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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)

**ANNOUNCEMENT
PURSUANT TO RULE 13.18 OF THE LISTING RULES**

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

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

The board of directors of Guangzhou Investment Company Limited (the “Company”) makes the following disclosures pursuant to Rule 13.18 of the Listing Rules.

Reference is made to the Company’s announcement dated 10th September 2001 made in compliance with previous Practice Note 19 of the Listing Rules in relation to the loan agreement dated 5th September 2001 (“Loan Agreement”) entered into between the Company and two banks in Hong Kong (“Lenders”) whereby a loan facility in the aggregate principal amount of US\$25,000,000 (“Facility”) is made available by the Lenders to the Company for a term of three years from 7th September 2001 and subject to and in accordance with the terms and conditions therein contained. Pursuant to an agreement supplemental to the Loan Agreement (“Supplemental Agreement”) dated 7th September 2004 entered into between the Company and the Lenders, the final maturity date of the outstanding principal amount of the Facility (i.e. US\$15,000,000) shall be extended to 7th September 2005 and subject to and on terms and conditions set out therein. Yue Xiu Enterprises (Holdings) Limited (“Yue Xiu”), the controlling shareholder of the Company who beneficially owns an aggregate of about 51 per cent of the issued share capital of the Company, has undertaken with the Lenders that throughout the continuance of the Facility and so long as any sum remains owing, Yue Xiu will maintain at least 40 per cent of the issued share capital of the Company (“Undertaking”). Breach of the Undertaking will constitute an event of default under the Loan Agreement. Upon the occurrence of such event of default, all amounts outstanding and owing under the Facility will become immediately repayable by the Company, failing which, such event of default may also trigger cross default under other loan facilities which are available to the Company and/or its subsidiaries.

By order of the Board
Ou Bingchang
Chairman

Hong Kong, 7th September 2004

As at the date of this announcement, the Board of the Company comprises Messrs. Ou Bingchang, Chen Guangsong, Li Fei, Liang Ningguang, Xiao Boyan, Liang Yi, Wong Chi Keung, Yu Lup Fat Joseph and Lee Ka Lun.

Please also refer to the published version of this announcement in The Standard.