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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)

## **DISCLOSURE PURSUANT TO RULES 13.13 AND 13.16 OF THE LISTING RULES**

As at 30th June 2004, the Group had advanced loan to an entity, which exceeded 8.0 per cent of the Market Capitalisation. Details of such loan are required to be disclosed under Rule 13.13 of the Listing Rules.

In addition, as at 30th June 2004, the Group had provided financial assistance to the affiliated companies of the Company in aggregate exceeding 8.0 per cent of the Market Capitalisation. Such financial assistance is required to be disclosed under Rule 13.16 of the Listing Rules.

To comply with Rules 13.13 and 13.16 of the amended Listing Rules, the Group had studied its potential disclosure obligation status and obtained a view that, as at 31st March 2004, the advances to an entity and financial assistance to affiliated companies standing in the books and records of the Group had exceeded 8.0 per cent. In view of obtaining accurate and updated figures for disclosure purpose, the Group approached the relevant entity / affiliated companies seeking an effort to reconcile the amount of the advances and financial assistance as at 31st March 2004. Furthermore, since all the relevant entity / affiliated companies are Sino-foreign joint ventures, the Group also sought the assistance and accompaniment of the relevant entity / affiliated companies to seek the confirmation of balances from the State Administration for Exchange Control of the PRC (“SAEC”). Notwithstanding the aforementioned actions initiated by the Group well before the amended rules became effective on 31st March 2004, verified and confirmed balances of the advances and financial assistance as at 31st March 2004 were unable to obtain as certain relevant entity / affiliated companies were reluctant to incur extra works and that SAEC normally required some time to perform the confirmation work. The verification and confirmation process could only be accomplished during the normal practice in preparing the Company’s half year results and the balances of the advances and financial assistance as at 30th June 2004 are therefore used for the disclosure purpose under Rules 13.13 and 13.16.

## ADVANCE TO AN ENTITY

Details of the advance made by the Group to the following entity as at 30th June 2004, which exceeded 8.0 per cent of the Market Capitalisation, and are required to be disclosed under Rule 13.13 of the Listing Rules are as follows:

| Name of the Entity               | Percentage of indirect attributable interest held by the Company | Advance as at 30th June 2004<br>(Note 1) |                                             | Interest rate | Total<br>(A + B)<br>HK\$ million |
|----------------------------------|------------------------------------------------------------------|------------------------------------------|---------------------------------------------|---------------|----------------------------------|
|                                  |                                                                  | Interest bearing<br>(A)<br>HK\$ million  | Non-interest bearing<br>(B)<br>HK\$ million |               |                                  |
| Guangdong Humen Bridge Co., Ltd. | 8.59                                                             | 570.3                                    | —                                           | (Note 2)      | 570.3                            |

## FINANCIAL ASSISTANCE TO AFFILIATED COMPANIES

Details of the financial assistance provided by the Group to the affiliated companies of the Company as at 30th June 2004, which in aggregate exceeded 8.0 per cent of the Market Capitalisation and are required to be disclosed under Rule 13.16 of the Listing Rules are as follows:

| Name of affiliated companies                       | Percentage of indirect attributable interest held by the Company | Advances as at 30th June 2004<br>(Note 1) |                                             | Interest rate | Total<br>(A + B)<br>HK\$ million |
|----------------------------------------------------|------------------------------------------------------------------|-------------------------------------------|---------------------------------------------|---------------|----------------------------------|
|                                                    |                                                                  | Interest bearing<br>(A)<br>HK\$ million   | Non-interest bearing<br>(B)<br>HK\$ million |               |                                  |
| Guangdong Humen Bridge Co., Ltd.                   | 8.59                                                             | 570.3                                     | —                                           | (Note 2)      | 570.3                            |
| Guangdong Qinglian Highway Development Co., Ltd.   | 8.10                                                             | —                                         | 219.0                                       | —             | 219.0                            |
| Guangdong Shantou Bay Bridge Co., Ltd.             | 10.30                                                            | 60.3                                      | —                                           | (Note 3)      | 60.3                             |
| Hainan China City Property Development Co. Ltd.    | 31.20                                                            | —                                         | 48.3                                        | —             | 48.3                             |
| Guangdong Xinshidai Real Estate Ltd.               | 45.00                                                            | —                                         | 10.1                                        | —             | 10.1                             |
| Guangzhou Charkwang Real Estate Co., Ltd.          | 65.00                                                            | —                                         | 2.1                                         | —             | 2.1                              |
| Zhoushan Xinyuan Real Estate Development Co., Ltd. | 38.00                                                            | —                                         | 2.6                                         | —             | 2.6                              |
| Total (Note 4)                                     |                                                                  | <u>630.6</u>                              | <u>282.10</u>                               |               | <u>912.70</u>                    |

*Notes:*

- (1) The advances were shareholders' loans representing part of the investment costs injected by the Group in proportion to the Group's equity interest in such entity and affiliated companies. These advances are unsecured and have no fixed term of repayment. There were no committed capital injections nor guarantees given to or for the above entity and affiliated companies.
- (2) Of these interest-bearing advances, approximately HK\$455.5 million was charged at US prime rate; approximately HK\$114.7 million was charged at lending rates of financial institutions in China; and the remaining balance was charged at Hong Kong prime rate.
- (3) Of these interest-bearing advances, approximately HK\$26.0 million was charged at Hong Kong prime rate; and approximately HK\$34.3 million was charged at lending rates of financial institutions in China.
- (4) The total amount of financial assistance provided by the Group to the affiliated companies of the Company exceeded 8 per cent of the Market Capitalisation .
- (5) The Company will include the information of the above advance to an entity and financial assistance to affiliated companies in subsequent interim and annual reports in accordance with the continuing disclosure requirements under Rules 13.20 and 13.22 of the Listing Rules.
- (6) Save for the disclosures in this announcement, no other obligations arise under Rules 13.13 to 13.19 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

|                         |                                                                                                                                                                                                                                                                                                                 |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “China”                 | means the People's Republic of China                                                                                                                                                                                                                                                                            |
| “Company”               | means Guangzhou Investment Company Limited ( 越秀投资有限公司 ), a company incorporated in Hong Kong with limited liability and the shares of which are listed on The Stock Exchange of Hong Kong Limited and Singapore Exchange Securities Trading Limited                                                             |
| “Group”                 | means the Company and its subsidiaries                                                                                                                                                                                                                                                                          |
| “Listing Rules”         | means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                  |
| “Market Capitalisation” | means the market capitalisation of the Company as at 30th June 2004 amounting to HK\$4,058,985,881 based on the total number of 6,322,407,914 shares of the Company in issue on 30th June 2004 and average closing price of HK\$0.642 per share for the five business days immediately preceding 30th June 2004 |

By order of the Board  
**Ou Bingchang**  
*Chairman*

Hong Kong, 16th September 2004

As at the date of this announcement, the board of directors 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.