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越 秀 交 通 有 限 公 司

GZI Transport Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 1052)

ANNOUNCEMENT

At the request of the Stock Exchange, the Company makes this announcement to inform the Shareholders and potential investors that to the best of the knowledge and belief of the Directors and based on the information set out in the Disclosure of Interest Forms filed pursuant to Part XV of the SFO available to the Company, the public float of the Company as at the date of this announcement is approximately 16.91% of the Company's total issued share capital, which is below 25% as required by Rule 8.08 and Rule 13.32(1) of the Listing Rules.

The Company is considering various ways to ensure the minimum percentage of public float be maintained in compliance with the relevant Listing Rules at the earliest possible moment. **Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

At the request of the Stock Exchange of Hong Kong Limited ("Stock Exchange"), GZI Transport Limited ("Company") makes this announcement to inform shareholders of the Company ("Shareholders") and potential investors that based on the information set out in the Disclosure of Interest Forms ("Form 2s") filed by Value Partners Limited ("Value Partners") and Mr. Cheah Cheng Hye pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") in November 2006, Value Partners and Mr. Cheah Cheng Hye have increased their shareholding interest ("Shareholding Increase") in the Company to 140,976,000 shares of the Company ("Shares"), representing approximately 12.63% of the entire issued share capital in the Company. To the best of the knowledge and belief of the directors of the Company ("Directors") and based on the

information set out in the Form 2s, the current shareholding structure of the Company as of 26 February 2007 is set out below:

Name of Substantial Shareholders	Number of Shares Held	Percentage of Shareholding Interest
Yue Xiu Enterprises (Holdings) Limited (“Yue Xiu”) (note 1)	785,932,076	70.46%
Guangzhou Investment Company Limited (“GZI”) (note 2)	750,134,000	67.25%
Value Partners	140,976,000	12.63%
Cheah Cheng Hye (note 3)	140,976,000	12.63%
Other public shareholders	<u>188,533,454</u>	<u>16.91%</u>
Total	<u>1,115,441,530</u>	<u>100%</u>

Notes:

1. Yue Xiu has a direct holding of 5,769 Shares and is deemed by the SFO to be interested in 785,926,307 Shares as a result of its indirect holding of such shares through its subsidiaries and associates, including GZI.
2. GZI has a direct holding of 134,000 Shares and is deemed by the SFO to be interested in 750,000,000 Shares as a result of its indirect holding of such shares through its subsidiaries.
3. Mr. Cheah Cheng Hye is deemed by the SFO to be interested in 140,976,000 Shares as a result of his indirect holding of such shares through his controlled corporation, Value Partners.

GZI, the controlling shareholder of the Company, together with its controlling shareholder, Yue Xiu, and its associates, currently hold 785,932,076 Shares. As far as the Company is aware, Value Partners together with its associates, including Mr. Cheah Cheng Hye, became or was deemed to be substantial shareholders of the Company as a result of the Shareholding Increase and they currently hold 140,976,000 Shares. The aggregate shareholding interest of the GZI group and Value Partners and its associates, including Mr. Cheah Cheng Hye, in the Company is approximately 83.09%, thereby resulting in a public float of approximately 16.91% which is below 25% of the Company’s total issued share capital as required under Rule 8.08 and Rule 13.32(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The Company is considering various ways to ensure the minimum percentage of public float be maintained in compliance with the relevant Listing Rules at the earliest possible moment. Further announcement will be made on restoration of the public float as and when appropriate. **Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

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

Executive Directors: OU Bingchang (Chairman), LI Xinmin, LI Zhuo, LIANG Ningguang, LIANG Yi, DU Xinrang, HE Zili, ZHANG Siyuan, TAN Yuande, HE Baiqing and ZHANG Huping

Non- executive
Director: POON Jing

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

By order of the Board
Ou Bingchang
Chairman

Hong Kong, 28 February 2007