
THIS LETTER AND THE ENCLOSED DOCUMENT ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action to take in relation to this letter and the enclosed Form of Election, you are recommended to consult immediately appropriate independent advisers to obtain independent professional advice.

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No Shareholder (as defined below) receiving a copy of this letter and/or a Form of Election in any territory outside Hong Kong may treat the same as an invitation to elect GZT Shares (as defined below) unless in the relevant territory such invitation could lawfully be made to him/her/it without the Company (as defined below) having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to elect to receive the GZT Shares or a Cash Payment (as defined below) under the GZT Share Distribution (as defined below) to satisfy himself/herself/itself, before so electing, as to the 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 territory in connection therewith.



越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 123)

Executive Directors:

Mr. LU Zhifeng (*Chairman*)
Mr. ZHANG Zhaoxing
Mr. LIANG Yi
Mr. TANG Shouchun
Mr. WANG Hongtao
Ms. ZHOU Jin

Registered office:

26th Floor, Yue Xiu Building
160 Lockhart Road
Wanchai
Hong Kong

Independent Non-executive Directors:

Mr. YU Lup Fat Joseph
Mr. LEE Ka Lun
Mr. LAU Hon Chuen Ambrose

24 November 2009

To: Qualifying Shareholder(s) (as defined below)

Dear Sir or Madam,

GZT SHARE DISTRIBUTION

1. INTRODUCTION

Reorganisation

On 20 October 2009, the board (“**Board**”) of directors (“**Directors**”) of Guangzhou Investment Company Limited (“**Company**”) announced that the Company proposes to streamline the businesses of the Company and its subsidiaries in order to focus on the property business. The Company proposes

to effect the streamlining by way of the reorganisation (“**Reorganisation**”), which involves, among other steps, the GZT Share Distribution (defined below) and the offer for sale by the Company of all of the GZT Shares (defined below) held by the Company immediately following completion of the Inter-Company Distribution and Transfer (as defined in the circular of the Company dated 10 November 2009) and the GZT Share Distribution to the Qualifying Shareholders (defined below) (“**Share Offer**”), details of which are set out in the circular of the Company dated 10 November 2009.

GZT Share Distribution

On 16 October 2009, the Board conditionally declared a special dividend of approximately HK\$642 million. The Directors propose to distribute, by way of distribution in specie of the ordinary shares in GZI Transport Limited (“**GZT Shares**”) held by the Company, to the qualifying shareholders (“**Qualifying Shareholders**”) whose names appear on the register of members (other than the Excluded Shareholders as defined below) of the Company at the close of business on 23 November 2009 (“**Record Date**”). Pursuant to the distribution in specie of GZT Shares to the Qualifying Shareholders (“**GZT Share Distribution**”), the Company will distribute GZT Shares to the Qualifying Shareholders on the basis of **60 GZT Shares for every 2,000 shares in the Company** (“**Shares**”) held at the close of business on the Record Date. The Qualifying Shareholders may elect to receive the Cash Payments (as defined below) in lieu of the GZT Shares proposed to be distributed to him/her/it pursuant to the GZT Share Distribution. The GZT Share Distribution is conditional upon the fulfillment of the conditions set out in paragraph headed “Conditions of the GZT Share Distribution” below, and is intended to be carried out at about the same time as the Share Offer.

The number of GZT Shares distributable pursuant to the GZT Share Distribution will be approximately 214 million GZT Shares, which represent approximately 12.8% of GZT’s issued share capital as at the Record Date. Such GZT Shares will be distributed based on the share price of HK\$3.00 per GZT Share and the total amount of the special dividend declared for the GZT Share Distribution will be approximately HK\$642 million.

Qualifying Shareholders

To qualify for the GZT Share Distribution, a shareholder of the Company (“**Shareholder**”) must:

- (a) be registered as a member of the Company on the register of members of the Company; and
- (b) not be an Excluded Shareholder,

at the close of business on the Record Date.

Excluded Shareholders

The GZT Share Distribution is not made available to Shareholders with registered address on the register of members of the Company outside Hong Kong (“**Overseas Shareholders**”) in relation to whom the Directors, after reasonable enquiries, consider that the exclusion of such Overseas Shareholders 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 (“**Excluded Shareholders**”). For Excluded Shareholders, who will not be transferred GZT Shares pursuant to the GZT Share Distribution, the GZT Shares which such Excluded Shareholders would otherwise have been entitled to receive will be allocated to the Share Offer for offer to the Qualifying

Shareholders. The proceeds of the sale of such GZT Shares will be used to fund Cash Payments (as defined below) to the Excluded Shareholders on the basis of the number of GZT Shares which the relevant Excluded Shareholders would otherwise have been entitled to receive under the GZT Share Distribution and the Offer Price.

As at the Record Date, the Company had 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 the Company as at the Record Date. The Board has made enquiries with its lawyers regarding the feasibility of distributing GZT Shares to these Overseas Shareholders pursuant to the GZT Share Distribution. Based on the advice provided by the relevant lawyers, distribution of GZT Shares can be made to the Overseas Shareholders with registered addresses in Australia, Spain, United Kingdom and Macau as there are no onerous restrictions against, or there is (are) relevant exemption(s) available in relation to, the distribution of GZT Shares to the Shareholders in these jurisdictions. However, distribution of GZT Shares in Canada, the PRC and the United States of America would, or might, in the absence of compliance with registration or other special requirements or formalities, be unlawful or impracticable. As such, the Board is of the view that it is inexpedient for the distribution of GZT Shares to be made to the Overseas Shareholders in Canada, the PRC and the United States of America and such Overseas Shareholders will be regarded as Excluded Shareholders in relation to the GZT Share Distribution.

Cash Alternative

To allow each of the Qualifying Shareholders (other than Yue Xiu Enterprises (Holdings) Limited (“**Yue Xiu**”)) to have 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 (“**Cash Payment**”) in the alternative, it is proposed that each of them will be given a cash alternative. **Each such Qualifying Shareholder may only choose to receive the cash alternative in respect of the whole of (but not part) (save in the case of HKSCC Nominees Limited, which may exercise the cash alternative in respect of the whole or part of) his/her/its GZT Shares proposed to be distributed to him/her/it pursuant to the GZT Share Distribution in consideration of a Cash Payment.** A form of election (“**Form of Election**”) in respect of the election to receive the Cash Payment or GZT Shares pursuant to the GZT Share Distribution is enclosed.

For illustration purpose, if a Qualifying Shareholder holds 2,000 GZI Shares, he/she/it will be entitled to receive:

- (a) 60 GZT Shares; or
- (b) HK\$180 if he/she/it elects the Cash Alternative,

pursuant to the GZT Share Distribution.

Undistributed GZT Shares resulting from the election of Cash Payments to be allocated to the Share Offer

The aggregate number of GZT Shares allocated for distribution which are not taken by the Qualifying Shareholders (other than Yue Xiu) pursuant to the GZT Share Distribution resulting from the election or deemed election of Cash Payments by the relevant Qualifying Shareholders will be allocated to the Share Offer for offer to the Qualifying Shareholders in the manner described in the circular of the Company dated 10 November 2009.

2. DETAILS OF THE CHOICES IN RESPECT OF THE GZT SHARE DISTRIBUTION

In connection with the GZT Share Distribution, we are pleased to enclose your personalized Form of Election. The electronic format of the circular of the Company dated 10 November 2009 is available on the Stock Exchange's website at *www.hkex.com.hk*. You are reminded to read through the circular of the Company dated 10 November 2009 before making any decisions in relation to the election.

Options available to the Qualifying Shareholders

As a Qualifying Shareholder, you have the following alternatives in respect of the GZT Share Distribution:

- (a) to receive all of the GZT Shares proposed to be distributed to you pursuant to the GZT Share Distribution; or
- (b) to receive Cash Payment ONLY in lieu of all of the GZT Shares proposed to be distributed to you pursuant to the GZT Share Distribution.

If you wish to receive GZT Shares pursuant to the GZT Share Distribution, the number of GZT Shares which you will be entitled to receive will be calculated in the following manner:

$$\text{Number of GZT Shares which you are entitled to receive} = \frac{\text{Number of Shares which you hold on the Record Date}}{2,000} \times 60$$

If you do not hold a whole multiple of 2,000 Shares, you will be entitled to receive GZT Shares on a pro-rata basis, provided that your entitlement will be rounded down to the nearest whole number of GZT Shares (i.e., no fractional GZT Share will be distributable).

If you elect to receive Cash Payment in lieu of all of the GZT Shares proposed to be distributed to you pursuant to the GZT Share Distribution, the amount of cash which you will be entitled to receive will be calculated in the following manner:

$$\text{Cash payment} = \text{Number of GZT Shares entitled to receive pursuant to the GZT Share Distribution} \times \text{HK\$3}$$

Excluded Shareholders in relation to the GZT Share Distribution will not be transferred the GZT Shares pursuant to the GZT Share Distribution but will receive Cash Payments on the basis of the number of GZT Shares which the relevant Excluded Shareholders would otherwise have been entitled to receive. Therefore, no Form of Election will be despatched to the Excluded Shareholders. **No assurance is given by the Company that by virtue of having received this letter and the Form of Election enclosed that you are a Qualifying Shareholder.**

If you are a Shareholder outside Hong Kong and you wish to elect the GZT Shares or to receive a Cash Payment, it is your responsibility to satisfy yourself, before so electing, as to the 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 territory in connection therewith. The Company reserves the right to refuse to accept a Form of Election if it believes that the election of the GZT Shares by that Shareholder would violate the applicable securities or other laws or regulations of any jurisdiction.

Electing the Cash Alternative will not preclude you from participating in the Share Offer

If you choose to elect the Cash Alternative, you will still be entitled to participate in the Share Offer and your right to accept your entitlement to the GZT Shares proposed to be offered to you pursuant to the Share Offer will not be affected. Please refer to the circular of the Company dated 10 November 2009 for more details of the Share Offer.

It is recommended that if you are in any doubt as to what to do, you should consult immediately appropriate independent advisers to obtain independent professional advice.

3. PROCEDURES FOR MAKING ELECTIONS

If you are a Qualifying Shareholder and you wish to receive all of the GZT Shares proposed to be distributed to you pursuant to the GZT Share Distribution, please complete and sign the Form of Election and return it to the share registrar of the Company, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, so as to arrive **not later than 3:00 p.m. on Friday, 27 November 2009**.

If you are a Qualifying Shareholder and you wish to receive the Cash Payment in lieu of all of the GZT Shares proposed to be distributed to you pursuant to the GZT Share Distribution, please ignore the Form of Election and take no further action.

To be valid, the Form of Election, together with the power of attorney (where applicable) or other authority under which it is signed (where applicable) or a notarially certified copy thereof, must be returned, either in person, by post or by courier, to the office of the share registrar of the Company, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, so as to arrive not later than 3:00 p.m. on Friday, 27 November 2009. No acknowledgement of receipt of the Form of Election will be issued.

If the share registrar of the Company, Tricor Abacus Limited, does not receive the Form of Election from you by the abovementioned date and time or if the Form of Election is not completed in accordance with the instructions printed herein and therein, you will be deemed to have elected to receive a Cash Payment instead of the GZT Shares proposed to be distributed to you pursuant to the GZT Share Distribution and will not receive GZT Shares pursuant to the GZT Share Distribution.

No elections in respect of the GZT Share Distribution may, after the relevant Forms of Election are signed and returned to the share registrar of the Company, Tricor Abacus Limited, be in any way withdrawn, revoked, superseded or altered. In case of any dispute, the decision of Company shall be final and conclusive.

Subject to completion of the Reorganisation:

- (a) share certificates for the GZT Shares distributed pursuant to the GZT Share Distribution; and
- (b) cheques for the Cash Payment to Qualifying Shareholders who have elected the Cash Alternative or who are deemed to have elected the Cash Alternative and to Excluded Shareholders,

will be posted to those entitled thereto by ordinary post to the address specified in their respective personalized Form of Election at their own risk at such time as set out in the offering document to be issued in connection with the Share Offer.

4. CONDITIONS OF THE GZT SHARE DISTRIBUTION

The GZT Share Distribution is conditional upon the fulfillment of the following conditions:

- (a) the Share Offer having been approved by the independent shareholders of the Company;
- (b) the underwriting agreement (“**Underwriting Agreement**”) dated 20 October 2009 entered into between the Company and Yue Xiu in relation to the Share Offer having become unconditional and Yue Xiu not having terminated the Underwriting Agreement in accordance with the terms thereof; and
- (c) the completion of the Inter-Company Distribution and Transfer (as defined in the circular of the Company dated 10 November 2009).

5. ODD LOTS MATCHING ARRANGEMENT

The GZT Shares proposed to be distributed to the Qualifying Shareholders pursuant to the GZT Share Distribution may not represent a multiple of a board lot of 2,000 GZT Shares, and in odd lots of GZT Shares may only be traded at a price below the prevailing market price of GZT Shares quoted on the Stock Exchange.

In order to alleviate the difficulties arising from the trading of odd lots of GZT Shares resulting from the GZT Share Distribution, the Company has appointed First Shanghai Securities Limited (“**First Shanghai**”) to stand in the market and provide a “matching service” to those 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. 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, 19/F, Wing On House, 71 Des Voeux Road Central, Central, Hong Kong, at its hotline (+852) 2532 1928 or at fax number (+852) 2537 0568 during the period from 11 to 31 December 2009. Qualifying Shareholders should note that the matching service will be on a “best effort” basis only and successful matching 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. 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.

Qualifying Shareholders are recommended to consult their stockbrokers, other registered dealers in securities, bank managers, solicitors, professional accountants or other professional advisers if they are in any doubt about the matching facility described above.

6. GENERAL

Should you require a replacement printed Form of Election or have any queries on the procedures for making the election under the GZT Share Distribution, you should contact the share registrar of the Company, Tricor Abacus Limited, at its hotline (at (+852) 2980 1333) during normal business hours from 9:00 a.m. on Tuesday, 24 November 2009 to 3:00 p.m. on Friday, 27 November 2009. You should note, however, that the share registrar of the Company cannot and will not advise on the merits of the GZT Share Distribution or on how you should make the election.

Yours faithfully,
For and on behalf of
Guangzhou Investment Company Limited
Mr. Yu Tat Fung
Company Secretary