distributed to it pursuant to the GZT Share Distribution and to take up all its entitlements under the Share Offer
“Last Trading Day”	15 October 2009, being the last trading day of the GZT Shares immediately prior to the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Offer Price”	HK\$3.00 per GZT Share
“Offer Share(s)”	not less than approximately 543.8 million GZT Shares, subject to adjustment if there are any Undistributed GZT Shares, proposed to be offered for sale by the Company to the Qualifying Shareholders pursuant to the Share Offer
“Overseas Shareholders”	the Shareholders with registered address on the register of members of the Company outside Hong Kong at the close of business on the Record Date
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this announcement only, Hong Kong and Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Property Business”	the business of property development, management and investment
“Prospectus”	the prospectus to be issued by the Company in connection with the Share Offer
“Prospectus Documents”	the Prospectus and the application form in respect of the purchase of the Offer Shares
“Prospectus Posting Date”	the date on which the posting of the Prospectus Documents to the Qualifying Shareholders takes place (or such later date as Yue Xiu and the Company may agree in writing)
“Qualifying Shareholders”	the Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date (other than the Excluded Shareholders)
“Record Date”	23 November 2009, being the date by reference to which entitlements to the GZT Share Distribution and the Share Offer will be determined
“Reorganisation”	the GZT Share Distribution, the Share Offer, the Inter-Company Distribution and Transfer and the respective transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.10 par value each in the share capital of the Company

“Share Offer”	the proposed sale by the Company of the Offer Shares by way of an offer for sale of all the GZT Shares held by it immediately following completion of the Inter-Company Distribution and Transfer and the GZT Share Distribution to the Qualifying Shareholders for the Offer Price, which is payable in cash in full on acceptance, on the terms to be set out in the Prospectus Documents
“Share Offer Conditions”	(a) the Share Offer having been approved by the Independent Shareholders; and (b) the Underwriting Agreement having become unconditional and Yue Xiu not having terminated the Underwriting Agreement in accordance with the terms thereof
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“trading day”	a day on which the Stock Exchange is open for trading
“Transport Business”	the business of investment and operation of various toll expressways, national highways and bridges in China
“Treasure House”	Treasure House Limited, a wholly-owned subsidiary of the Company which was incorporated in the British Virgin Islands
“Underwriting Agreement”	the underwriting agreement dated 20 October 2009 entered into between the Company and Yue Xiu in relation to the Share Offer
“Undistributed GZT Shares”	such number of GZT Shares as shall be equal to the difference between approximately 213.9 million GZT Shares and the total number of GZT Shares actually distributed pursuant to the GZT Share Distribution
“Yue Xiu”	Yue Xiu Enterprises (Holdings) Limited (越秀企業(集團)有限公司), a company incorporated in Hong Kong

“Yue Xiu Group” Yue Xiu and its subsidiaries
“%” per cent.

By order of the board of
Guangzhou Investment Company Limited
LU Zhifeng
Chairman

Hong Kong, 20 October 2009

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

Executive Directors: LU Zhifeng (Chairman), ZHANG Zhaoxing, LIANG Yi, TANG
Shouchun, WANG Hongtao, ZHOU Jin and LI Xinmin

Independent Non-executive YU Lup Fat Joseph, LEE Ka Lun and LAU Hon Chuen Ambrose
Directors: