
THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any of the contents of this Offer Document or as to what action to take in relation to this Offer Document, you should consult appropriate independent advisers to obtain independent professional advice.

If you have sold or transferred all your shares in Guangzhou Investment Company Limited, you should at once hand this Offer Document to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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

A copy of this Offer Document, having attached thereto the documents specified in the section headed “Documents registered by the Registrar of Companies” in “Appendix I — Statutory and General Information”, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this Offer Document or any of the other documents referred to above.



越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 123)

**OFFER TO SELL 617,771,234 SHARES OF GZI TRANSPORT LIMITED AT
HK\$3.00 PER OFFER SHARE PAYABLE IN FULL ON APPLICATION BY
GZI QUALIFYING SHAREHOLDERS**

Financial Adviser to Guangzhou Investment Company Limited



Standard Chartered Bank (Hong Kong) Limited

The latest time for application and payment for the Offer Shares is 4:00 pm on Monday, 7 December 2009. The procedures for application and payment are set forth on pages 17 to 18 of this Offer Document.

30 November 2009

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NOTICE TO GZI QUALIFYING SHAREHOLDERS

You should read the whole Offer Document and all relevant information relating to GZT as disclosed on the website of the Stock Exchange or otherwise available in the public domain before you decide to invest in the Offer Shares, and you should not rely solely on the information as provided in this Offer Document. If you are in any doubt about any of the contents of this Offer Document or as to what action to take in relation to this Share Offer, you should consult appropriate independent advisers to obtain independent professional advice.

The GZT Board assumes no responsibility for the contents of this Offer Document and makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon the whole or any part of the contents of this Offer Document.

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DEFINITIONS

In this Offer Document, the following words and expressions shall have the following meanings unless the context otherwise requires:

“Application Form”	the application form for use by the GZI Qualifying Shareholders to apply for the Offer Shares;
“associates”	has the meaning ascribed thereto in the Listing Rules;
“Cash Alternative”	an alternative available to each of the GZI 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 determined by reference to the Offer Price, which is to be paid to the GZI Qualifying Shareholders who elect, or are deemed to have elected, to receive the Cash Alternative and to the GZI Excluded Shareholders;
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time);
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules;
“Form of Election”	a form of election in respect of the Cash Alternative that was despatched to each GZI Qualifying Shareholder (other than Yue Xiu) on 24 November 2009;
“Four Subsidiaries”	four wholly-owned subsidiaries of GZT Holdco (namely, Housemaster Holdings Limited, Power Head Limited, Delta Force Holdings Limited and Lawson Enterprises Limited);
“GZI”	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;
“GZI Board”	the board of directors of GZI;
“GZI Director(s)”	director(s) of GZI;

DEFINITIONS

“GZI Excluded Shareholder(s)”	those GZI Overseas Shareholders to whom the GZI Board, based on enquiries made with its lawyers and on account either of legal restrictions under the laws of the 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;
“GZI Group”	GZI and its subsidiaries;
“GZI Independent Shareholders”	GZI Shareholders (other than Yue Xiu and its associates);
“GZI Overseas Shareholders”	the GZI Shareholders with registered addresses on the register of members of GZI outside Hong Kong at the close of business on the Record Date;
“GZI Qualifying Shareholders”	the GZI Shareholders whose names appear on the register of members of GZI at the close of business on the Record Date (other than the GZI Excluded Shareholders);
“GZI Share(s)”	ordinary share(s) of HK\$0.10 par value each in the share capital of GZI;
“GZI Shareholders”	holders of GZI Shares;
“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 Board”	the board of Directors of GZT;
“GZT Group”	GZT and its subsidiaries;
“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 GZI Shareholders as registered at the close of business on the Record Date representing a special dividend in the aggregate amount of approximately HK\$642 million, which is conditional upon the fulfilment of the Share Offer Conditions and completion of the Inter-Company Distribution and Transfer;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Inter-Company Distribution and Transfer”	the transactions described under “Inter-Company Distribution and Transfer” in the section headed “Reorganisation” in this Offer Document;
“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;
“Latest Practicable Date”	27 November 2009, being the latest practicable date prior to the printing of the Offer Document for ascertaining certain information contained in the Offer Document;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Offer Document”	this offer document issued by GZI dated 30 November 2009 in relation to the Share Offer;
“Offer Documents”	the Offer Document and the Application Form;
“Offer Document Posting Date”	30 November 2009, being the date on which the Offer Documents are posted to the GZI Qualifying Shareholders;
“Offer Price”	HK\$3.00 per GZT Share;
“Offer Share(s)”	617,771,234 GZT Shares to be offered for sale by GZI to the GZI Qualifying Shareholders pursuant to the Share Offer;
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this Offer Document 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;
“Record Date”	23 November 2009, being the date by reference to which entitlements to the GZT Share Distribution and the Share Offer were determined;
“Reorganisation”	the GZT Share Distribution, the Share Offer, the Inter-Company Distribution and Transfer and the respective transactions contemplated thereunder;

DEFINITIONS

“Share Offer”	the sale by GZI of the Offer Shares by way of an offer for sale of 617,771,234 GZT Shares, which represent all of the GZT Shares to be held by it immediately following completion of the Inter-Company Distribution and Transfer and the GZT Share Distribution, to the GZI Qualifying Shareholders for the Offer Price, which is payable in cash in full on acceptance, on the terms to be set out in the Offer Documents;
“Share Offer Conditions”	(a) the Share Offer having been approved by the GZI Independent Shareholders, and (b) the Underwriting Agreement having become unconditional and Yue Xiu not having terminated the Underwriting Agreement in accordance with the terms hereof;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“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 GZI which was incorporated in the British Virgin Islands;
“Underwriting Agreement”	the underwriting agreement dated as of 20 October 2009 entered into between GZI 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 214 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, which, together with its associates, is beneficially interested in approximately 46.90% of the issued share capital of GZI as at the Latest Practicable Date; and
“%”	per cent.

EXPECTED TIMETABLE⁽¹⁾

Expected Timetable

Latest time to lodge Application Form together with
remittance for the payment for Offer Shares
and buyer's ad valorem stamp duty4:00 p.m. on Monday, 7 December 2009

Announcement of completion of the Reorganisation
to be published on or beforeMonday, 14 December 2009

Cheques in respect of Cash Payments pursuant
to the GZT Share Distribution and refund cheques
in respect of excess amounts paid for the applications
(if any) to be despatched on or beforeMonday, 14 December 2009

Certificates for Offer Shares and GZT Shares
distributed pursuant to the GZT Share
Distribution to be despatched on or beforeMonday, 14 December 2009

Duration of odd lot trading facility
being made available⁽⁴⁾Monday, 14 December 2009 to
Thursday, 31 December 2009

Notes:

- (1) All times and dates in the Offer Document refer to Hong Kong times and dates.
- (2) Dates for events in the expected timetable for (or otherwise in relation to) the Share Offer and the Reorganisation are indicative only and may be extended or varied by agreement between GZI and Yue Xiu. If there is any change in this expected timetable, an announcement will be published to notify the GZI Shareholders.
- (3) If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above:
 - (a) in force in Hong Kong at any time before 12:00 noon and no longer in force after 12:00 noon on Monday, 7 December 2009, the latest time for application and payment in respect of the Share Offer will be extended to 5:00 p.m. on the same day; or
 - (b) in force in Hong Kong at any time between 12:00 noon and 4:00 p.m. on Monday, 7 December 2009, the latest time for application and payment in respect of the Share Offer will be postponed to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for application and payment in respect of the Share Offer is postponed in accordance with the above paragraphs, the dates mentioned in this section may be affected. In such event, an announcement will be made by GZI as soon as practicable.

- (4) Please refer to the paragraph headed "Arrangement for Odd Lot Trading" in the section headed "The Share Offer" in this Offer Document for further details.

SUMMARY

SHARE OFFER

Under the Share Offer, and as a part of the Reorganisation, GZI is offering to GZI Qualifying Shareholders all the GZT Shares to be held by it immediately following completion of the Inter-company Distribution and Transfer and the GZT Share Distribution, which is 617,771,234 GZT Shares, which together represent approximately 36.92% of GZT's issued share capital as at the Latest Practicable Date. The Share Offer is fully underwritten by Yue Xiu.

USE OF PROCEEDS

GZI expects to use all the anticipated cash proceeds (after taking into account the Cash Payments and subject to relevant expenses) to be received by GZI from the sale of the Offer Shares for the acquisition and development of real estate projects in the PRC and working capital purposes.

The cash proceeds (after taking into account the Cash Payments and subject to relevant expenses) to be received by GZI from the sale of the Offer Shares is expected to be approximately HK\$1,631 million.

To the extent that the proceeds of the Share Offer are not immediately applied for the acquisition and development of real estate projects in the PRC and working capital purposes, GZI intends to deposit the proceeds in interest-bearing bank accounts, such as short-term savings accounts or basic short-term money market funds, with licenced commercial banks and/or authorised financial institutions.

THE REORGANISATION

The GZI Group currently engages in the Property Business, and holds an interest in the Transport Business through its equity interest in GZT. To enable GZI to more effectively capitalize on the robust growth of the domestic property sector in the PRC, GZI proposes to focus solely on the Property Business and streamline its current corporate structure by separating itself from the Transport Business. For the GZI Group to focus on the Property Business and for the GZT Group to focus on the Transport Business 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 GZI Directors believe that the Reorganisation and the proposed change of name of GZI will be a major milestone for GZI in its strategy to focus its financial and management resources on the Property Business.

The Reorganisation involves: (1) the GZT Share Distribution; (2) the Share Offer; and (3) the reorganisation by Yue Xiu and GZI of their interests in GZT pursuant to the Inter-Company Distribution and Transfer in order to effect the GZT Share Distribution and the Share Offer. It is expected that, immediately following completion of the Reorganisation, GZI will cease to hold any GZT Shares. As a result, upon completion of the Reorganisation, GZI will no longer consolidate the

SUMMARY

financial information of GZT into its financial statements. Following completion of these steps to streamline GZI's corporate structure, GZI proposes to change its name to Yuexiu Property Company Limited (越秀地產股份有限公司) to signify the GZI Group's new business development direction and a single, focused line of business.

On 26 November 2009, GZI held an extraordinary general meeting at which the GZI Independent Shareholders approved the Share Offer (including the Underwriting Agreement and the transactions contemplated thereunder) and the GZI Shareholders approved the change of name of GZI to reflect the current focus of its business, subject to completion of the Reorganisation.

REORGANISATION

OVERVIEW

The GZI Group currently engages in the Property Business, and holds an interest in the Transport Business through its equity interest in GZT. To enable GZI to more effectively capitalize on the robust growth of the domestic property sector in the PRC, GZI proposes to focus solely on the Property Business and streamline its current corporate structure by separating itself from the Transport Business. For the GZI Group to focus on the Property Business and for the GZT Group to focus on the Transport Business 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 GZI Directors believe that the Reorganisation and the proposed change of name of GZI will be a major milestone for GZI in its strategy to focus its financial and management resources on the Property Business.

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GZT SHARE DISTRIBUTION

On 16 October 2009, the GZI Board conditionally declared a special dividend of approximately HK\$642 million to be effected by way of a distribution in specie of GZT Shares to the GZI Shareholders whose names appeared on the register of members at the close of business on the Record Date. Each of the GZI Qualifying Shareholders (other than Yue Xiu) also had 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 alternative. A GZI Qualifying Shareholder was deemed to have elected the Cash Alternative if his/her/its Form of Election was not correctly completed or was not received by GZI before the deadline as indicated therein.

Pursuant to the Forms of Election that were properly completed by, and received from, GZI Qualifying Shareholders by 3:00 p.m. on 27 November 2009, being the deadline for the return of the Forms of Election as indicated therein, a total of approximately 74.1 million Undistributed GZT Shares (including the undistributed GZT Shares resulting from the election or deemed election of the Cash Alternative by the relevant GZI Qualifying Shareholders, fractional GZT Shares resulting from the rounding arrangement and the GZT Shares to which the GZI Excluded Shareholders would have been otherwise entitled) have been allocated to the Share Offer. The choice by those GZI Qualifying

REORGANISATION

Shareholders to elect the Cash Alternative does not preclude them from participating in the Share Offer. The aggregate Cash Payment to be made under the Cash Alternative is expected to be approximately HK\$222.4 million. Cheques in respect of Cash Payments pursuant to the GZT Share Distribution are expected to be despatched to GZI Shareholders on or before 14 December 2009.

Pursuant to the Irrevocable Undertaking, Yue Xiu has accepted all the GZT Shares to be distributed to it pursuant to the GZT Share Distribution, or 100.4 million GZT Shares, in aggregate.

THE SHARE OFFER

Under the Share Offer, GZI is offering to GZI Qualifying Shareholders all the GZT Shares to be held by it immediately following completion of the GZT Share Distribution and the Inter-company Distribution and Transfer. The total number of GZT Shares subject to the Share Offer is 617,771,234 GZT Shares, which together represent approximately 36.92% of GZT's issued share capital as at the Latest Practicable Date. For further information on the Share Offer, see the section headed "The Share Offer" in this Offer Document.

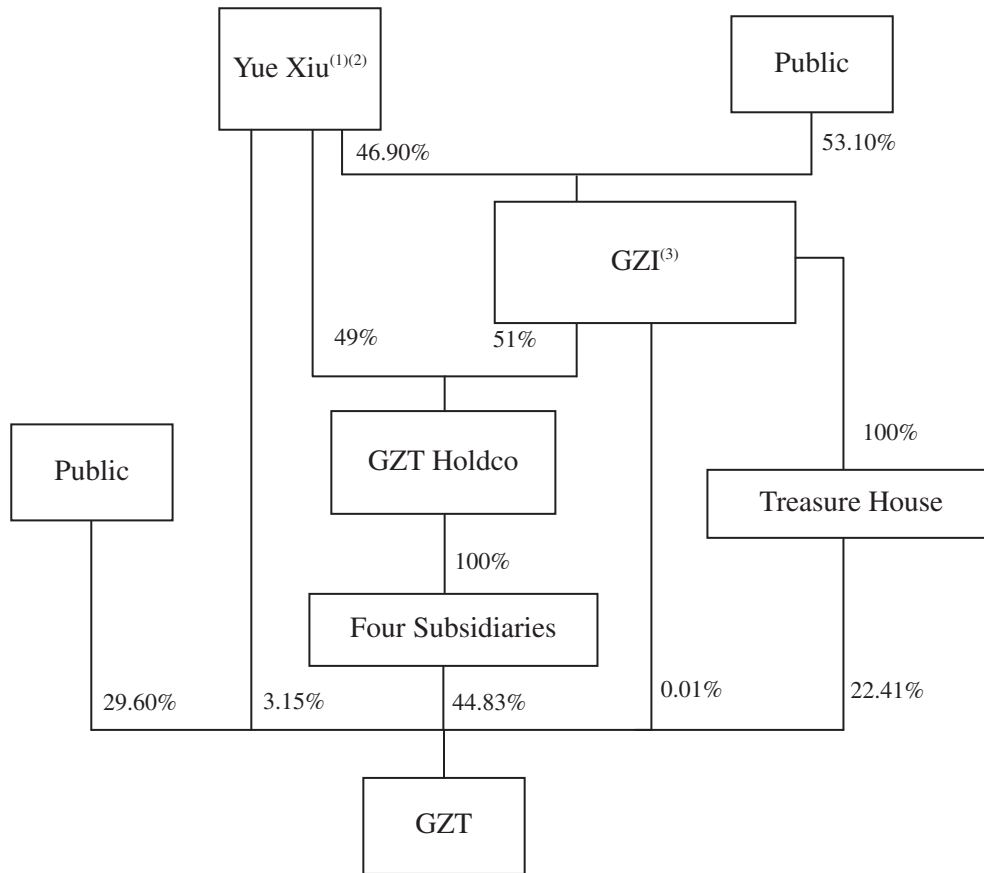
INTER-COMPANY DISTRIBUTION AND TRANSFER

Pursuant to the Inter-Company Distribution and Transfer and for the purpose of effecting the GZT Share Distribution and the Share Offer, Yue Xiu and GZI will reorganize their interests in GZT.

REORGANISATION

STRUCTURE OF GZI AND GZT BEFORE THE REORGANISATION

As at the Latest Practicable Date, the simplified corporate structure of GZI and GZT is as follows:



(1) Yue Xiu's interests in GZT Holdco is held through its wholly-owned subsidiary.

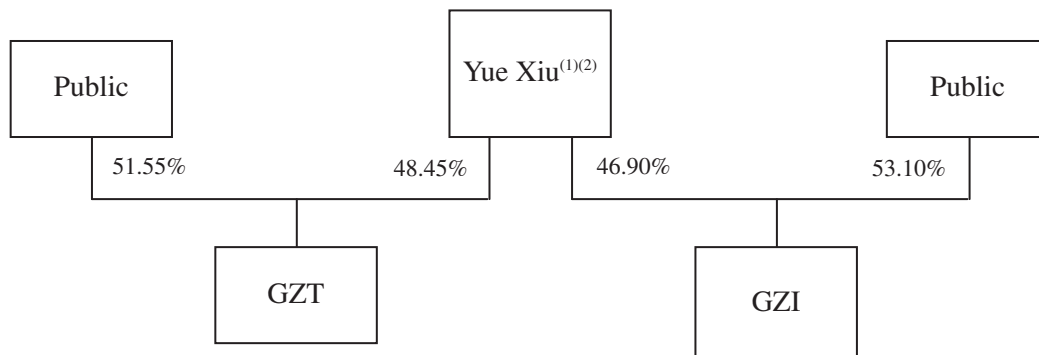
(2) Yue Xiu's interests in GZI is held through its wholly-owned subsidiaries.

(3) GZI's interest in GZT Holdco is held through its wholly-owned subsidiary.

REORGANISATION

STRUCTURE OF GZI AND GZT AFTER THE REORGANISATION

Immediately following completion of the Reorganisation, assuming that all GZI Qualifying Shareholders had accepted the Offer Shares, all of the Offer Shares to which the GZI Excluded Shareholders are entitled had been taken up by Yue Xiu pursuant to the terms of the Underwriting Agreement, and there was no change in the issued share capital of GZI from the Latest Practicable Date to the date of completion of the Reorganisation, the simplified corporate chart of GZI and GZT will be as follows:



(1) Yue Xiu's interest in GZT will be held through its wholly-owned subsidiaries.

(2) Yue Xiu's interests in GZI is held through its wholly-owned subsidiaries.

Assuming that none of the GZI Qualifying Shareholders (other than Yue Xiu) had accepted the Offer Shares, and all of the Offer Shares were taken up by Yue Xiu pursuant to the Underwriting Agreement, up to approximately 68.04% 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 GZI.

THE SHARE OFFER

TERMS OF THE SHARE OFFER

GZI offers to all GZI Qualifying Shareholders the right to purchase all the GZT Shares to be held by it immediately following completion of the GZT Share Distribution and Inter-company Distribution and Transfer, amounting to 617,771,234 GZT Shares and representing approximately 36.92% of the total number of GZT Shares in issue as at the Latest Practicable Date. The Share Offer is open only to GZI Qualifying Shareholders.

The Offer Price of the Share Offer is HK\$3.00 per GZT Share. The Share Offer is offered to the GZI Qualifying Shareholders in the proportion of 173 Offer Shares for every 2,000 GZI Shares held by such GZI Qualifying Shareholder at the close of business on the Record Date and at the Offer Price.

The following table sets forth the relevant details of the Share Offer:

Total Number of Offer Shares	:	617,771,234 GZT Shares in aggregate
Basis of the Share Offer	:	173 Offer Shares for every 2,000 GZI Shares held at the close of business on the Record Date
Offer Price	:	HK\$3.00 per Offer Share, excluding ad valorem stamp duty at a rate of 0.1% payable by the GZI Qualifying Shareholders, which together shall be payable in cash in full on acceptance
Total Proceeds	:	The total Offer Price receivable by GZI (after taking into account the Cash Payments and subject to relevant expenses) for all the Offer Shares is expected to amount to approximately HK\$1,631 million
Number of GZT Shares in Issue as at the Latest Practicable Date	:	1,673,162,295 GZT Shares

To the best knowledge and belief of the GZI Board, as at the Latest Practicable Date, there were no outstanding options, warrants, derivatives or securities convertible or exchangeable into GZT Shares.

PURPOSE OF THE SHARE OFFER

The Share Offer is intended to provide GZI with the cash proceeds of the Share Offer, expected to be approximately HK\$1,631 million, which it will use primarily to acquire additional land bank and for property development projects in order to expand the scale of its operations, and to provide all GZI Qualifying Shareholders an opportunity to participate directly in the future growth prospects of GZT's infrastructure business. Yue Xiu is fully underwriting the Share Offer to minimise the potential volatility in the market price of GZT Shares during the Reorganisation, and to reflect Yue Xiu's continued confidence in both GZI and GZT.

THE SHARE OFFER

ELIGIBILITY

GZI Qualifying Shareholders

The Share Offer is only available to the GZI Qualifying Shareholders. GZI has sent (i) the Offer Documents to the GZI Qualifying Shareholders and (ii) the Offer Document, for information only, to the GZI Excluded Shareholders (other than those with registered addresses in the PRC). To qualify for the Share Offer, GZI Shareholders must:

- have been registered as a member of GZI on the register of members of GZI; and
- not be a GZI Excluded Shareholder,

at the close of business on the Record Date.

The Application Forms for the Offer Shares were sent to GZI Qualifying Shareholders only.

No Transfer of Rights to Purchase and No Application for Excess Offer Shares

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

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

Rights of the GZI Excluded Shareholders

As at the close of business on the Record Date, if a GZI Shareholder's registered address and correspondence address on the register of members of GZI is in a place outside Hong Kong, that GZI Shareholder may not be eligible to take part in the Share Offer as the Offer Documents are not expected to be registered and/or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. As at the Record Date, GZI had GZI 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 GZI. As stated in the announcement of GZI dated 24 November 2009, after making enquiries with its lawyers and based on the advice provided by the relevant lawyers, the GZI Board considered that the offer of the Offer Shares can be extended to the GZI Overseas Shareholders with registered addresses in Australia, Spain, United Kingdom and Macau as there were no onerous restrictions against or there is (are) relevant exemption(s) available in relation to, the offering of Offer Shares to the GZI Shareholders in these jurisdictions. However, the offer of the Offer Shares in Canada, the PRC and the United States of America would, or might, in the absence of compliance with registration requirements or other special

THE SHARE OFFER

formalities, be unlawful or impracticable. As such, the GZI Board was of the view that it was inexpedient for the Share Offer to be made to the GZI Overseas Shareholders in Canada, the PRC and the United States of America and such GZI Overseas Shareholders were regarded as GZI Excluded Shareholders in relation to the Share Offer.

It is the responsibility of any GZI Shareholder outside Hong Kong wishing to make an application for the Offer Shares to satisfy himself/herself/itself, before so doing, as to the full 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 territories in connection therewith. Any acceptance of the Share Offer by any person residing outside Hong Kong will be deemed to constitute a representation and warranty from such person to GZI that these local laws and requirements have been fully complied with. If a GZI Shareholder is in doubt as to his/her/its position, he/she/it should consult his/her/its own professional advisers.

GZI has sent the Offer Document, for information purposes only, to the GZI Excluded Shareholders with registered addresses in Canada and the United States of America. GZI has not sent the Application Form to the GZI Excluded Shareholders.

OFFER PRICE

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

STATUS OF THE OFFER SHARES

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

THE SHARE OFFER

IRREVOCABLE UNDERTAKING

Pursuant to the Irrevocable Undertaking, Yue Xiu has irrevocably undertaken to take up all its entitlement under the Share Offer. As at the Latest Practicable Date, the total number of GZT Shares to which Yue Xiu is entitled to purchase pursuant to the Share Offer is approximately 289.5 million Offer Shares.

CONDITIONS OF THE SHARE OFFER

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

- (a) the Share Offer having been approved by the GZI 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.

The GZI Board confirms that as at the Offer Document Posting Date, these conditions have been fulfilled.

GENERAL PROCEDURES FOR ACCEPTANCE OF THE SHARE OFFER

To accept the Share Offer, a GZI Qualifying Shareholder must:

- complete, sign and date the Application Form; and
- mail or deliver the Application Form, a cheque or a cashier's order for the cash amount to be paid for the GZT Shares payable to "Guangzhou Investment Company Limited — Share Offer Account", and any other required documents to the share registrar of GZI, Tricor Abacus Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, such that such items are received by Tricor Abacus Limited on or before 4:00 p.m. on 7 December 2009.

Buyer's ad valorem stamp duty at a rate of 0.1% of the aggregate Offer Price payable in relation to the Offer Shares applied for by a GZI Qualifying Shareholder will be payable by such GZI Qualifying Shareholder together with the aggregate Offer Price. GZI will arrange for payment of the buyer's ad valorem stamp duty on behalf of the accepting GZI 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. The method of delivery of the Application Form, any required cheque or cashier's order and all other required documents is at the election and risk of the buyer.

For further information on the procedures for acceptance of the Share Offer, see the section headed "How to Apply for the Offer Shares" in this Offer Document.

THE SHARE OFFER

DELIVERY OF CERTIFICATES OF GZT SHARES

Subject to the fulfillment of the conditions of the Share Offer as described above and completion of the Inter-Company Distribution and Transfer and the GZT Share Distribution, share certificates for the Offer Shares and GZT Shares distributed pursuant to the GZT Share Distribution will be posted to those entitled thereto by ordinary post at their own risk by 14 December 2009.

ARRANGEMENT FOR ODD LOT TRADING

In order to alleviate the difficulties arising from the trading of odd lots of GZT Shares resulting from the Share Offer and the GZT Share Distribution, GZI has appointed First Shanghai Securities Limited (“First Shanghai”) to stand in the market and provide a “matching service” to those GZI Qualifying Shareholders who wish to top-up or sell their holdings of odd lots of GZT Shares. First Shanghai will provide such matching services for the period from the date of the announcement of the completion of the Reorganisation until 31 December 2009. GZI Qualifying Shareholders who hold GZT Shares in odd lots and wish to take advantage of this facility either to dispose of or top-up their odd lots to a board lot of 2,000 GZT Shares should directly, or through their brokers, contact First Shanghai of 19th floor, Wing On House, 71 Des Voeux Road Central, Central, Hong Kong, at its hotline (+852) 2532 1928 or at its fax number (+852) 2537 0568 during the period from 11 to 31 December 2009. GZI Qualifying Shareholders should note that the matching service will be on a “best effort” basis only and successful matching of the sale and purchase of odd lots of GZT Shares is not guaranteed and will depend on there being adequate amounts of odd lots of GZT Shares available for such matching. GZI Qualifying Shareholders may also make their own arrangements to top-up or sell their holdings of odd lots of GZT Shares (if any) at their own expense.

OTHER INFORMATION IN RELATION TO EXCLUDED SHAREHOLDERS

The information in this Offer Document has been prepared on the basis that all offers of Offer Shares will be made pursuant to an exemption under the Directive 2003/71/EC (“Prospectus Directive”), as implemented in Member States of the European Economic Area (“EEA”), from the requirement to produce a prospectus for offers of securities. Accordingly any person making or intending to make any offer within the EEA of Offer Shares should only do so in circumstances in which no obligation arises for GZI to produce a prospectus for such offer or distribution. GZI has not authorised, nor does it authorise the making of any offer of Offer Shares through any financial intermediary, other than offers and distributions made by GZI which constitute the final placement of Offer Shares contemplated in the information in this Offer Document. Accordingly, the Offer Shares may not be, and will not be, offered or sold in the EEA by means of this Offer Document, any accompanying letter or any other document, except to persons which are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive, including (a) legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; (b) any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or otherwise; (c) to fewer than 100 natural or legal persons per EEA

THE SHARE OFFER

State (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive); or (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Offer Shares shall result in a requirement for the publication by GZI of a prospectus pursuant to Article 3 of the Prospectus Directive.

In addition, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (“FSMA”) of the United Kingdom) received in connection with the issue or sale of the Offer Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to GZI. This Offer Document is being distributed only to, and is directed at: (a) persons to whom Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 applies or (b) persons to whom it may be lawfully communicated (together “relevant persons”). Any investment to which this Offer Document relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Offer Document or any of its contents.

CORPORATE INFORMATION

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 GZI); 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; and financial, stock broking and insurance services.

GZI

GZI 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, GZI 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 Guangdong Province (through GZT, a subsidiary of GZI whose shares are also listed on the Stock Exchange).

GZI 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 Record Date, GZI had an issued share capital of HK\$713,568,191.4 divided into 7,135,681,914 GZI Shares. Of such shares, 3,346,735,248 GZI Shares, which represent approximately 46.90% of GZI's issued share capital as at the Latest Practicable Date, were 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 Guangdong Province.

USE OF PROCEEDS

USE OF PROCEEDS

GZI expects to use all the anticipated cash proceeds (after the Cash Payments and subject to relevant expenses) to be received by GZI from the sale of the Offer Shares for the acquisition and development of real estate projects in the PRC and working capital purposes.

The cash proceeds (after taking into account the Cash Payments and subject to relevant expenses) to be received by GZI from the sale of the Offer Shares is expected to be approximately HK\$1,631 million.

To the extent that the proceeds of the Share Offer are not immediately applied for the acquisition and development of real estate projects in the PRC and working capital purposes, GZI intends to deposit the proceeds in interest-bearing bank accounts, such as short-term savings accounts or basic short-term money market funds, with licenced commercial banks and/or authorised financial institutions.

UNDERWRITING AGREEMENT AND ARRANGEMENTS

TERMS AND CONDITIONS

GZI and Yue Xiu entered into the Underwriting Agreement, the principal terms and conditions of which are summarized below:

Underwriter	:	Yue Xiu, the controlling shareholder of GZI
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 GZI 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. GZI 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 provided by GZI 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 GZI in relation to, among other matters, the Share Offer to all the GZI Shareholders;
- (b) obtaining the approval of the GZI Independent Shareholders for the Share Offer by way of poll at the GZI extraordinary general meeting;
- (c) the registration with the Registrar of Companies in Hong Kong of one copy of each of the Offer Documents to be issued by GZI duly signed by two GZI Directors (or by their agents duly authorised in writing) as having been approved by resolution of the GZI directors (and all other documents required to be attached thereto (if any) in compliance with the Companies Ordinance) not later than the Offer Document Posting Date;

UNDERWRITING AGREEMENT AND ARRANGEMENTS

- (d) despatch of the Offer Documents to the GZI Qualifying Shareholders and despatch of a copy of the Offer Document stamped “For Information Only” to the GZI Excluded Shareholders (other than to those GZI Excluded Shareholders in relation to whom the GZI Directors consider that the exclusion 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 Offer Document Posting Date;
- (e) GZI having received written consent from the relevant banks in respect of the Reorganisation;
- (f) compliance with and performance of all undertakings and obligations of GZI under clause 3 of the Underwriting Agreement; and
- (g) compliance with and performance of all the undertakings and obligations of Yue Xiu under clause 4 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 GZI), none of the above conditions precedent can be waived by GZI or Yue Xiu.

Yue Xiu has informed the GZI Board that it has obtained bank loans to finance its underwriting obligations under the Underwriting Agreement. The GZI Board also confirms that as at the Offer Document Posting Date, all of the conditions precedent set out above have been satisfied.

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 GZI at any time prior to 8:00 a.m. on the Offer Document Posting Date, if one or more the following 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 GZI 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 any other party 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.

As at the Offer Document Posting Date, Yue Xiu has not terminated the Underwriting Agreement in accordance with the terms thereof.

HOW TO APPLY FOR THE OFFER SHARES

An Application Form is enclosed with this Offer Document which entitles the GZI Qualifying Shareholders to apply for up to the number of Offer Shares as specified in the Application Form. GZI Qualifying Shareholders should note that they may apply for any number of Offer Shares up to the number set out in the Application Form. If you are a GZI Qualifying Shareholder and you wish to apply for any number of Offer Shares in your entitlement to purchase the Offer Shares as specified in the enclosed Application Form, you **MUST** complete, sign and lodge the Application Form in accordance with the instructions printed therein, together with the remittance for the aggregate Offer Price and the buyer's ad valorem stamp duty payable by you in respect of such number of Offer Shares you have applied for, with the share registrar of GZI, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong by no later than **4:00 p.m. on 7 December 2009**. All remittances must be made in Hong Kong dollars and by way of cheques drawn on a bank account maintained with, or a cashier's orders issued by, a licensed bank in Hong Kong and made payable to "Guangzhou Investment Company Limited — Share Offer Account" and crossed "Account Payee Only". No application of Offer Shares can be made by any person who is a GZI Excluded Shareholder.

A GZI Qualifying Shareholder shall pay the buyer's ad valorem stamp duty at a rate of 0.1% of the aggregate Offer Price payable for the Offer Shares (up to his/her/its entitlement) applied for by such GZI Qualifying Shareholder. The total amount payable (including the buyer's ad valorem stamp duty) by a GZI Qualifying Shareholder for any number of Offer Shares (up to his/her/its entitlement) that he/she/it has applied for shall be calculated in accordance with the formula below:

$$\begin{array}{l} \text{The aggregate} \\ \text{amount of} \\ \text{remittance} \\ \text{payable} \end{array} = \begin{array}{l} \text{Number of Offer} \\ \text{Shares actually} \\ \text{applied for by you} \end{array} \times \text{HK\$3.00} \times 1.001 \quad \text{(ROUND UP to the} \\ \text{nearest dollar)}$$

For illustration, if a GZI Qualifying Shareholder wishes to apply for 173 Offer Shares under his/her/its entitlement, the total amount payable shall be $173 \times \text{HK\$3} \times 1.001 = \text{HK\$519.519}$ and rounded up to the nearest dollar, i.e., **HK\$520**.

It is the responsibility of each of the GZI Qualifying Shareholders who wishes to apply for any number of Offer Shares (up to his/her/its entitlement) pursuant to the Share Offer to ensure that the amount of remittance to be made by him/her/it in connection with the application is equal to the exact aggregate sum of the aforementioned two components. Any application in respect of which a lesser amount of remittance is made is liable to be rejected. In the event that a GZI Qualifying Shareholder makes a remittance in excess of the total amount payable by him/her/it for the Offer Shares that he/she/it has applied for, no refund of the excess amount will be made by GZI unless such excess amount is HK\$50.00 or more. The refund of such excess amount (if any) will be made to the relevant applicants or, in the case of joint applicants, to the first-named applicant, without interest, by sending cheque(s) made out to such applicant(s) and crossed "Account Payee Only" through ordinary post to the respective address specified in the register of members of GZI, at his/her/its own risk.

HOW TO APPLY FOR THE OFFER SHARES

It is strongly recommended that if you are in any doubt as to the exact amount payable in relation to the Offer Shares you have applied for, you should consult immediately the share registrar of GZI, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong in person or at its hotline (at 852-2980 1333) during normal business hours from 9:00 a.m. on Monday, 30 November 2009 to 4:00 p.m. on Monday, 7 December 2009 or visit the Company's website at <http://www.gzinvestment.com.hk>.

The Application Form contains information in relation to the procedures to be followed if a GZI Qualifying Shareholder wishes to apply for a number of Offer Shares up to his/her/its entitlement. GZI Qualifying Shareholders should read the whole Offer Document and all relevant information relating to GZI as disclosed on the website of the Stock Exchange or otherwise available in the public domain before they decide to invest in the Offer Shares. Any unsold Offer Shares resulting from the rounding arrangement together with other Offer Shares not taken up by the GZI Qualifying Shareholders will be purchased by Yue Xiu pursuant to the terms and conditions of the Underwriting Agreement.

It should be noted that unless a GZI Qualifying Shareholder has lodged the duly completed and signed Application Form, together with the appropriate remittance, with the share registrar of GZI, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong by not later than 4:00 p.m. on 7 December 2009, the entitlements of that GZI Qualifying Shareholder under the Share Offer and all rights thereunder will be deemed to have been declined and be cancelled.

All cheques or cashier's orders will be presented for payment immediately following receipt and all interests earned on such monies (if any) will be retained for the benefit of GZI. Any application in respect of which the cheque or cashier's order is dishonoured on the first presentation is liable to be rejected, and in that event the entitlement of the GZI Qualifying Shareholder who has tendered such cheque or cashier's order and all rights thereunder will be deemed to have been declined and will be cancelled.

The Application Form is for the use by the person(s) named therein only and is not transferable. No receipt will be issued in respect of any application monies received.

APPENDIX I — STATUTORY AND GENERAL INFORMATION

1. RESPONSIBILITY STATEMENT

The GZI Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Offer Document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. PARTIES INVOLVED IN THE SHARE OFFER AND CORPORATE INFORMATION

GZI, vendor of the GZT Shares	26th Floor, Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong
Financial adviser to GZI	Standard Chartered Bank (Hong Kong) Limited 32nd Floor Standard Chartered Bank Building 4-4A Des Voeux Road Central Hong Kong
Underwriter	Yue Xiu Enterprises (Holdings) Limited 26th Floor, Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong
Legal advisers to GZI	Baker & McKenzie 23rd Floor, One Pacific Place 88 Queensway Hong Kong

3. LEGAL EFFECT

The Offer Document, the accompanying Application Form, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance of the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant documents(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Section 44A of the Companies Ordinance, so far as applicable.

4. EXPENSES

The expenses in connection with the Share Offer, including all the relevant transactions costs are estimated to amount to approximately HK\$30,000,000 and will be payable by GZI.

APPENDIX I — STATUTORY AND GENERAL INFORMATION

5. DOCUMENTS REGISTERED BY THE REGISTRAR OF COMPANIES

The documents attached to the copy of this Offer Document delivered to the Registrar of Companies for registration include:

- (a) a copy of the Application Form; and
- (b) a statement as to the name, description and address of GZI as the vendor of the Offer Shares.

6. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the statement as to the name, description and address of GZI as the vendor of the Offer Shares will be available for inspection during normal business hours (Saturdays and public holidays excepted) at the registered office of GZI in Hong Kong at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong from the date of this Offer Document up to and including 14 December 2009.

7. WAIVER FROM STRICT COMPLIANCE WITH THE COMPANIES ORDINANCE

Section 342C(3) of the Companies Ordinance requires the Offer Document to be certified by 2 members of the GZT Board, being the company incorporated outside Hong Kong and whose shares are being offered for purchase pursuant to the Share Offer (“**Certification Requirement**”). GZI has applied to the Securities and Futures Commission for a certificate of exemption from strict compliance with the Certification Requirement in relation to the Offer Document on the basis that strict compliance with the Certification Requirement would be inappropriate given that (among other factors) the Share Offer represents a transaction between GZI and its shareholders and the Offer Document does not contain any specific information relating to GZT (except for certain references to GZT in the Offer Document in the context of the Reorganisation and the Share Offer and statements to the effect that public information relating to GZT is available on the website of the Stock Exchange (“**Basic Information**”)).

The Securities and Futures Commission has granted the certificate of exemption under section 342A of the Companies Ordinance on the conditions that:

- (a) other than the Basic Information, the Offer Document will not contain any information that relates specifically to GZT;
- (b) shareholders of GZI will be prominently advised in the Offer Document to review all information relating to GZT that is available in the public domain (including information disclosed on the website of the Stock Exchange) in deciding whether or not to invest in the Offer Shares;
- (c) the Offer Document will be certified by 2 members of the GZI Board or by their agents authorized in writing as having been approved by resolution of the GZI Board; and

APPENDIX I — STATUTORY AND GENERAL INFORMATION

- (d) the particulars of this exemption are set out in the Offer Document, which is expected to be issued on or before 30 November 2009.

8. MISCELLANEOUS

The English texts of this Offer Document and the accompanying Application Form shall prevail over their respective Chinese texts.