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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)



越秀交通有限公司
GZI Transport Limited

(Incorporated in Bermuda with limited liability)
(Stock code: 1052)

JOINT ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09 and Rule 13.18 of the Listing Rules.

This announcement is made pursuant to the disclosure requirements under Rule 13.09 and Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The boards of directors of Guangzhou Investment Company Limited (“GZI”) and its subsidiary, GZI Transport Limited (“GZI”), make the following disclosure pursuant to Rule 13.09 and Rule 13.18 of the Listing Rules.

Reference is made to the circular dated 18 December 2006 despatched by each of GZI and GZI (together, the “Circulars”) in relation to the acquisition of an additional 20% interest in GNSR Expressway Co., Ltd. (“Acquisition”) by Bentfield Limited, a wholly-owned subsidiary of GZI. Terms defined in the Circulars shall have the same meanings when used herein unless the context requires otherwise.

As disclosed in the Circulars, on 20 November 2006, Bentfield had entered into the Equity Transfer Agreement with Guangzhou Development Infrastructure to acquire an additional 20% interest in GNSR Expressway Co., Ltd. at the Consideration of RMB666,200,000 (i.e., approximately HK\$659,603,960 (amounts in RMB are converted to HK\$ at a conversion rate of HK\$1.00 = RMB1.01 in the Circulars)). Bentfield had remitted the deposit in the amount of HK\$132,580,000 (i.e. approximately RMB133,905,800) in full to Guangzhou Development Infrastructure on the same day. The balance of the Consideration would be payable within five days of attaining the relevant authority’s approval of the equity transfer. The GZI Group intended that such balance would be funded by way of external loan financing and had obtained a letter of intent dated 7 November 2006 from one of its principal banks for granting the loan.

The boards of directors of GZI and GZI are pleased to announce that on 9 March 2007, GZI and Bank of China (Hong Kong) Limited (“Lender”) entered into a loan agreement (“Loan Agreement”) for a term loan facility of up to HK\$400 million (approximately RMB396.5 million (amounts in RMB are converted to HK\$ at a conversion rate of HK\$1.00 = RMB0.99124)) made available by the Lender to GZI for a term of 60 months from 9 March 2007 and subject to and in accordance with the terms and conditions contained in the Loan Agreement to partially fund the balance of the Consideration. The remaining balance of the Consideration of approximately RMB135.8 million (approximately HK\$137.0 million) will be funded by the GZI Group’s internal resources.

Under the Loan Agreement, GZT have undertaken with the Lender to procure Yue Xiu Enterprises (Holdings) Limited (“Yue Xiu”) and GZI, the controlling shareholders of GZT who together beneficially own an aggregate of about 70.5% of the issued share capital of GZT, to maintaining, throughout the continuance of the Facility and so long as any sum remains owing, (i) their status as the single largest beneficial shareholder of GZT, (ii) (whether together directly or indirectly) a shareholding interest of not less than 35% in the issued voting share capital of GZT and (iii) an effective management control over GZT (“Undertaking”). Breach of the Undertaking will constitute an event of default under the Loan Agreement. It is also an event of default if Yue Xiu ceases to be wholly owned, directly or indirectly, by Guangzhou Municipal People’s Government without the prior written consent of the Lender. Upon the occurrence of an event of default, all amounts outstanding and owing under the Facility will become immediately repayable by GZT, failing which, such event of default may also trigger cross default under other loan facilities which are available to GZI and/or its subsidiaries.

By order of the board of
Guangzhou Investment Company Limited
OU Bingchang
Chairman

By order of the board of
GZI Transport Limited
OU Bingchang
Chairman

Hong Kong, 9 March 2007

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

Executive Directors: OU Bingchang (Chairman), LIANG Yi, LI Fei, TANG Shouchun, WANG Hongtao, LI Xinmin and HE Zili

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

As at the date of this announcement, the board of GZT 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 and CHEUNG Doi Shu