

GUANGZHOU INVESTMENT COMPANY LIMITED

香港灣仔駱克道160號越秀大廈26樓
26/F., Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong
Tel. : (852) 2511 6671 Fax : (852) 2598 7688

Securities and Exchange Commission
Division of Corporate Finance
450 Fifth Street, N.W.
Washington, D.C. 20549
U.S.A.



Date: May 15, 2006

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2006 MAY 19 P 1:44
OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Attn: Special Counsel / Office of International Corporate Finance

Dear Sirs,

BEST AVAILABLE COPY

RE: GUANGZHOU INVESTMENT COMPANY LIMITED
RULE 12g3-2(b) EXEMPTION
FILE NO. 82-4247

SUPPL

In connection with the above-referenced exemption, we hereby furnish to you in accordance with paragraph (b)(1)(i) of Rule 12g3-2 one (1) copy each of the documents referred to in Annex A hereto. The documents listed in Annex A constitute all of the information that the Company has made public, filed or distributed since March 29, 2005.

If you have any questions regarding any of the foregoing, please do not hesitate to contact the undersigned at (852) 2593 2362.

Kindly acknowledge receipt by signing and returning the duplicate of this letter.

Very truly yours,
For and on behalf of
GUANGZHOU INVESTMENT CO. LTD.

Acknowledgement Copy
(with company chop if applicable)

PROCESSED

MAY 23 2006
THOMSON
FINANCIAL

YU Tat Fung
Company Secretary

Handwritten initials and date: 5/23

Annex A

I. Documents filed with The Stock Exchange of Hong Kong Limited ("HKSE") since March 29, 2005.

- (1) Annual Report 2004
- (2) Circular dated April 29, 2005
- (3) Proxy form for annual general meeting held on May 26, 2005
- (4) Resolutions passed on May 26, 2005
- (5) Interim Report 2005
- (6) Circular dated November 25, 2005
(Please see enclosed)
- (7) Proxy form for extraordinary general meeting held on December 10, 2005
- (8) Circular dated January 3, 2006
- (9) Annual Report 2005
- (10) Circular dated April 29, 2006
- (11) Proxy form for annual general meeting to be held on June 15, 2006
- (12) Monthly reports of movement of listed securities for the months ended:
 - (a) March 31, 2005
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 - (i) November 30, 2005
 - (j) December 31, 2005
 - (k) January 31, 2006
 - (l) February 28, 2006
 - (m) March 31, 2006
 - (n) April 30, 2006

II. Documents filed with The Hong Kong Companies Registry since March 29, 2005.

- (1) Annual Reports of 2004 and 2005 including directors' and auditors' report*
**Enclosed under I.(1) and I.(9) above*
- (2) Annual Return, Form AR1 dated May 26, 2005
- (3) Statement of particulars of subsidiaries, Form AC1 dated June 23, 2005
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 - (r) April 3, 2006
 - (s) May 3, 2006

III. Public Announcements

- (1) Announcement of 2004 results dated April 21, 2005
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- (14) Announcement of appointment of directors and change of registered office dated February 28, 2006
- (15) Announcement of 2005 results dated April 25, 2006
- (16) Notice of annual general meeting dated April 29, 2006
- (17) Announcement dated May 11, 2006



越 秀 投 資 有 限 公 司
GUANGZHOU INVESTMENT COMPANY LIMITED

香港灣仔駱克道 160 號越秀大廈 26 樓
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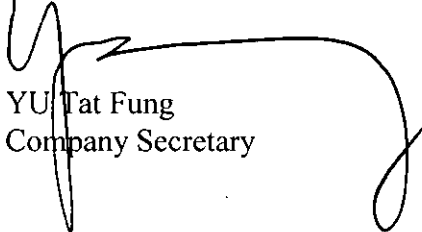
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YU Tat Fung
Company Secretary

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越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

Proxy Form for Annual General Meeting

I/We ¹ _____
of _____
being the registered holder(s) of ² _____ shares of \$0.10 each in the capital of
GUANGZHOU INVESTMENT COMPANY LIMITED ("Company") hereby appoint³ the Chairman of the meeting
or _____
of _____
as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting ("Meeting") of the
Company to be held on 26th May 2005 at 10:00 a.m. and at any adjournment thereof on the undermentioned resolutions
as indicated.

		FOR ⁴	AGAINST ⁴
1.	To adopt the audited accounts for the year ended 31st December 2004 and the reports of the directors and auditors thereon		
2.	To declare a final dividend		
3.	(i) To re-elect Mr Xiao Boyan as director		
	(ii) To re-elect Mr Yu Lup Fat Joseph as director		
	(iii) To re-elect Mr Lee Ka Lun as director		
	(iv) To re-elect Mr Lau Hon Chuen Ambrose as director		
	(v) To authorise the board to fix directors' remuneration		
4.	To re-appoint PricewaterhouseCoopers as auditors of the Company and to authorise the board to fix their remuneration		
5.	A. To give a general mandate to the directors to repurchase shares of the Company (Ordinary Resolution No. 5A of the notice of the Meeting)		
	B. To give a general mandate to the directors to issue and deal with additional shares in the Company (Ordinary Resolution No. 5B of the notice of the Meeting)		
	C. To include the nominal amount of the shares repurchased by the Company to the mandate granted to the directors under Resolution 5B (Ordinary Resolution No. 5C of the notice of the Meeting)		

Dated this _____ day of _____ 2005 Signature(s) _____

Notes:

- Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**.
- Please insert the number of shares of the Company to which the proxy relates registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the shares of the Company registered in your name(s).
- If any proxy other than the Chairman of the Meeting is preferred, strike out the words "the Chairman of the meeting" herein inserted and insert the name and address of the proxy desired in the space provided. **ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALLED BY THE PERSON WHO SIGNS IT.**
- IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, TICK IN THE BOX MARKED "FOR" the relevant resolution. IF YOU WISH TO VOTE AGAINST A RESOLUTION, TICK IN THE BOX MARKED "AGAINST" the relevant resolution.** Failure to tick either box will entitle your proxy to cast your vote at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the said Meeting other than those referred to in the notice convening the Meeting.
- To be valid, this form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such authority, must be deposited with the Company's Share Registrar, Abacus Share Registrars Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the Meeting or adjourned meeting thereof.
- This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either under its common seal or under the hand of an officer or attorney duly authorised.
- In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s), and for this purpose seniority will be determined by the order in which the names stand in the register of members.
- The proxy need not be a member of the Company but must attend the Meeting in person to represent you.



越秀投資有限公司
GUANGZHOU INVESTMENT COMPANY LIMITED
(於香港註冊成立之有限公司)

股東週年大會之代表委任表格

本人／吾等^(附註1) _____

地址為 _____

乃越秀投資有限公司(「本公司」)股本中每股面值0.10元之股份^(附註2) _____ 股之登記持有人，
茲委任^(附註3)大會主席或 _____

地址為 _____

為本人／吾等之代表，代表本人／吾等出席本公司於二〇〇五年五月二十六日上午十時正召開之股東週年大會(「大會」)(及其任何續會)，並按下列指示就各項決議案投票：

		贊成 ^(附註4)	反對 ^(附註4)
1.	審閱截至二〇〇四年十二月三十一日止年度之經審核帳目、董事會及核數師報告		
2.	宣佈派發末期股息		
3.	(i) 選舉肖博彥先生連任董事		
	(ii) 選舉余立發先生連任董事		
	(iii) 選舉李家麟先生連任董事		
	(iv) 選舉劉漢銓先生連任董事		
	(v) 授權董事會釐定董事酬金		
4.	重新委聘羅兵咸永道會計師事務所為本公司之核數師，並授權董事會釐定其酬金		
5.	A. 授予董事購回本公司股份之一般授權(大會通告第5A項普通決議案)		
	B. 授予董事發行及處理本公司額外股份之一般授權(大會通告第5B項普通決議案)		
	C. 將本公司購回之股份面值包括在第5B項決議案授予董事之授權內(大會通告第5C項普通決議案)		

日期：二〇〇五年 _____ 月 _____ 日 簽署： _____

附註：

- 請用正楷填上全名及地址。
- 請填上以代表委任表格所代表以閣下名義登記之本公司股份數目。如不填上股份數目，則本代表委任表格將被視為代表以閣下名義登記之所有本公司股份。
- 如委任大會主席以外之人士為代表，請將「大會主席」字樣刪去，並在空欄內填上擬委任之代表姓名及地址。本代表委任表格之任何更改，均須由簽署人簡簽示可。
- 注意：閣下如欲投票贊成決議案，請在有關決議案之「贊成」欄內填上「✓」號，如欲投票反對決議案，則請在有關決議案之「反對」欄內填上「✓」號。如不在任何一欄內填上「✓」號，則閣下之代表可酌情決定投票。除大會通告所載決議案外，閣下之代表亦有權就大會正式提出之任何決議案自行酌情投票。
- 本代表委任表格連同經簽署之授權書或其他授權文件(如有)或經由公證人簽署證明之該等授權書或授權文件副本，須於該大會(或其續會)指定舉行時間四十八小時前送達香港灣仔告士打道56號東亞銀行港灣中心地下本公司之股份過戶登記處雅伯勤證券登記有限公司，方為有效。
- 本代表委任表格須由閣下或閣下之正式書面授權人簽署，如股東為公司，則須加蓋公司印鑑或經由主管人員或正式授權人親筆簽署。
- 聯名持有人方面，如排名首位之持有人投票，不論其為親自或委派代表投票，則其他聯名持有人概不得投票。排名先後乃根據公司股東名冊內有關聯名持有人之排名次序而定。
- 受委代表毋須為本公司股東，惟須親身出席會議以代表閣下。

THE COMPANIES ORDINANCE (CHAPTER 32)
ORDINARY RESOLUTIONS
OF
GUANGZHOU INVESTMENT COMPANY LIMITED
越秀投資有限公司

PASSED ON THE 26TH DAY OF MAY, 2005

At an Annual General Meeting of shareholders of the Company duly convened and held at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong on Thursday, 26th May, 2005 at 10:00 a.m., the following Ordinary Resolutions were duly passed : -

ORDINARY RESOLUTIONS

A. "THAT

- (a) subject to sub-paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited ("Stock Exchange") or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be purchased by the Company pursuant to the approval in sub-paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of Hong Kong to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

B. “THAT

- (a) subject to sub-paragraph (c) below and pursuant to Section 57B of the Companies Ordinance, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in sub-paragraph (a), otherwise than pursuant to (i) a Rights Issue, (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to eligible participants under such scheme and arrangement of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of Hong Kong to be held; and

- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares of the Company open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

C. “THAT

conditional upon the passing of Resolutions under sub-paragraphs A and B above, the aggregate nominal amount of the number of shares in the capital of the Company which shall have been repurchased by the Company pursuant to and in accordance with sub-paragraph A above shall be added to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the exercise of the general mandate approved in sub-paragraph B above.”



Ou Bingchang
Chairman of the meeting

Circular

Dated November 25, 2005

** Please see attached **



越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

RECEIVED

2006 MAY 19 P 1:45

OFFICE OF INTERNATIONAL CORPORATE FINANCE

Proxy form for extraordinary general meeting

I/We ¹ _____ of _____

being the registered holder(s) of ² _____ shares of \$0.10 each in the capital of GUANGZHOU INVESTMENT COMPANY LIMITED ("Company") hereby appoint³ the chairman of the meeting or _____

of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at the extraordinary general meeting ("Meeting") of the Company to be held at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong, on Saturday, 10 December 2005 at 9:30 a.m. and at any adjournment thereof on the undermentioned resolution as indicated.

ORDINARY RESOLUTION	FOR ⁴	AGAINST ⁴
To approve the Separate Listing (including the approval of the Distribution, the Option, the deed of right of first refusal, the deed of indemnity and the deed of undertaking) and to authorise the directors of the Company to effect the foregoing		

Dated this _____ day of _____ 2005 Signature(s) _____

Notes:

1. Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**.
2. Please insert the number of shares of the Company to which the proxy relates registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the shares of the Company registered in your name(s).
3. If any proxy other than the chairman of the Meeting is preferred, strike out the words "the chairman of the meeting" herein inserted and insert the name and address of the proxy desired in the space provided. **ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALLED BY THE PERSON WHO SIGNS IT.**
4. **IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, TICK IN THE BOX MARKED "FOR" the relevant resolution. IF YOU WISH TO VOTE AGAINST A RESOLUTION, TICK IN THE BOX MARKED "AGAINST" the relevant resolution.** Failure to tick either box will entitle your proxy to cast your vote at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the said Meeting other than those referred to in the notice convening the Meeting.
5. To be valid, this form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of such authority, must be deposited with the Company's share registrar, Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the Meeting or adjourned meeting thereof.
6. This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either under its common seal or under the hand of an officer or attorney duly authorised.
7. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s), and for this purpose seniority will be determined by the order in which the names stand in the register of members.
8. The proxy need not be a member of the Company but must attend the Meeting in person to represent you.



越秀投資有限公司
GUANGZHOU INVESTMENT COMPANY LIMITED
(在香港註冊成立的有限公司)

股東特別大會之代表委任表格

本人／吾等(附註1) _____

地址為 _____

乃越秀投資有限公司(「本公司」)股本中每股面值0.10元之股份(附註2) _____ 股之登記持有人，
茲委任(附註3)大會主席或 _____

地址為 _____

為本人／吾等之代表，代表本人／吾等出席本公司於二〇〇五年十二月十日(星期六)上午九時三十分假座香港灣仔駱克道160號越秀大廈26樓召開之股東特別大會(「大會」)(及其任何續會)，並按下列指示就下述決議案投票：

普通決議案	贊成(附註4)	反對(附註4)
批准獨立上市(包括批准分派、選擇權、優先購買權契約、稅項彌償保證契約及承諾契約)，並授權本公司董事完成上述事項		

日期：二〇〇五年 _____ 月 _____ 日

簽署： _____

附註：

- 請用正楷填上全名及地址。
- 請填上以代表委任表格所代表以閣下名義登記之本公司股份數目。如不填上股份數目，則本代表委任表格將被視為代表以閣下名義登記之所有本公司股份。
- 如委任大會主席以外之人士為代表，請將「大會主席」字樣刪去，並在空欄內填上擬委任之代表姓名及地址。本代表委任表格之任何更改，均須由簽署人簡簽示可。
- 注意：閣下如欲投票贊成決議案，請在有關決議案之「贊成」欄內填上「✓」號，如欲投票反對決議案，則請在有關決議案之「反對」欄內填上「✓」號。如不在任何一欄內填上「✓」號，則閣下之代表可酌情決定投票。除大會通告所載決議案外，閣下之代表亦有權就大會正式提出之任何決議案自行酌情投票。
- 本代表委任表格連同經簽署之授權書或其他授權文件(如有)或經由公證人簽署證明之該等授權書或授權文件副本，須於該大會(或其續會)指定舉行時間四十八小時前送達香港灣仔告士打道56號東亞銀行港灣中心地下本公司之股份過戶登記處雅伯勤證券登記有限公司，方為有效。
- 本代表委任表格須由閣下或閣下之正式書面授權人簽署，如股東為公司，則須加蓋公司印鑑或經由主管人員或正式授權人親筆簽署。
- 聯名持有人方面，如排名首位之持有人投票，不論其為親自或委派代表投票，則其他聯名持有人概不得投票。排名先後乃根據公司股東名冊內有關聯名持有人之排名次序而定。
- 受委代表毋須為本公司股東，惟須親身出席會議以代表閣下。



越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

1998 MAY 19 P 1:49

Proxy Form for Annual General Meeting

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

I/We _____
of _____
being the registered holder(s) of _____ shares of \$0.10 each in the capital of **GUANGZHOU INVESTMENT COMPANY LIMITED** ("Company") hereby appoint _____ the Chairman of the meeting
or _____
of _____
as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting ("Meeting") of the Company to be held on 15th June 2006 at 10:30 a.m. and at any adjournment thereof on the undermentioned resolutions as indicated.

		FOR ⁴	AGAINST ⁴
1.	To adopt the audited accounts for the year ended 31st December 2005 and the reports of the directors and auditors thereon		
2.	To declare a final dividend and a special dividend		
3.	(i) To re-elect Mr Ou Bingchang as director		
	(ii) To re-elect Mr Liang Yi as director		
	(iii) To re-elect Mr Li Fei as director		
	(iv) To re-elect Mr Tang Shouchun as director		
	(v) To re-elect Mr Wang Hongtao as director		
	(vi) To authorise the board to fix directors' remuneration		
4.	To re-appoint PricewaterhouseCoopers as auditors of the Company and to authorise the board to fix their remuneration		
5.	A. To give a general mandate to the directors to repurchase shares of the Company (Ordinary Resolution No. 5A of the notice of the Meeting)		
	B. To give a general mandate to the directors to issue and deal with additional shares in the Company (Ordinary Resolution No. 5B of the notice of the Meeting)		
	C. To include the nominal amount of the shares repurchased by the Company to the mandate granted to the directors under Resolution 5B (Ordinary Resolution No. 5C of the notice of the Meeting)		
6.	To amend the Articles of Association of the Company (Special Resolution No. 6 of the notice of the meeting)		

Dated this _____ day of _____ 2006 Signature(s) _____

Notes:

1. Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**.
2. Please insert the number of shares of the Company to which the proxy relates registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the shares of the Company registered in your name(s).
3. If any proxy other than the Chairman of the Meeting is preferred, strike out the words "the Chairman of the meeting" herein inserted and insert the name and address of the proxy desired in the space provided. **ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALED BY THE PERSON WHO SIGNS IT.**
4. **IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, TICK IN THE BOX MARKED "FOR" the relevant resolution. IF YOU WISH TO VOTE AGAINST A RESOLUTION, TICK IN THE BOX MARKED "AGAINST" the relevant resolution. Failure to tick either box will entitle your proxy to cast your vote at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the said Meeting other than those referred to in the notice convening the Meeting.**
5. To be valid, this form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such authority, must be deposited with the Company's Share Registrar, Abacus Share Registrars Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the Meeting or adjourned meeting thereof.
6. This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either under its common seal or under the hand of an officer or attorney duly authorised.
7. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s), and for this purpose seniority will be determined by the order in which the names stand in the register of members.
8. The proxy need not be a member of the Company but must attend the Meeting in person to represent you.



越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(於香港註冊成立之有限公司)

股東週年大會之代表委任表格

本人／吾等^(附註1) _____

地址為 _____

乃越秀投資有限公司(「本公司」)股本中每股面值0.10元之股份^(附註2) _____ 股之登記持有人，

茲委任^(附註3)大會主席或 _____

地址為 _____

為本人／吾等之代表，代表本人／吾等出席本公司於二〇〇六年六月十五日上午十時三十分召開之股東週年大會(「大會」)(及其任何續會)，並按下列指示就各項決議案投票：

		贊成 ^(附註4)	反對 ^(附註4)
1.	審閱截至二〇〇五年十二月三十一日止年度之經審核帳目、董事會及核數師報告		
2.	宣佈派發末期股息及特別股息		
3.	(i) 選舉區秉昌先生連任董事		
	(ii) 選舉梁毅先生連任董事		
	(iii) 選舉李飛先生連任董事		
	(iv) 選舉唐壽春先生連任董事		
	(v) 選舉王洪濤先生連任董事		
	(vi) 授權董事會釐定董事酬金		
4.	重新委聘羅兵咸永道會計師事務所為本公司之核數師，並授權董事會釐定其酬金		
5.	A. 授予董事購回本公司股份之一般授權(大會通告第5A項普通決議案)		
	B. 授予董事發行及處理本公司額外股份之一般授權(大會通告第5B項普通決議案)		
	C. 將本公司購回之股份面值包括在第5B項決議案授予董事之授權內(大會通告第5C項普通決議案)		
6.	修訂本公司之組織章程細則(大會通告第6項特別決議案)		

日期：二〇〇六年 _____ 月 _____ 日 簽署： _____

附註：

- 請用正楷填上全名及地址。
- 請填上以代表委任表格所代表以閣下名義登記之本公司股份數目。如不填上股份數目，則本代表委任表格將被視為代表以閣下名義登記之所有本公司股份。
- 如委任大會主席以外之人士為代表，請將「大會主席」字樣刪去，並在空欄內填上擬委任之代表姓名及地址。本代表委任表格之任何更改，均須由簽署人簡簽示可。
- 注意：閣下如欲投票贊成決議案，請在有關決議案之「贊成」欄內填上「✓」號，如欲投票反對決議案，則請在有關決議案之「反對」欄內填上「✓」號。如不在任何一欄內填上「✓」號，則閣下之代表可酌情決定投票。除大會通告所載決議案外，閣下之代表亦有權就大會正式提出之任何決議案自行酌情投票。
- 本代表委任表格連同經簽署之授權書或其他授權文件(如有)或經由公證人簽署證明之該等授權書或授權文件副本，須於該大會(或其續會)指定舉行時間四十八小時前送達香港皇后大道東28號金鐘匯中心26樓本公司之股份過戶登記處雅伯勤證券登記有限公司，方為有效。
- 本代表委任表格須由閣下或閣下之正式書面授權人簽署，如股東為公司，則須加蓋公司印鑑或經由主管人員或正式授權人親筆簽署。
- 聯名持有人方面，如排名首位之持有人投票，不論其為親自或委派代表投票，則其他聯名持有人概不得投票。排名先後乃根據公司股東名冊內有關聯名持有人之排名次序而定。
- 受委代表毋須為本公司股東，惟須親身出席會議以代表閣下。

Monthly Return On Movement of Listed Equity Securities
For the month ended 31st March 2005

RECEIVED

To : The Listing Division of The Stock Exchange of Hong Kong Limited
CC : The Research & Planning Department of The Stock Exchange of Hong Kong Limited

2005 MAY 19 P 1:49

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

From : Guangzhou Investment Company Limited

(Name of Company)

YU Tat Fung

Tel No. : 2593 2362

(Name of Responsible Official)

Date : 6th April 2005

(A) Information on Types of Listed Equity Securities :

(please tick wherever applicable)

- | | |
|--|------------------------|
| <input checked="" type="checkbox"/> 1. Ordinary shares : | 2. Preference shares : |
| 3. Other classes of shares : | please specify : _____ |
| 4. Warrants : | please specify : _____ |

(B) Movement in Authorised Share Capital :

	No. of ordinary shares/ Preference shares/ other classes of shares	Par Value (HK\$)	Authorised Share Capital (HK\$)
Balance at close of preceding month	<u>10,000,000,000</u>	<u>0.10</u>	<u>1,000,000,000</u>
Increase/(Decrease) (EGM approval date) :	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Balance at close of the month	<u><u>10,000,000,000</u></u>	<u><u>0.10</u></u>	<u><u>1,000,000,000</u></u>

(C) Movement in Issued Share Capital :

	No. of <u>Ordinary shares</u>	No. of <u>Preference shares</u>	No. of other classes of <u>shares</u>
Balance at close of preceding month	<u>6,359,105,914</u>	<u>N/A</u>	<u> </u>
Increase/(Decrease) during the month	<u>2,808,000</u>	<u> </u>	<u> </u>
Balance at close of the month	<u><u>6,361,913,914</u></u>	<u> </u>	<u> </u>

* please delete and insert "N/A" wherever inapplicable

TYPE OF SECURITIES	SECURITIES IN ISSUE AT CLOSE OF PRECEDING MONTH	MOVEMENT DURING THE MONTH			SECURITIES IN ISSUE AT CLOSE OF THE MONTH	ISSUE OF NEW SHARES ARISING THEREFROM
		Granted	Exercised	Cancelled		
SHARE OPTIONS * Type	No. of Options				No. of Options	
1. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.5008	9,026,000	0	50,000	0	8,976,000	50,000
2. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.41	107,402,000	0	1,148,000	0	106,254,000	1,148,000
3. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.54	60,150,000	0	0	0	60,150,000	0
4. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.814	12,404,000	0	0	0	12,404,000	0
5. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.846	100,234,000	0	0	0	100,234,000	0
6. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.63	307,284,000	0	1,610,000	0	305,674,000	1,610,000
WARRANTS * Date of Expiry	Nominal Value (HK\$)	Exercised (HK\$)			Nominal Value (HK\$)	
1. _____ Subscription price : HK\$ _____		N/A				
2. _____ Subscription price : HK\$ _____						
CONVERTIBLES * Class	Units	Converted (Units)			Units	

OTHER ISSUES OF SHARES *						
Rights Issue	Price : N/A	Issue and allotment Date :				
Placing	Price :	Issue and allotment Date :				
Bonus Issue		Issue and allotment Date :				
Scrip Dividend		Issue and allotment Date :				
Repurchase of share		Cancellation Date :				
Redemption of share		Redemption Date :				
Consideration issue	Price :	Issue and allotment Date :				
Others	Price :	Issue and allotment Date :				
(please specify)						
Total No. of ordinary shares/preference shares/other classes of shares increased/(decreased) during the month						2,808,000

Remarks : _____

Authorised Signatory :

Name : YU Tat Fung
Title : Company Secretary

Note :

All information contained in this form may be reproduced and provided to other information vendors or users of market data at the sole discretion of the Stock Exchange without prior notification to the company/issuer.

Monthly Return On Movement of Listed Equity Securities
For the month ended 30th April 2005

To : The Listing Division of The Stock Exchange of Hong Kong Limited

CC : The Research & Planning Department of The Stock Exchange of Hong Kong Limited

From : Guangzhou Investment Company Limited

(Name of Company)

YU Tat Fung

Tel No. : 2593 2362

(Name of Responsible Official)

Date : 5th May 2005

(A) Information on Types of Listed Equity Securities :

(please tick wherever applicable)

- | | |
|--|------------------------|
| <input checked="" type="checkbox"/> 1. Ordinary shares : | 2. Preference shares : |
| 3. Other classes of shares : | please specify : _____ |
| 4. Warrants : | please specify : _____ |

(B) Movement in Authorised Share Capital :

	No. of ordinary shares/ Preference shares/ <u>other classes of shares</u>	Par Value <u>(HK\$)</u>	Authorised Share Capital <u>(HK\$)</u>
Balance at close of preceding month	<u>10,000,000,000</u>	<u>0.10</u>	<u>1,000,000,000</u>
Increase/(Decrease) (EGM approval date) :	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Balance at close of the month	<u><u>10,000,000,000</u></u>	<u><u>0.10</u></u>	<u><u>1,000,000,000</u></u>

(C) Movement in Issued Share Capital :

	No. of <u>Ordinary shares</u>	No. of <u>Preference shares</u>	No. of other classes of <u>shares</u>
Balance at close of preceding month	<u>6,361,913,914</u>	<u>N/A</u>	
Increase/(Decrease) during the month	<u>1,290,000</u>		
Balance at close of the month	<u><u>6,363,203,914</u></u>		

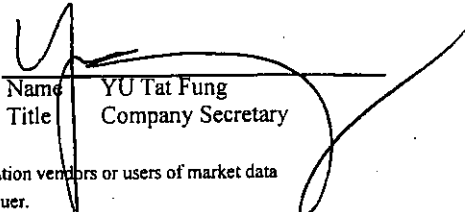
* please delete and insert "N/A" wherever applicable

TYPE OF SECURITIES	SECURITIES IN ISSUE AT CLOSE OF PRECEDING MONTH	MOVEMENT DURING THE MONTH			SECURITIES IN ISSUE AT CLOSE OF THE MONTH	ISSUE OF NEW SHARES ARISING THEREFROM
		Granted	Exercised	Cancelled		
SHARE OPTIONS * Type	No. of Options				No. of Options	
1. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.5008	8,976,000	0	280,000	0	8,696,000	280,000
2. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.41	106,254,000	0	750,000	0	105,504,000	750,000
3. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.54	60,150,000	0	0	0	60,150,000	0
4. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.814	12,404,000	0	0	0	12,404,000	0
5. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.846	100,234,000	0	0	0	100,234,000	0
6. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.63	305,674,000	0	260,000	0	305,414,000	260,000
WARRANTS * Date of Expiry	Nominal Value (HK\$)	Exercised (HK\$)			Nominal Value (HK\$)	
1. _____ Subscription price : HK\$ _____		N/A				
2. _____ Subscription price : HK\$ _____						
CONVERTIBLES * Class	Units	Converted (Units)			Units	

OTHER ISSUES OF SHARES *						
Rights Issue	Price : N/A	Issue and allotment Date :				
Placing	Price :	Issue and allotment Date :				
Bonus Issue		Issue and allotment Date :				
Scrip Dividend		Issue and allotment Date :				
Repurchase of share		Cancellation Date :				
Redemption of share		Redemption Date :				
Consideration issue	Price :	Issue and allotment Date :				
Others	Price :	Issue and allotment Date :				
(please specify)						
Total No. of ordinary shares/preference shares/other classes of shares increased/(decreased) during the month						1,290,000

Remarks : _____

Authorised Signatory :


 Name YU Tat Fung
 Title Company Secretary

Note:
 All information contained in this form may be reproduced and provided to other information vendors or users of market data at the sole discretion of the Stock Exchange without prior notification to the company/issuer.

Monthly Return On Movement of Listed Equity Securities
For the month ended 31st May 2005

To : The Listing Division of The Stock Exchange of Hong Kong Limited

CC : The Research & Planning Department of The Stock Exchange of Hong Kong Limited

From : Guangzhou Investment Company Limited

(Name of Company)

YU Tat Fung

Tel No. : 2593 2362

(Name of Responsible Official)

Date : 6th June 2005

(A) Information on Types of Listed Equity Securities :

(please tick wherever applicable)

- | | |
|--|------------------------|
| <input checked="" type="checkbox"/> 1. Ordinary shares : | 2. Preference shares : |
| 3. Other classes of shares : | please specify : _____ |
| 4. Warrants : | please specify : _____ |

(B) Movement in Authorised Share Capital :

	No. of ordinary shares/ Preference shares/ other classes of shares	Par Value (HK\$)	Authorised Share Capital (HK\$)
Balance at close of preceding month	<u>10,000,000,000</u>	<u>0.10</u>	<u>1,000,000,000</u>
Increase/(Decrease) (EGM approval date) :	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Balance at close of the month	<u><u>10,000,000,000</u></u>	<u><u>0.10</u></u>	<u><u>1,000,000,000</u></u>

(C) Movement in Issued Share Capital :

	No. of <u>Ordinary shares</u>	No. of <u>Preference shares</u>	No. of other classes of shares
Balance at close of preceding month	<u>6,363,203,914</u>	<u>N/A</u>	
Increase/(Decrease) during the month	<u>6,806,000</u>		
Balance at close of the month	<u><u>6,370,009,914</u></u>		

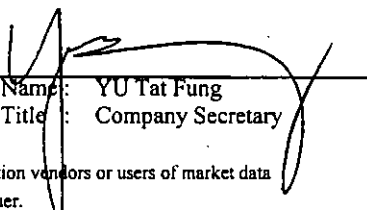
* please delete and insert "N/A" wherever inapplicable

TYPE OF SECURITIES	SECURITIES IN ISSUE AT CLOSE OF PRECEDING MONTH	MOVEMENT DURING THE MONTH			SECURITIES IN ISSUE AT CLOSE OF THE MONTH	ISSUE OF NEW SHARES ARISING THEREFROM
		Granted	Exercised	Cancelled		
SHARE OPTIONS * Type	No. of Options				No. of Options	
1. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.5008	8,696,000	0	0	0	8,696,000	0
2. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.41	105,504,000	0	6,776,000	0	98,728,000	6,776,000
3. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.54	60,150,000	0	0	0	60,150,000	0
4. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.814	12,404,000	0	0	0	12,404,000	0
5. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.846	100,234,000	0	0	0	100,234,000	0
6. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.63	305,414,000	0	30,000	0	305,384,000	30,000
WARRANTS * Date of Expiry	Nominal Value (HK\$)	Exercised (HK\$)			Nominal Value (HK\$)	
1. _____ Subscription price : HK\$ _____		N/A				
2. _____ Subscription price : HK\$ _____						
CONVERTIBLES * Class	Units	Converted (Units)			Units	

Conversion price : HK\$ _____						
OTHER ISSUES OF SHARES *						
Rights Issue	Price : N/A	Issue and allotment Date :				
Placing	Price :	Issue and allotment Date :				
Bonus Issue		Issue and allotment Date :				
Scrip Dividend		Issue and allotment Date :				
Repurchase of share		Cancellation Date :				
Redemption of share		Redemption Date :				
Consideration issue	Price :	Issue and allotment Date :				
Others	Price :	Issue and allotment Date :				
(please specify)						
Total No. of ordinary shares/preference shares/other classes of shares increased/(decreased) during the month						6,806,000

Remarks : _____

Authorised Signatory :


Name : YU Tat Fung
Title : Company Secretary

Note :

All information contained in this form may be reproduced and provided to other information vendors or users of market data at the sole discretion of the Stock Exchange without prior notification to the company/issuer.

Monthly Return On Movement of Listed Equity Securities
For the month ended 30th June 2005

To : The Listing Division of The Stock Exchange of Hong Kong Limited
 CC : The Research & Planning Department of The Stock Exchange of Hong Kong Limited

From : Guangzhou Investment Company Limited

(Name of Company)

YU Tat Fung

Tel No. : 2593 2362

(Name of Responsible Official)

Date : 6th July 2005

(A) Information on Types of Listed Equity Securities :

(please tick wherever applicable)

- | | |
|--|------------------------|
| <input checked="" type="checkbox"/> 1. Ordinary shares : | 2. Preference shares : |
| 3. Other classes of shares : | please specify : _____ |
| 4. Warrants : | please specify : _____ |

(B) Movement in Authorised Share Capital :

	No. of ordinary shares/ Preference shares/ other classes of shares	Par Value (HK\$)	Authorised Share Capital (HK\$)
Balance at close of preceding month	<u>10,000,000,000</u>	<u>0.10</u>	<u>1,000,000,000</u>
Increase/(Decrease) (EGM approval date) :	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Balance at close of the month	<u>10,000,000,000</u>	<u>0.10</u>	<u>1,000,000,000</u>

(C) Movement in Issued Share Capital :

	No. of Ordinary shares	No. of Preference shares	No. of other classes of shares
Balance at close of preceding month	<u>6,370,009,914</u>	<u>N/A</u>	<u></u>
Increase/(Decrease) during the month	<u>9,116,000</u>	<u></u>	<u></u>
Balance at close of the month	<u>6,379,125,914</u>	<u></u>	<u></u>

* please delete and insert "N/A" wherever inapplicable

TYPE OF SECURITIES	SECURITIES IN ISSUE AT CLOSE OF PRECEDING MONTH	MOVEMENT DURING THE MONTH			SECURITIES IN ISSUE AT CLOSE OF THE MONTH	ISSUE OF NEW SHARES ARISING THEREFROM
		Granted	Exercised	Cancelled Lapsed		
SHARE OPTIONS * Type	No. of Options				No. of Options	
1. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.5008	8,696,000	0	0	1,898,000	6,798,000	0
2. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.41	98,728,000	0	8,240,000	3,612,000	86,876,000	8,240,000
3. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.54	60,150,000	0	0	1,200,000	58,950,000	0
4. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.814	12,404,000	0	0	0	12,404,000	0
5. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.846	100,234,000	0	0	0	100,234,000	0
6. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.63	305,384,000	0	876,000	1,786,000	302,722,000	876,000
WARRANTS * Date of Expiry	Nominal Value (HK\$)	Exercised (HK\$)			Nominal Value (HK\$)	
1. _____ Subscription price : HK\$ _____		N/A				
2. _____ Subscription price : HK\$ _____						
CONVERTIBLES * Class	Units	Converted (Units)			Units	

Conversion price : HK\$ _____						
OTHER ISSUES OF SHARES *						
Rights Issue	Price : N/A	Issue and allotment Date :				
Placing	Price :	Issue and allotment Date :				
Bonus Issue		Issue and allotment Date :				
Scrip Dividend		Issue and allotment Date :				
Repurchase of share		Cancellation Date :				
Redemption of share		Redemption Date :				
Consideration issue	Price :	Issue and allotment Date :				
Others	Price :	Issue and allotment Date :				
(please specify)						
Total No. of ordinary shares/preference shares/other classes of shares increased/(decreased) during the month						9,116,000

Remarks : _____

Authorised Signatory :

Name : YU Tat Fung
Title : Company Secretary

Note :

All information contained in this form may be reproduced and provided to other information vendors or users of market data at the sole discretion of the Stock Exchange without prior notification to the company/issuer.

FORM 1

Monthly Return On Movement of Listed Equity Securities
For the month ended 31st July 2005

To : The Listing Division of The Stock Exchange of Hong Kong Limited
 CC : The Research & Planning Department of The Stock Exchange of Hong Kong Limited

From : Guangzhou Investment Company Limited
 (Name of Company)
YU Tat Fung Tel No. : 2593 2362
 (Name of Responsible Official)
 Date : 5th August 2005

(A) Information on Types of Listed Equity Securities :

(please tick wherever applicable)

- | | |
|--|------------------------|
| <input checked="" type="checkbox"/> 1. Ordinary shares : | 2. Preference shares : |
| 3. Other classes of shares : | please specify : _____ |
| 4. Warrants : | please specify : _____ |

(B) Movement in Authorised Share Capital :

	No. of ordinary shares/ Preference shares/ other classes of shares	Par Value (HK\$)	Authorised Share Capital (HK\$)
Balance at close of preceding month	<u>10,000,000,000</u>	<u>0.10</u>	<u>1,000,000,000</u>
Increase/(Decrease) (EGM approval date) :	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Balance at close of the month	<u><u>10,000,000,000</u></u>	<u><u>0.10</u></u>	<u><u>1,000,000,000</u></u>

(C) Movement in Issued Share Capital :

	No. of <u>Ordinary shares</u>	No. of <u>Preference shares</u>	No. of other classes of <u>shares</u>
Balance at close of preceding month	<u>6,379,125,914</u>	<u>N/A</u>	
Increase/(Decrease) during the month	<u>2,472,000</u>		
Balance at close of the month	<u><u>6,381,597,914</u></u>		

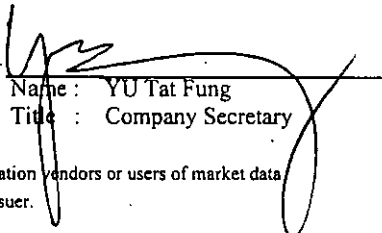
* please delete and insert "N/A" wherever inapplicable

TYPE OF SECURITIES	SECURITIES IN ISSUE AT CLOSE OF PRECEDING MONTH	MOVEMENT DURING THE MONTH			SECURITIES IN ISSUE AT CLOSE OF THE MONTH	ISSUE OF NEW SHARES ARISING THEREFROM
		Granted	Exercised	Cancelled		
SHARE OPTIONS * Type	No. of Options				No. of Options	
1. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.5008	6,798,000	0	50,000	0	6,748,000	50,000
2. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.41	86,876,000	0	1,822,000	0	85,054,000	1,822,000
3. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.54	58,950,000	0	0	0	58,950,000	0
4. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.814	12,404,000	0	0	0	12,404,000	0
5. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.846	100,234,000	0	0	0	100,234,000	0
6. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.63	302,722,000	0	600,000	0	302,122,000	600,000
WARRANTS * Date of Expiry	Nominal Value (HK\$)	Exercised (HK\$)			Nominal Value (HK\$)	
1. _____ Subscription price : HK\$ _____		N/A				
2. _____ Subscription price : HK\$ _____						
CONVERTIBLES * Class	Units	Converted (Units)			Units	

Conversion price : HK\$ _____						
OTHER ISSUES OF SHARES *						
Rights Issue	Price : N/A	Issue and allotment Date :				
Placing	Price :	Issue and allotment Date :				
Bonus Issue		Issue and allotment Date :				
Scrip Dividend		Issue and allotment Date :				
Repurchase of share		Cancellation Date :				
Redemption of share		Redemption Date :				
Consideration issue	Price :	Issue and allotment Date :				
Others	Price :	Issue and allotment Date :				
(please specify)						
Total No. of ordinary shares/preference shares/other classes of shares increased/(decreased) during the month						2,472,000

Remarks : _____

Authorised Signatory :


Name : YU Tat Fung
Title : Company Secretary

Note :

All information contained in this form may be reproduced and provided to other information vendors or users of market data at the sole discretion of the Stock Exchange without prior notification to the company/issuer.

FORM 1

Monthly Return On Movement of Listed Equity Securities
For the month ended 31st August 2005

To : The Listing Division of The Stock Exchange of Hong Kong Limited
 CC : The Research & Planning Department of The Stock Exchange of Hong Kong Limited

From : Guangzhou Investment Company Limited

(Name of Company)

YU Tat Fung

Tel No. : 2593 2362

(Name of Responsible Official)

Date : 6th September 2005

(A) Information on Types of Listed Equity Securities :

(please tick wherever applicable)

- | | |
|--|------------------------|
| <input checked="" type="checkbox"/> 1. Ordinary shares : | 2. Preference shares : |
| 3. Other classes of shares : | please specify : _____ |
| 4. Warrants : | please specify : _____ |

(B) Movement in Authorised Share Capital :

	No. of ordinary shares/ Preference shares/ other classes of shares	Par Value <u>(HK\$)</u>	Authorised Share Capital <u>(HK\$)</u>
Balance at close of preceding month	<u>10,000,000,000</u>	<u>0.10</u>	<u>1,000,000,000</u>
Increase/(Decrease) (EGM approval date) :	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Balance at close of the month	<u><u>10,000,000,000</u></u>	<u><u>0.10</u></u>	<u><u>1,000,000,000</u></u>

(C) Movement in Issued Share Capital :

	No. of <u>Ordinary shares</u>	No. of <u>Preference shares</u>	No. of other classes of <u>shares</u>
Balance at close of preceding month	<u>6,381,597,914</u>	<u>N/A</u>	<u>_____</u>
Increase/(Decrease) during the month	<u>14,075,000</u>	<u>_____</u>	<u>_____</u>
Balance at close of the month	<u><u>6,395,672,914</u></u>	<u><u>_____</u></u>	<u><u>_____</u></u>

* please delete and insert "N/A" wherever inapplicable

TYPE OF SECURITIES	SECURITIES IN ISSUE AT CLOSE OF PRECEDING MONTH	MOVEMENT DURING THE MONTH			SECURITIES IN ISSUE AT CLOSE OF THE MONTH	ISSUE OF NEW SHARES ARISING THEREFROM
		Granted	Exercised	Cancelled		
SHARE OPTIONS * Type	No. of Options				No. of Options	
1. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.5008	6,748,000	0	0	0	6,748,000	0
2. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.41	85,054,000	0	11,224,000	0	73,830,000	11,224,000
3. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.54	58,950,000	0	0	0	58,950,000	0
4. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.814	12,404,000	0	0	0	12,404,000	0
5. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.846	100,234,000	0	0	0	100,234,000	0
6. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.63	302,122,000	0	2,851,000	0	299,271,000	2,851,000
WARRANTS * Date of Expiry	Nominal Value (HK\$)	Exercised (HK\$)			Nominal Value (HK\$)	
1. _____ Subscription price : HK\$ _____		N/A				
2. _____ Subscription price : HK\$ _____						
CONVERTIBLES * Class	Units	Converted (Units)			Units	

Conversion price : HK\$ _____						
OTHER ISSUES OF SHARES *						
Rights Issue	Price : N/A	Issue and allotment Date :				
Placing	Price :	Issue and allotment Date :				
Bonus Issue		Issue and allotment Date :				
Scrip Dividend		Issue and allotment Date :				
Repurchase of share		Cancellation Date :				
Redemption of share		Redemption Date :				
Consideration issue	Price :	Issue and allotment Date :				
Others	Price :	Issue and allotment Date :				
(please specify)						
Total No. of ordinary shares/preference shares/other classes of shares increased/(decreased) during the month						14,075,000

Remarks : _____

Authorised Signatory :

Name : YU Tat Fung
Title : Company Secretary

Note :

All information contained in this form may be reproduced and provided to other information vendors or users of market data at the sole discretion of the Stock Exchange without prior notification to the company/issuer.

**Monthly Return On Movement of Listed Equity Securities
For the month ended 30th September 2005**

To : The Listing Division of The Stock Exchange of Hong Kong Limited
CC : The Research & Planning Department of The Stock Exchange of Hong Kong Limited

From : Guangzhou Investment Company Limited
(Name of Company)

YU Tat Fung Tel No. : 2593 2362
(Name of Responsible Official)

Date : 3rd October 2005

(A) Information on Types of Listed Equity Securities :

(please tick wherever applicable)

- | | |
|--|------------------------|
| <input checked="" type="checkbox"/> 1. Ordinary shares : | 2. Preference shares : |
| 3. Other classes of shares : | please specify : _____ |
| 4. Warrants : | please specify : _____ |

(B) Movement in Authorised Share Capital :

	No. of ordinary shares/ Preference shares/ <u>other classes of shares</u>	Par Value <u>(HK\$)</u>	Authorised Share Capital <u>(HK\$)</u>
Balance at close of preceding month	<u>10,000,000,000</u>	<u>0.10</u>	<u>1,000,000,000</u>
Increase/(Decrease) (EGM approval date) :	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Balance at close of the month	<u><u>10,000,000,000</u></u>	<u><u>0.10</u></u>	<u><u>1,000,000,000</u></u>

(C) Movement in Issued Share Capital :

	No. of <u>Ordinary shares</u>	No. of <u>Preference shares</u>	No. of other classes of <u>shares</u>
Balance at close of preceding month	<u>6,395,672,914</u>	<u>N/A</u>	
Increase/(Decrease) during the month	<u>10,045,000</u>		
Balance at close of the month	<u><u>6,405,717,914</u></u>		

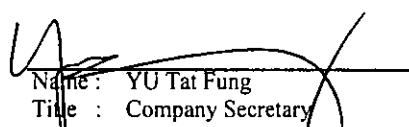
* please delete and insert "N/A" wherever inapplicable

TYPE OF SECURITIES	SECURITIES IN ISSUE AT CLOSE OF PRECEDING MONTH	MOVEMENT DURING THE MONTH			SECURITIES IN ISSUE AT CLOSE OF THE MONTH	ISSUE OF NEW SHARES ARISING THEREFROM
		Granted	Exercised	Cancelled		
SHARE OPTIONS * Type	No. of Options				No. of Options	
1. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.508	6,748,000	0	50,000	0	6,698,000	50,000
2. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.41	73,830,000	0	6,902,000	0	66,928,000	6,902,000
3. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.54	58,950,000	0	0	0	58,950,000	0
4. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.814	12,404,000	0	0	0	12,404,000	0
5. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.846	100,234,000	0	0	0	100,234,000	0
6. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.63	299,271,000	0	3,093,000	0	296,178,000	3,093,000
WARRANTS * Date of Expiry	Nominal Value (HK\$)	Exercised (HK\$)			Nominal Value (HK\$)	
1. _____ Subscription price : HK\$ _____	N/A					
2. _____ Subscription price : HK\$ _____						
CONVERTIBLES * Class	Units	Converted (Units)			Units	

Conversion price : HK\$ _____						
OTHER ISSUES OF SHARES *						
Rights Issue	Price : N/A	Issue and allotment Date :				
Placing	Price :	Issue and allotment Date :				
Bonus Issue		Issue and allotment Date :				
Scrip Dividend		Issue and allotment Date :				
Repurchase of share		Cancellation Date :				
Redemption of share		Redemption Date :				
Consideration issue	Price :	Issue and allotment Date :				
Others (please specify)	Price :	Issue and allotment Date :				
Total No. of ordinary shares/preference shares/other classes of shares increased/(decreased) during the month						10,045,000

Remarks : _____

Authorised Signatory :


Name : YU Tat Fung
Title : Company Secretary

Note :

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Monthly Return On Movement of Listed Equity Securities
For the month ended 31st October 2005

To : The Listing Division of The Stock Exchange of Hong Kong Limited
 CC : The Research & Planning Department of The Stock Exchange of Hong Kong Limited

From : Guangzhou Investment Company Limited
 (Name of Company)
YU Tat Fung Tel No. : 2593 2362
 (Name of Responsible Official)
 Date : 3rd November 2005

(A) Information on Types of Listed Equity Securities :
(please tick wherever applicable)

<input checked="" type="checkbox"/> 1. Ordinary shares :	2. Preference shares :
3. Other classes of shares :	please specify : _____
4. Warrants :	please specify : _____

(B) Movement in Authorised Share Capital :

	No. of ordinary shares/ Preference shares/ other classes of shares	Par Value (HK\$)	Authorised Share Capital (HK\$)
Balance at close of preceding month	<u>10,000,000,000</u>	<u>0.10</u>	<u>1,000,000,000</u>
Increase/(Decrease) (EGM approval date) :	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Balance at close of the month	<u><u>10,000,000,000</u></u>	<u><u>0.10</u></u>	<u><u>1,000,000,000</u></u>

(C) Movement in Issued Share Capital :

	No. of <u>Ordinary shares</u>	No. of <u>Preference shares</u>	No. of other classes of <u>shares</u>
Balance at close of preceding month	<u>6,405,717,914</u>	<u>N/A</u>	
Increase/(Decrease) during the month	<u>21,120,000</u>		
Balance at close of the month	<u><u>6,426,837,914</u></u>		

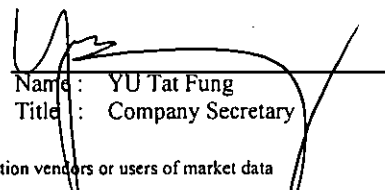
* please delete and insert "N/A" wherever inapplicable

TYPE OF SECURITIES	SECURITIES IN ISSUE AT CLOSE OF PRECEDING MONTH	MOVEMENT DURING THE MONTH			SECURITIES IN ISSUE AT CLOSE OF THE MONTH	ISSUE OF NEW SHARES ARISING THEREFROM
		Granted	Exercised	Cancelled		
SHARE OPTIONS * Type	No. of Options				No. of Options	
1. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.5008	6,698,000	0	1,702,000	0	4,996,000	1,702,000
2. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.41	66,928,000	0	13,402,000	0	53,526,000	13,402,000
3. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.54	58,950,000	0	0	0	58,950,000	0
4. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.814	12,404,000	0	0	0	12,404,000	0
5. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.846	100,234,000	0	0	0	100,234,000	0
6. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.63	296,178,000	0	6,016,000	0	290,162,000	6,016,000
WARRANTS * Date of Expiry	Nominal Value (HK\$)	Exercised (HK\$)			Nominal Value (HK\$)	
1. _____ Subscription price : HK\$ _____		N/A				
2. _____ Subscription price : HK\$ _____						
CONVERTIBLES * Class	Units	Converted (Units)			Units	

Conversion price : HK\$ _____						
OTHER ISSUES OF SHARES *						
Rights issue	Price : N/A	Issue and allotment Date :				
Placing	Price :	Issue and allotment Date :				
Bonus Issue		Issue and allotment Date :				
Scrip Dividend		Issue and allotment Date :				
Repurchase of share		Cancellation Date :				
Redemption of share		Redemption Date :				
Consideration issue	Price :	Issue and allotment Date :				
Others	Price :	Issue and allotment Date :				
(please specify)						
Total No. of ordinary shares/preference shares/other classes of shares increased/(decreased) during the month						21,120,000

Remarks : _____

Authorised Signatory :


Name : YU Tat Fung
Title : Company Secretary

Note :

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Monthly Return On Movement of Listed Equity Securities
For the month ended 30th November 2005

To : The Listing Division of The Stock Exchange of Hong Kong Limited
 CC : The Research & Planning Department of The Stock Exchange of Hong Kong Limited

From : Guangzhou Investment Company Limited
(Name of Company)
YU Tat Fung Tel No. : 2593 2362
(Name of Responsible Official)
 Date : 6th December 2005

(A) Information on Types of Listed Equity Securities :
(please tick wherever applicable)

<input checked="" type="checkbox"/> 1. Ordinary shares :	2. Preference shares :
3. Other classes of shares :	please specify : _____
4. Warrants :	please specify : _____

(B) Movement in Authorised Share Capital :

	No. of ordinary shares/ Preference shares/ <u>other classes of shares</u>	Par Value <u>(HK\$)</u>	Authorised Share Capital <u>(HK\$)</u>
Balance at close of preceding month	<u>10,000,000,000</u>	<u>0.10</u>	<u>1,000,000,000</u>
Increase/(Decrease) (EGM approval date) :	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Balance at close of the month	<u><u>10,000,000,000</u></u>	<u><u>0.10</u></u>	<u><u>1,000,000,000</u></u>

(C) Movement in Issued Share Capital :

	No. of <u>Ordinary shares</u>	No. of <u>Preference shares</u>	No. of other classes of <u>shares</u>
Balance at close of preceding month	<u>6,426,837,914</u>	<u>N/A</u>	
Increase/(Decrease) during the month	<u>32,004,000</u>		
Balance at close of the month	<u><u>6,458,841,914</u></u>		

* please delete and insert "N/A" wherever inapplicable

TYPE OF SECURITIES	SECURITIES IN ISSUE AT CLOSE OF PRECEDING MONTH	MOVEMENT DURING THE MONTH			SECURITIES IN ISSUE AT CLOSE OF THE MONTH	ISSUE OF NEW SHARES ARISING THEREFROM
		Granted	Exercised	Cancelled		
SHARE OPTIONS * Type	No. of Options				No. of Options	
1. <u>Employee Share Option Scheme</u> Exercise price : HK\$ <u>0.5008</u>	4,996,000	0	400,000	0	4,596,000	400,000
2. <u>Employee Share Option Scheme</u> Exercise price : HK\$ <u>0.41</u>	53,526,000	0	10,442,000	0	43,084,000	10,442,000
3. <u>Employee Share Option Scheme</u> Exercise price : HK\$ <u>0.54</u>	58,950,000	0	0	0	58,950,000	0
4. <u>Employee Share Option Scheme</u> Exercise price : HK\$ <u>0.814</u>	12,404,000	0	0	0	12,404,000	0
5. <u>Employee Share Option Scheme</u> Exercise price : HK\$ <u>0.846</u>	100,234,000	0	0	0	100,234,000	0
6. <u>Employee Share Option Scheme</u> Exercise price : HK\$ <u>0.63</u>	290,162,000	0	21,162,000	0	269,000,000	21,162,000
WARRANTS * Date of Expiry	Nominal Value (HK\$)	Exercised (HK\$)			Nominal Value (HK\$)	
1. _____ Subscription price : HK\$ _____		N/A				
2. _____ Subscription price : HK\$ _____						
CONVERTIBLES * Class	Units	Converted (Units)			Units	

Conversion price : HK\$ _____						
OTHER ISSUES OF SHARES *						
Rights Issue	Price : N/A	Issue and allotment Date :				
Placing	Price :	Issue and allotment Date :				
Bonus Issue		Issue and allotment Date :				
Scrip Dividend		Issue and allotment Date :				
Repurchase of share		Cancellation Date :				
Redemption of share		Redemption Date :				
Consideration issue	Price :	Issue and allotment Date :				
Others (please specify)	Price :	Issue and allotment Date :				
Total No. of ordinary shares/preference shares/other classes of shares increased/(decreased) during the month						32,004,000

Remarks : _____

Authorised Signatory :


Name : YU Tat Fung
Title : Company Secretary

Note :

All information contained in this form may be reproduced and provided to other information vendors or users of market data at the sole discretion of the Stock Exchange without prior notification to the company/issuer.

Monthly Return On Movement of Listed Equity Securities
For the month ended 31st December 2005

To : The Listing Division of The Stock Exchange of Hong Kong Limited
 CC : The Research & Planning Department of The Stock Exchange of Hong Kong Limited

From : Guangzhou Investment Company Limited

(Name of Company)

YU Tat Fung Tel No. : 2593 2362

(Name of Responsible Official)

Date : 10th January 2006

(A) Information on Types of Listed Equity Securities :

(please tick wherever applicable)

- | | |
|--|------------------------|
| <input checked="" type="checkbox"/> 1. Ordinary shares : | 2. Preference shares : |
| 3. Other classes of shares : | please specify : _____ |
| 4. Warrants : | please specify : _____ |

(B) Movement in Authorised Share Capital :

	No. of ordinary shares/ Preference shares/ other classes of shares	Par Value (HK\$)	Authorised Share Capital (HK\$)
Balance at close of preceding month	<u>10,000,000,000</u>	<u>0.10</u>	<u>1,000,000,000</u>
Increase/(Decrease) (EGM approval date) :	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Balance at close of the month	<u><u>10,000,000,000</u></u>	<u><u>0.10</u></u>	<u><u>1,000,000,000</u></u>

(C) Movement in Issued Share Capital :

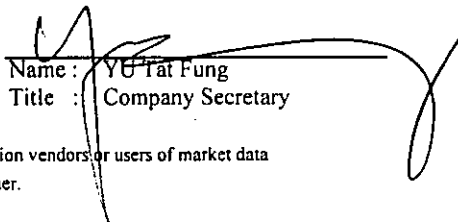
	No. of <u>Ordinary shares</u>	No. of <u>Preference shares</u>	No. of other classes of <u>shares</u>
Balance at close of preceding month	<u>6,458,841,914</u>	<u>N/A</u>	<u>_____</u>
Increase/(Decrease) during the month	<u>60,094,000</u>	<u>_____</u>	<u>_____</u>
Balance at close of the month	<u><u>6,518,935,914</u></u>	<u><u>_____</u></u>	<u><u>_____</u></u>

TYPE OF SECURITIES	SECURITIES IN ISSUE AT CLOSE OF PRECEDING MONTH	MOVEMENT DURING THE MONTH			SECURITIES IN ISSUE AT CLOSE OF THE MONTH	ISSUE OF NEW SHARES ARISING THEREFROM
		Granted	Exercised	Cancelled		
SHARE OPTIONS * Type	No. of Options				No. of Options	
1. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.5008	4,596,000	0	1,436,000	3,160,000 (Expired)	0	1,436,000
2. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.41	43,084,000	0	9,574,000	0	33,510,000	9,574,000
3. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.54	58,950,000	0	768,000	0	58,182,000	768,000
4. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.814	12,404,000	0	1,180,000	0	11,224,000	1,180,000
5. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.846	100,234,000	0	968,000	0	99,266,000	968,000
6. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.63	269,000,000	0	46,168,000	0	222,832,000	46,168,000
WARRANTS * Date of Expiry	Nominal Value (HK\$)	Exercised (HK\$)			Nominal Value (HK\$)	
1. _____ Subscription price : HK\$ _____		N/A				
2. _____ Subscription price : HK\$ _____						
CONVERTIBLES * Class	Units	Converted (Units)			Units	

Conversion price : HK\$ _____						
OTHER ISSUES OF SHARES *						
Rights Issue	Price : N/A	Issue and allotment Date :				
Placing	Price :	Issue and allotment Date :				
Bonus Issue		Issue and allotment Date :				
Scrip Dividend		Issue and allotment Date :				
Repurchase of share		Cancellation Date :				
Redemption of share		Redemption Date :				
Consideration issue	Price :	Issue and allotment Date :				
Others (please specify)	Price :	Issue and allotment Date :				
Total No. of ordinary shares/preference shares/other classes of shares increased/(decreased) during the month					60,094,000	

Remarks : _____

Authorised Signatory :


 Name : YU Tat Fung
 Title : Company Secretary

Note :

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Monthly Return On Movement of Listed Equity Securities
For the month ended 31st January 2006

To : The Listing Division of The Stock Exchange of Hong Kong Limited

CC : The Research & Planning Department of The Stock Exchange of Hong Kong Limited

From : Guangzhou Investment Company Limited

(Name of Company)

YU Tat Fung

Tel No. : 2593 2362

(Name of Responsible Official)

Date : 6th February 2006

(A) Information on Types of Listed Equity Securities :

(please tick wherever applicable)

- | | |
|--|------------------------|
| <input checked="" type="checkbox"/> 1. Ordinary shares : | 2. Preference shares : |
| 3. Other classes of shares : | please specify : _____ |
| 4. Warrants : | please specify : _____ |

(B) Movement in Authorised Share Capital :

	No. of ordinary shares/ Preference shares/ other classes of shares	Par Value (HK\$)	Authorised Share Capital (HK\$)
Balance at close of preceding month	<u>10,000,000,000</u>	<u>0.10</u>	<u>1,000,000,000</u>
Increase/(Decrease) (EGM approval date) :	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Balance at close of the month	<u><u>10,000,000,000</u></u>	<u><u>0.10</u></u>	<u><u>1,000,000,000</u></u>

(C) Movement in Issued Share Capital :

	No. of <u>Ordinary shares</u>	No. of <u>Preference shares</u>	No. of other classes of <u>shares</u>
Balance at close of preceding month	<u>6,518,935,914</u>	<u>N/A</u>	
Increase/(Decrease) during the month	<u>33,698,000</u>		
Balance at close of the month	<u><u>6,552,633,914</u></u>		

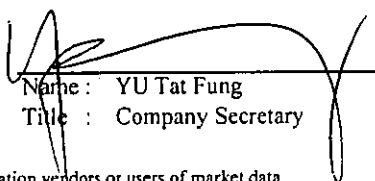
* please delete and insert "N/A" wherever applicable

TYPE OF SECURITIES	SECURITIES IN ISSUE AT CLOSE OF PRECEDING MONTH	MOVEMENT DURING THE MONTH			SECURITIES IN ISSUE AT CLOSE OF THE MONTH	ISSUE OF NEW SHARES ARISING THEREFROM
		Granted	Exercised	Cancelled		
SHARE OPTIONS * Type	No. of Options				No. of Options	
1. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.41	33,510,000	0	5,870,000	0	27,640,000	5,870,000
2. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.54	58,182,000	0	0	0	58,182,000	0
3. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.814	11,224,000	0	480,000	0	10,744,000	480,000
4. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.846	99,266,000	0	5,748,000	0	93,518,000	5,748,000
5. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.63	222,832,000	0	21,600,000	0	201,232,000	21,600,000
WARRANTS * Date of Expiry	Nominal Value (HK\$)	Exercised (HK\$)			Nominal Value (HK\$)	
1. _____ Subscription price : HK\$ _____		N/A				
2. _____ Subscription price : HK\$ _____						
CONVERTIBLES * Class	Units	Converted (Units)			Units	

Conversion price : HK\$ _____						
OTHER ISSUES OF SHARES *						
Rights Issue	Price : N/A	Issue and allotment Date :				
Placing	Price :	Issue and allotment Date :				
Bonus Issue		Issue and allotment Date :				
Scrip Dividend		Issue and allotment Date :				
Repurchase of share		Cancellation Date :				
Redemption of share		Redemption Date :				
Consideration issue	Price :	Issue and allotment Date :				
Others	Price :	Issue and allotment Date :				
(please specify)						
Total No. of ordinary shares/preference shares/other classes of shares increased/(decreased) during the month						33,698,000

Remarks : _____

Authorised Signatory :


Name : YU Tat Fung
Title : Company Secretary

Note :

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Monthly Return On Movement of Listed Equity Securities
For the month ended 28th February 2006

To : The Listing Division of The Stock Exchange of Hong Kong Limited
 CC : The Research & Planning Department of The Stock Exchange of Hong Kong Limited

From : Guangzhou Investment Company Limited
 (Name of Company)
YU Tat Fung Tel No. : 2593 2362
 (Name of Responsible Official)
 Date : 6th March 2006

(A) Information on Types of Listed Equity Securities :
 (please tick wherever applicable)

<input checked="" type="checkbox"/> 1. Ordinary shares :	2. Preference shares :
3. Other classes of shares :	please specify : _____
4. Warrants :	please specify : _____

(B) Movement in Authorised Share Capital :

	No. of ordinary shares/ Preference shares/ other classes of shares	Par Value (HK\$)	Authorised Share Capital (HK\$)
Balance at close of preceding month	<u>10,000,000,000</u>	<u>0.10</u>	<u>1,000,000,000</u>
Increase/(Decrease) (EGM approval date) :	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Balance at close of the month	<u><u>10,000,000,000</u></u>	<u><u>0.10</u></u>	<u><u>1,000,000,000</u></u>

(C) Movement in Issued Share Capital :

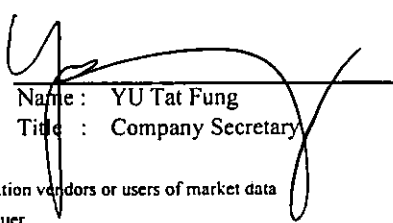
	No. of Ordinary shares	No. of Preference shares	No. of other classes of shares
Balance at close of preceding month	<u>6,552,633,914</u>	<u>N/A</u>	<u>_____</u>
Increase/(Decrease) during the month	<u>55,336,000</u>	<u>_____</u>	<u>_____</u>
Balance at close of the month	<u><u>6,607,969,914</u></u>	<u>_____</u>	<u>_____</u>

TYPE OF SECURITIES	SECURITIES IN ISSUE AT CLOSE OF PRECEDING MONTH	MOVEMENT DURING THE MONTH			SECURITIES IN ISSUE AT CLOSE OF THE MONTH	ISSUE OF NEW SHARES ARISING THEREFROM
		Granted	Exercised	Cancelled		
SHARE OPTIONS * Type	No. of Options				No. of Options	
1. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.41	27,640,000	0	4,000,000	0	23,640,000	4,000,000
2. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.54	58,182,000	0	11,232,000	0	46,950,000	11,232,000
3. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.814	10,744,000	0	1,550,000	0	9,194,000	1,550,000
4. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.846	93,518,000	0	22,145,000	0	71,373,000	22,145,000
5. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.63	201,232,000	0	16,409,000	0	184,823,000	16,409,000
WARRANTS * Date of Expiry	Nominal Value (HK\$)	Exercised (HK\$)			Nominal Value (HK\$)	
1. _____ Subscription price : HK\$ _____		N/A				
2. _____ Subscription price : HK\$ _____						
CONVERTIBLES * Class	Units	Converted (Units)			Units	

Conversion price : HK\$ _____						
OTHER ISSUES OF SHARES *						
Rights Issue	Price : N/A	Issue and allotment Date :				
Placing	Price :	Issue and allotment Date :				
Bonus Issue		Issue and allotment Date :				
Scrip Dividend		Issue and allotment Date :				
Repurchase of share		Cancellation Date :				
Redemption of share		Redemption Date :				
Consideration issue	Price :	Issue and allotment Date :				
Others (please specify)	Price :	Issue and allotment Date :				
Total No. of ordinary shares/preference shares/other classes of shares increased/(decreased) during the month						55,336,000

Remarks : _____

Authorised Signatory :


Name : YU Tat Fung
Title : Company Secretary

Note :

All information contained in this form may be reproduced and provided to other information vendors or users of market data at the sole discretion of the Stock Exchange without prior notification to the company/issuer.

Monthly Return On Movement of Listed Equity Securities
For the month ended 31st March 2006

To : The Listing Division of The Stock Exchange of Hong Kong Limited

CC : The Research & Planning Department of The Stock Exchange of Hong Kong Limited

From : Guangzhou Investment Company Limited

(Name of Company)

YU Tat Fung

Tel No. : 2593 2362

(Name of Responsible Official)

Date : 6th April 2006

(A) Information on Types of Listed Equity Securities :

(please tick wherever applicable)

- | | |
|--|------------------------|
| <input checked="" type="checkbox"/> 1. Ordinary shares : | 2. Preference shares : |
| 3. Other classes of shares : | please specify : _____ |
| 4. Warrants : | please specify : _____ |

(B) Movement in Authorised Share Capital :

	No. of ordinary shares/ Preference shares/ other classes of shares	Par Value (HK\$)	Authorised Share Capital (HK\$)
Balance at close of preceding month	<u>10,000,000,000</u>	<u>0.10</u>	<u>1,000,000,000</u>
Increase/(Decrease) (EGM approval date) :	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Balance at close of the month	<u><u>10,000,000,000</u></u>	<u><u>0.10</u></u>	<u><u>1,000,000,000</u></u>

(C) Movement in Issued Share Capital :

	No. of <u>Ordinary shares</u>	No. of <u>Preference shares</u>	No. of other classes of <u>shares</u>
Balance at close of preceding month	<u>6,607,969,914</u>	<u>N/A</u>	
Increase/(Decrease) during the month	<u>55,156,000</u>		
Balance at close of the month	<u><u>6,663,125,914</u></u>		

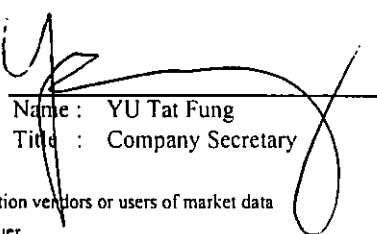
* please delete and insert "N/A" wherever inapplicable

TYPE OF SECURITIES	SECURITIES IN ISSUE AT CLOSE OF PRECEDING MONTH	MOVEMENT DURING THE MONTH			SECURITIES IN ISSUE AT CLOSE OF THE MONTH	ISSUE OF NEW SHARES ARISING THEREFROM
		Granted	Exercised	Cancelled		
SHARE OPTIONS * Type	No. of Options				No. of Options	
1. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.41	23,640,000	0	3,530,000	0	20,110,000	3,530,000
2. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.54	46,950,000	0	5,950,000	0	41,000,000	5,950,000
3. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.814	9,194,000	0	4,045,000	0	5,149,000	4,045,000
4. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.846	71,373,000	0	30,783,000	0	40,590,000	30,783,000
5. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.63	184,823,000	0	10,848,000	0	173,975,000	10,848,000
WARRANTS * Date of Expiry	Nominal Value (HK\$)	Exercised (HK\$)			Nominal Value (HK\$)	
1. _____ Subscription price : HK\$ _____		N/A				
2. _____ Subscription price : HK\$ _____						
CONVERTIBLES * Class	Units	Converted (Units)			Units	

Conversion price : HK\$ _____						
OTHER ISSUES OF SHARES *						
Rights Issue	Price : N/A	Issue and allotment Date :				
Placing	Price :	Issue and allotment Date :				
Bonus Issue		Issue and allotment Date :				
Scrip Dividend		Issue and allotment Date :				
Repurchase of share		Cancellation Date :				
Redemption of share		Redemption Date :				
Consideration issue	Price :	Issue and allotment Date :				
Others (please specify)	Price :	Issue and allotment Date :				
Total No. of ordinary shares/preference shares/other classes of shares increased/(decreased) during the month						55,156,000

Remarks : _____

Authorised Signatory :


Name : YU Tat Fung
Title : Company Secretary

Note :

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Monthly Return On Movement of Listed Equity Securities
For the month ended 30th April 2006

To : The Listing Division of The Stock Exchange of Hong Kong Limited

CC : The Research & Planning Department of The Stock Exchange of Hong Kong Limited

From : Guangzhou Investment Company Limited

(Name of Company)

YU Tat Fung

Tel No. : 2593 2362

(Name of Responsible Official)

Date : 8th May 2006

(A) Information on Types of Listed Equity Securities :

(please tick wherever applicable)

- | | |
|--|------------------------|
| <input checked="" type="checkbox"/> 1. Ordinary shares : | 2. Preference shares : |
| 3. Other classes of shares : | please specify : _____ |
| 4. Warrants : | please specify : _____ |

(B) Movement in Authorised Share Capital :

	No. of ordinary shares/ Preference shares/ other classes of shares	Par Value (HK\$)	Authorised Share Capital (HK\$)
Balance at close of preceding month	<u>10,000,000,000</u>	<u>0.10</u>	<u>1,000,000,000</u>
Increase/(Decrease) (EGM approval date) :	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Balance at close of the month	<u>10,000,000,000</u>	<u>0.10</u>	<u>1,000,000,000</u>

(C) Movement in Issued Share Capital :

	No. of Ordinary shares	No. of Preference shares	No. of other classes of shares
Balance at close of preceding month	<u>6,663,125,914</u>	<u>N/A</u>	
Increase/(Decrease) during the month	<u>13,348,000</u>		
Balance at close of the month	<u>6,676,473,914</u>		

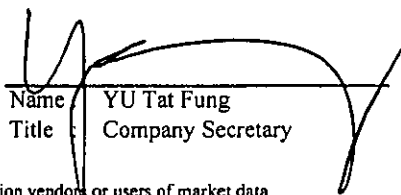
* please delete and insert "N/A" wherever inapplicable

TYPE OF SECURITIES	SECURITIES IN ISSUE AT CLOSE OF PRECEDING MONTH	MOVEMENT DURING THE MONTH			SECURITIES IN ISSUE AT CLOSE OF THE MONTH	ISSUE OF NEW SHARES ARISING THEREFROM
		Granted	Exercised	Cancelled		
SHARE OPTIONS * Type	No. of Options				No. of Options	
1. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.41	20,110,000	0	1,500,000	0	18,610,000	1,500,000
2. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.54	41,000,000	0	0	0	41,000,000	0
3. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.814	5,149,000	0	340,000	0	4,809,000	340,000
4. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.846	40,590,000	0	3,818,000	0	36,772,000	3,818,000
5. <u>Employee Share Option Scheme</u> Exercise price : HK\$ 0.63	173,975,000	0	7,690,000	0	166,285,000	7,690,000
WARRANTS * Date of Expiry	Nominal Value (HK\$)	Exercised (HK\$)			Nominal Value (HK\$)	
1. _____ Subscription price : HK\$ _____		N/A				
2. _____ Subscription price : HK\$ _____						
CONVERTIBLES * Class	Units	Converted (Units)			Units	

Conversion price : HK\$ _____						
OTHER ISSUES OF SHARES *						
Rights Issue	Price : N/A	Issue and allotment Date :				
Placing	Price :	Issue and allotment Date :				
Bonus Issue		Issue and allotment Date :				
Scrip Dividend		Issue and allotment Date :				
Repurchase of share		Cancellation Date :				
Redemption of share		Redemption Date :				
Consideration issue	Price :	Issue and allotment Date :				
Others (please specify)	Price :	Issue and allotment Date :				
Total No. of ordinary shares/preference shares/other classes of shares increased/(decreased) during the month						13,348,000

Remarks : _____

Authorised Signatory :


 Name : YU Tat Fung
 Title : Company Secretary

Note :

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2005 MAY 19 P 1:49

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Annual Report 2004 & 2005

including directors' and auditors' report

** Enclosed under I (1) & (9) above **

2005 MAY 19 P 1:49

重要事項 Important Notes

- 填表前請參閱〈填表須知〉。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

公司編號 Company Number

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

(註 Note 8) 2 商業名稱 Business Name

N/A

3 公司類別 Type of Company

請在有關空格內加 ✓ 號 Please tick the relevant box

有股本的私人公司

Private Company having a share capital

其他

Others

4 本申報表日期 Date of this Return

本申報表列載公司截至右列日期為止的資料
The information in this Return is made up to

26	05	2005
日 DD	月 MM	年 YYYY

(如屬有股本的私人公司，本申報表應列載截至公司成立為法團的周年日期的資料。如屬其他公司，所列載的資料則應截至公司周年大會日期或以代替周年大會的書面決議的日期為止。

For a private company having a share capital, the information in this Return should be made up to the anniversary of the date of incorporation. For other companies, the information should be made up to the date of the annual general meeting (AGM) or the date of written resolution passed in lieu of AGM.)

(註 Note 9) 5 註冊辦事處地址 Address of Registered Office

24/F., Yue Xiu Building, 160-174 Lockhart Road, Wanchai, Hong Kong

(註 Note 10) 6 電郵地址 E-mail Address

Empty box for E-mail Address

Your Receipt
Companies Registry
H.K.

(註 Note 3) 提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160-174 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference: FRQ01008

指明編號 2/2004 (修訂) (2004年2月)
Specification No. 2/2004 (Revision) (Feb. 2004)

27/06/2005 16:17:00

Submission No.: 224007243

CR NO.: 0362639

Sh. Form.: AR1L

Revenue Code Amount(HKD)

27 \$140.00

Paid By
Receipt No. Method Amount(HKD)

242240012356 Cash \$140.00

Total Paid \$140.00

7 按揭及押記 Mortgages and Charges

截至本申報表日期，所有須根據《公司條例》第 80 及第 82 條規定向公司註冊處處長登記的按揭及押記的未償還總額

Total Amount outstanding as of the Date of this Return on all mortgages and charges which are required to be registered with the Registrar of Companies pursuant to sections 80 and 82 of the Companies Ordinance

HK\$2,126,232,741.62

(註 Note 11) **8 無股本公司的成員數目 Number of Member(s) of a Company Not Having a Share Capital**
(有股本的公司毋須填報此項 Company having a share capital need not complete this section)

截至本申報表日期的成員數目

Number of member(s) as at the Date of this Return

-

(註 Note 12) **9 股本 Share Capital**
(無股本的公司毋須填報第 9 及第 10 項 Company not having a share capital need not complete sections 9 & 10)

截至本申報表日期 As at the Date of this Return					
股份類別 Class of Shares	法定股本 Authorized Share Capital	已發行股本 Issued Share Capital			
	總面值 Total Nominal Value †	已發行股份數目 Number of Shares Issued (a)	每股已發行股份的面值 Nominal Value of Each Share Issued † (b)	已發行股份的總面值 Total Nominal Value of Shares Issued † (a) x (b)	已發行股份的已繳股款總值 (不包括溢價) Total Paid up Value of Shares Issued † (excluding premium)
Ordinary	HKD1,000,000,000.00	6,369,809,914	HKD0.10	HKD636,980,991.40	HKD636,980,991.40
總值 Total	HKD1,000,000,000.00	6,369,809,914		HKD636,980,991.40	HKD636,980,991.40

† 請註明貨幣單位(例如：港元、美元)
Please specify the currency (e.g. HKD, USD)

(註 Note 13) **10 有股本公司的成員詳情 Details of Member(s) of a Company Having a Share Capital**
 (如未能盡錄於下列表格內，請用續頁 A 填報 Use Continuation Sheet A if there is insufficient space)

截至本申報表日期的成員詳情 Details of Member(s) as at the Date of this Return

股份類別 Class of Shares **Ordinary**

如公司的股份自上一份周年申報表日期以來(如屬首份周年申報表，則自公司成立為法團以來)有任何轉讓，有關詳情亦請一併填報；股份受讓人的姓名／名稱請在「備註」一欄註明。
 If there have been any transfers of the company's shares since the date of the last Annual Return (or since incorporation if this is the first Annual Return), please also provide details of the transfers; the name of the transferee should be stated in the 'Remarks' column.

姓名／名稱 Name	地址 Address	股份 Shares			備註 Remarks
		現時持有量 Current Holding	轉讓 Transferred		
			數目 Number	日期 Date	
Please refer to the attached Shareholders' List.					
總數 Total					

11 秘書 Secretary**A. 個人秘書 Individual Secretary**

(如超過一名個人秘書，請用續頁 B 填報 Use Continuation Sheet B if more than 1 individual secretary)

中文姓名
Name in Chinese 余達峯

英文姓名
Name in English Yu Tat Fung

姓氏 Surname 名字 Other Names

前用姓名
Previous Names -

別名
Alias -

(註 Note 14)

香港住址
Hong Kong Residential Address Flat F, 4/F., Evelyn Towers, 38 Cloud View Road, North Point, Hong Kong

(註 Note 15)

電郵地址
E-mail Address -

(註 Note 16)

身份證明 Identification

a 香港身份證號碼
Hong Kong Identity Card Number D355864(A)

b 海外護照
Overseas Passport - Nil

簽發國家 Issuing Country 號碼 Number

B. 法人團體秘書 Corporate Secretary

(如超過一名法人團體秘書，請用續頁 B 填報 Use Continuation Sheet B if more than 1 corporate secretary)

(註 Note 17)

中文名稱
Name in Chinese

(註 Note 17)

英文名稱
Name in English

(註 Note 18)

香港地址
Hong Kong Address

(註 Note 15)

電郵地址
E-mail Address

公司編號 Company Number
(只適用於在香港註冊的法人團體)
(Only applicable to body corporate registered in Hong Kong)

12 董事 Director

A. 個人董事 Individual Director

(如超過兩名個人董事，請用續頁 C 填報 Use Continuation Sheet C if more than 2 individual directors)

(註 Note 19)

1 身份

董事

候補董事

代替 Alternate to

Capacity

Director

Alternate Director

-

中文姓名

Name in Chinese

區秉昌

英文姓名

Name in English

Ou

Bingchang

姓氏 Surname

名字 Other Names

前用姓名

Previous Names

-

別名

Alias

-

(註 Note 20)

住址

Residential
Address19B, Linway Court,
69-71 Stone Nullah Street,
Wanchai, Hong Kong

國家 Country

(註 Note 21)

電郵地址

E-mail Address

-

(註 Note 22)

身份證明 Identification

a

香港身份證號碼

Hong Kong Identity Card Number

R179346(1)

b

海外護照

Overseas Passport

-

Nil

簽發國家 Issuing Country

號碼 Number

12 董事 Director (續上頁 cont'd)

(註 Note 19)

2 身份

Capacity

董事

Director

候補董事

Alternate Director

代替 Alternate to

-

中文姓名
Name in Chinese

梁毅

英文姓名
Name in English

Liang

Yi

姓氏 Surname

名字 Other Names

前用姓名
Previous Names

-

別名
Alias

-

(註 Note 20)

住址
Residential
Address14B, Linway Court,
69-71 Stone Nullah Street,
Wanchai, Hong Kong

國家 Country

(註 Note 21)

電郵地址
E-mail Address

-

(註 Note 22)

身份證明 Identification

a 香港身份證號碼
Hong Kong Identity Card Number

R040650(2)

b 海外護照
Overseas Passport

-

Nil

簽發國家 Issuing Country

號碼 Number

12 董事 Director (續上頁 cont'd)

B. 法人團體董事 Corporate Director

(如超過兩名法人團體董事，請用續頁 D 填報 Use Continuation Sheet D if more than 2 corporate directors)

(註 Note 19)	1	身份 Capacity	<input type="checkbox"/> 董事 Director	<input type="checkbox"/> 候補董事 Alternate Director	代替 Alternate to	
		中文名稱 Name in Chinese				
		英文名稱 Name in English				
(註 Note 23)		地址 Address				國家 Country
(註 Note 21)		電郵地址 E-mail Address				
		公司編號 Company Number (只適用於在香港註冊的法人團體) (Only applicable to body corporate registered in Hong Kong)				
(註 Note 19)	2	身份 Capacity	<input type="checkbox"/> 董事 Director	<input type="checkbox"/> 候補董事 Alternate Director	代替 Alternate to	
		中文名稱 Name in Chinese				
		英文名稱 Name in English				
(註 Note 23)		地址 Address				國家 Country
(註 Note 21)		電郵地址 E-mail Address				
		公司編號 Company Number (只適用於在香港註冊的法人團體) (Only applicable to body corporate registered in Hong Kong)				

12 董事 Director (續上頁 cont'd)

C. 備任董事 Reserve Director

(只適用於只有一名成員而該成員同時亦是唯一董事的私人公司 Only applicable to a private company with only one member who is also the sole director of the company)

中文姓名
Name in Chinese

英文姓名
Name in English

姓氏 Surname	名字 Other Names
------------	----------------

前用姓名
Previous Names

別名
Alias

(註 Note 20)

住址
Residential
Address

	國家 Country
--	------------

(註 Note 21)

電郵地址
E-mail Address

(註 Note 22)

身份證明 Identification

a 香港身份證號碼
Hong Kong Identity Card Number

b 海外護照
Overseas Passport

簽發國家 Issuing Country	號碼 Number
----------------------	-----------

13 登記冊 Registers

公司備存下列登記冊的地址(如並非備存於第 5 項的註冊辦事處內)

Address where the following registers of the company are kept (if not kept at the Registered Office in Section 5)

登記冊 Register	地址 Address
a 成員登記冊 Register of Members	G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong
b 債權證持有人登記冊 (如有的話) Register of Debenture Holders (if any)	N/A

(註 Note 24) 14 隨表提交的帳目所涵蓋的會計結算始末日期

Period Covered by Accounts Submitted with this Form

(私人公司毋須填報此項 A private company need not complete this section)

01	01	2004	至	31	12	2004
日 DD	月 MM	年 YYYY	To	日 DD	月 MM	年 YYYY

15 證明書 Certificate

(此項證明只適用於私人公司。如不適用，請刪去此項。)

(This Certificate should only be completed in respect of a private company. If not applicable, please delete.)

本人證明公司自上一份周年申報表日期以來(如屬首份周年申報表，則自成立為法團以來)，並無發出任何文件，邀請公眾人士認購公司任何股份或債權證；同時如成員數目於本申報表日期超過五十，則所超出的成員，全是根據《公司條例》第 29(1)(b)條不須計算入該五十名額內的人士。
I certify that the company has not, since the date of the last Annual Return (or since incorporation if this is the first Annual Return), issued any invitation to the public to subscribe for any shares or debentures in the company and that if the number of members is in excess of 50 as at the Date of this Return, the excess are persons who under section 29(1)(b) of the Companies Ordinance are not to be included in the calculation of 50.

本申報表包括 _____ 張續頁 A、_____ 張續頁 B、_____ 張續頁 C 及 _____ 張續頁 D。

This Return includes _____ 0 _____ Continuation Sheet(s) A, _____ 0 _____ Continuation Sheet(s) B, _____ 7 _____

Continuation Sheet(s) C and _____ 0 _____ Continuation Sheet(s) D.

簽署 Signed :



姓名 Name :

XIAO Boyan
董事 Director / 秘書 Secretary*

日期 Date :

26 / 05 / 2005
日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply

本申報表日期 Date of Return

公司編號 Company Number

26	05	2005
日 DD	月 MM	年 YYYY

362639

個人董事詳情 (第 12A 項) Details of Individual Director (Section 12A)

(註 Note 19)

身份 Capacity 董事 Director 候補董事 Alternate Director 代替 Alternate to -

中文姓名 Name in Chinese 陳光松

英文姓名 Name in English

Chen	Guangsong
姓氏 Surname	名字 Other Names

前用姓名 Previous Names -

別名 Alias -

(註 Note 20)

住址 Residential Address

11B, Linway Court, 69-71 Stone Nullah Street, Wanchai, Hong Kong	國家 Country
--	------------

(註 Note 21)

電郵地址 E-mail Address -

(註 Note 22)

身份證明 Identification

a 香港身份證號碼 Hong Kong Identity Card Number R104588(0)

b 海外護照 Overseas Passport

-	Nil
簽發國家 Issuing Country	號碼 Number

本申報表日期 Date of Return

26	05	2005
日 DD	月 MM	年 YYYY

公司編號 Company Number

362639

個人董事詳情 (第 12A 項) Details of Individual Director (Section 12A)

(註 Note 19)

身份 Capacity

董事 Director

候補董事 Alternate Director

代替 Alternate to -

中文姓名 Name in Chinese

李 飛

英文姓名 Name in English

Li	Fei
姓氏 Surname	名字 Other Names

前用姓名 Previous Names

-

別名 Alias

-

(註 Note 20)

住址 Residential Address

Room C, 24th-25th Floor, No. 129 Ti Yu Si Lu, Guangzhou	China 國家 Country
---	---------------------

(註 Note 21)

電郵地址 E-mail Address

-

(註 Note 22)

身份證明 Identification

a 香港身份證號碼 Hong Kong Identity Card Number

Nil

b 海外護照 Overseas Passport

China	150262339
簽發國家 Issuing Country	號碼 Number

本申報表日期 **Date of Return**

公司編號 **Company Number**

26	05	2005
日 DD	月 MM	年 YYYY

362639

個人董事詳情 (第 12A 項) Details of Individual Director (Section 12A)

(註 Note 19)

身份 董事 候補董事 代替 Alternate to

Capacity Director Alternate Director -

中文姓名 **Name in Chinese** 梁凝光

英文姓名 **Name in English** Liang Ningguang

姓氏 Surname 名字 Other Names

前用姓名 **Previous Names** -

別名 **Alias** -

(註 Note 20)

住址 **Residential Address** 11A, Block 3, City Garden, 233 Electric Road, North Point, Hong Kong

國家 Country

(註 Note 21)

電郵地址 **E-mail Address** -

(註 Note 22)

身份證明 **Identification**

a 香港身份證號碼 **Hong Kong Identity Card Number** K940772(3)

b 海外護照 **Overseas Passport** - Nil

簽發國家 Issuing Country 號碼 Number

本申報表日期 **Date of Return**

公司編號 **Company Number**

26	05	2005
日 DD	月 MM	年 YYYY

362639

個人董事詳情 (第 12A 項) Details of Individual Director (Section 12A)

(註 Note 19)

身份 Capacity	<input checked="" type="checkbox"/> 董事 Director	<input type="checkbox"/> 候補董事 Alternate Director	代替 Alternate to -
----------------	--	---	----------------------

中文姓名 Name in Chinese	肖博彥
-------------------------	-----

英文姓名 Name in English	Xiao 姓氏 Surname	Boyan 名字 Other Names
-------------------------	--------------------	-------------------------

前用姓名 Previous Names	-
------------------------	---

別名 Alias	-
-------------	---

(註 Note 20)

住址 Residential Address	15B, Linway Court, 69-71 Stone Nullah Street, Wanchai, Hong Kong	國家 Country
---------------------------	--	------------

(註 Note 21)

電郵地址 E-mail Address	-
------------------------	---

(註 Note 22)

身份證明 Identification		
a 香港身份證號碼 Hong Kong Identity Card Number	P787157(4)	

b 海外護照 Overseas Passport	- 簽發國家 Issuing Country	Nil 號碼 Number
-----------------------------	---------------------------	------------------

本申報表日期 Date of Return

公司編號 Company Number

26	05	2005
日 DD	月 MM	年 YYYY

362639

個人董事詳情 (第 12A 項) Details of Individual Director (Section 12A)

(註 Note 19)

身份 Capacity	<input checked="" type="checkbox"/> 董事 Director	<input type="checkbox"/> 候補董事 Alternate Director	代替 Alternate to -
----------------	--	---	----------------------

中文姓名 Name in Chinese	余立發
-------------------------	-----

英文姓名 Name in English	Yu	Lup Fat, Joseph
	姓氏 Surname	名字 Other Names

前用姓名 Previous Names	-
------------------------	---

別名 Alias	-
-------------	---

(註 Note 20)

住址 Residential Address	5/F Block 48, Baquio Villa, 555 Victoria Road, Pokfulam, Hong Kong	國家 Country
---------------------------	---	------------

(註 Note 21)

電郵地址 E-mail Address	-
------------------------	---

Note 22

身份證明 Identification

a 香港身份證號碼 Hong Kong Identity Card Number	A751551(3)
b 海外護照 Overseas Passport	-
	簽發國家 Issuing Country
	號碼 Number

本申報表日期 Date of Return

26	05	2005
日 DD	月 MM	年 YYYY

公司編號 Company Number

362639

個人董事詳情 (第 12A 項) Details of Individual Director (Section 12A)

(註 Note 19)

身份

Capacity

董事

Director

候補董事

Alternate Director

代替 Alternate to

-

中文姓名

Name in Chinese

李家麟

英文姓名

Name in English

Lee

姓氏 Surname

Ka Lun

名字 Other Names

前用姓名

Previous Names

-

別名

Alias

-

(註 Note 20)

住址

Residential Address

19C, Block 1, Illumination Terrace,
5-7 Tai Hang Road, Hong Kong

國家 Country

(註 Note 21)

電郵地址

E-mail Address

-

(註 Note 22)

身份證明 Identification

a 香港身份證號碼

Hong Kong Identity Card Number

E615577(8)

b 海外護照

Overseas Passport

-

簽發國家 Issuing Country

Nil

號碼 Number

本申報表日期 **Date of Return**

26	05	2005
日 DD	月 MM	年 YYYY

公司編號 **Company Number**

362639

個人董事詳情 (第 12A 項) Details of Individual Director (Section 12A)

(註 Note 19)

身份 Capacity	<input checked="" type="checkbox"/> 董事 Director	<input type="checkbox"/> 候補董事 Alternate Director	代替 Alternate to -
----------------	--	---	----------------------

中文姓名 Name in Chinese	劉 漢 銓
-------------------------	-------

英文姓名 Name in English	Lau	Hon Chuen Ambrose
	姓氏 Surname	名字 Other Names

前用姓名 Previous Names	-
------------------------	---

別名 Alias	-
-------------	---

(註 Note 20)

住址 Residential Address	Flat 80, Mount Nicholson Gap, Hong Kong	國家 Country
---------------------------	---	------------

(註 Note 21)

電郵地址 E-mail Address	-
------------------------	---

Note 22

身份證明 Identification		
a 香港身份證號碼 Hong Kong Identity Card Number	B984222(0)	

b 海外護照 Overseas Passport	-	Nil
	簽發國家 Issuing Country	號碼 Number



Statement of Particulars of Subsidiaries

公司註冊處
Companies Registry

(公司條例第 128(5)(b) 及 (5A)(b) 條)
(Companies Ordinance s. 128(5)(b) & (5A)(b))

表格
Form **AC1**

2005 MAY 19 P 1:49

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

重要事項 Important Notes

- 填表前請參閱〈填表須知〉。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

公司編號 Company Number
362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

2 本陳述書的附表一載列本公司於下述財政年度終結日期的所有附屬公司的詳情 The particulars of all the Subsidiaries of the Company as at the closing date of the financial year as stated below are contained in Schedule 1 of this Statement

財政年度的終結日期
Closing Date of the Financial Year

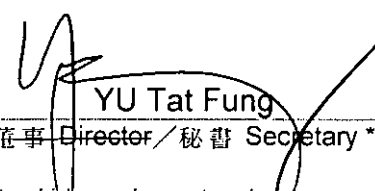
31	12	2004
日 DD	月 MM	年 YYYY

本陳述書包括 _____ 頁附表。

This Statement includes 13 page(s) of Schedule.

簽署 Signed :

姓名 Name :


YU Tat Fung
董事 Director / 秘書 Secretary *

日期 Date :

23 / 06 / 2005

日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply

(註 Note 4)

提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai,
Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明編號 1/2004 (2004年2月)
Specification No. 1/2004 (Feb. 2004)

請勿填寫本欄 For Official Use

Acknowledgement
Companies Registry
H.K.

27/06/2005 16:17:00
Submission No/Seq No: 224007243/4
CR No: 0362639
Sh. Form. AC1

附屬公司的詳情 Particulars of Subsidiaries

公司名稱 Company Name	成立為法團 所在的國家 Country of Incorporation	本公司所持股份的類別及 佔已發行股份的面值比例 Class and proportion of the nominal value of the issued shares held by the Company		
		股份類別 Class of Share	由公司 (或其代名人) 所持股份的 百分率 Percentage of Shares Held by the Company (or its nominee) (註 Note)	由公司的 附屬公司 (或其代名人) 所持股份的 百分率 Percentage of Shares Held by the Company's Subsidiary (or its nominee) (註 Note)
Able Step Investment Limited	Hong Kong	Ordinary	-	100
Acon Investment Ltd.	British Virgin Islands	Ordinary	-	100
Allwin Assets Limited	British Virgin Islands	Ordinary	-	80
Asian East Worldwide Limited	British Virgin Islands	Ordinary	-	34.33
Beexiu Industrial (Shenzhen) Co., Ltd.	China	-	-	100
Bentfield Limited	British Virgin Islands	Ordinary	-	34.33
Bestliners Investment Ltd.	British Virgin Islands	Ordinary	-	100
Better Wealth Development Limited	Hong Kong	Ordinary	-	100
Boardland Limited	British Virgin Islands	Ordinary	-	100
Bond Master Limited	Hong Kong	Ordinary	-	100
Brander Limited	British Virgin Islands	Ordinary	-	100
Bright Growth Investment Limited	British Virgin Islands	Ordinary	-	100
Bright Leader Development Limited	Hong Kong	Ordinary	-	100
Bright Rise Investment Limited	Hong Kong	Ordinary	-	100
Brisian Limited	British Virgin Islands	Ordinary	-	100
Capital Wise Development Limited	Hong Kong	Ordinary	-	100
Capitalers Limited	British Virgin Islands	Ordinary	-	100
Carry Win Investment Limited	British Virgin Islands	Ordinary	-	100
Charcon Development Limited	Hong Kong	Ordinary	-	100

附屬公司的詳情 **Particulars of Subsidiaries**

公司名稱 Company Name	成立為法團 所在的國家 Country of Incorporation	本公司所持股份的類別及 佔已發行股份的面值比例 Class and proportion of the nominal value of the issued shares held by the Company		
		股份類別 Class of Share	由公司 (或其代名人) 所持股份的 百分率 Percentage of Shares Held by the Company (or its nominee) (註 Note)	由公司的 附屬公司 (或其代名人) 所持股份的 百分率 Percentage of Shares Held by the Company's Subsidiary (or its nominee) (註 Note)
Charm Smart Development Limited	Hong Kong	Ordinary	-	100
China Century Paper Limited	British Virgin Islands	Ordinary	100	-
Chinaweal Investment Limited	British Virgin Islands	Ordinary	-	100
Citiland International Limited	British Virgin Islands	Ordinary	-	100
Companhia de Fomento Predial Yue Xiu (Macau), Limitada	Macau	-	-	100
Companhia de Gestao Imobiliaria Hang Sao, Limitada	Macau	-	-	100
Constata Development Limited	Hong Kong	Ordinary	-	80
Cowan Investment Limited	British Virgin Islands	Ordinary	-	100
Crystal Path Investment Limited	Hong Kong	Ordinary	-	100
Dalian Perfect Base Property Development Co., Ltd.	China	-	-	100
Delta Force Holdings Limited	British Virgin Islands	Ordinary	-	51
Durman Limited	British Virgin Islands	Ordinary	-	100
Easy Excel Development Limited	Hong Kong	Ordinary	-	100
Elsburg Limited	Hong Kong	Ordinary	-	100
Eternal Fine International Limited	Hong Kong	Ordinary	-	100
Ever Famous International Limited	Hong Kong	Ordinary	-	100

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附屬公司的詳情 Particulars of Subsidiaries

公司名稱 Company Name	成立為法團 所在的國家 Country of Incorporation	本公司所持股份的類別及 佔已發行股份的面值比例 Class and proportion of the nominal value of the issued shares held by the Company		
		股份類別 Class of Share	由公司 (或其代名人) 所持股份的 百分率 Percentage of Shares Held by the Company (or its nominee) (註 Note)	由公司的 附屬公司 (或其代名人) 所持股份的 百分率 Percentage of Shares Held by the Company's Subsidiary (or its nominee) (註 Note)
Fennick Investment Limited	Hong Kong	Ordinary	-	100
First-Win Group Limited	British Virgin Islands	Ordinary	-	100
Forde Investment Limited	Hong Kong	Ordinary	-	100
Fortune Success Group Ltd.	British Virgin Islands	Ordinary	-	34.33
Front Riches Limited	Hong Kong	Ordinary	-	100
Full Estates Investment Limited	British Virgin Islands	Ordinary	-	100
Fundscore Development Limited	Hong Kong	Ordinary	-	100
Glow Bright Investment Limited	Hong Kong	Ordinary	-	100
Gold Sound Co., Ltd.	British Virgin Islands	Ordinary	100	-
Golden Estates Development Limited	British Virgin Islands	Ordinary	-	100
Goldkemp Investment Limited	British Virgin Islands	Ordinary	-	100
Goldtech Worldwide Limited	British Virgin Islands	Ordinary	-	100
Grand System Development Limited	Hong Kong	Ordinary	-	100
Green Park Development Limited	Hong Kong	Ordinary	-	100
Guangzhou Bright Growth City Real Estates Co. Ltd.	China	-	-	95
Guangzhou Carry Win City Real Estates Co. Ltd.	China	-	-	95
Guangzhou Central Funds City Real Estates Co. Ltd.	China	-	-	95

附屬公司的詳情 Particulars of Subsidiaries

公司名稱 Company Name	成立為法團 所在的國家 Country of Incorporation	本公司所持股份的類別及 佔已發行股份的面值比例 Class and proportion of the nominal value of the issued shares held by the Company		
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Guangzhou Charcon Real Estate Co., Ltd.	China	-	-	100
Guangzhou Charfar Real Estate Company Limited	China	-	-	75
Guangzhou Charho Real Estate Company Limited	China	-	-	100
Guangzhou Charkwang Real Estate Company Limited	China	-	-	65
Guangzhou City Construction & Development Co. Ltd.	China	-	-	95
Guangzhou City Construction & Development Consulting Ltd.	China	-	-	98.13
Guangzhou City Construction & Development Decoration Ltd.	China	-	-	98.62
Guangzhou City Construction & Development Group Nansha Co. Ltd.	China	-	-	95
Guangzhou City Construction & Development Homecity Supermarket Ltd.	China	-	-	98.13
Guangzhou City Construction & Development Jingcheng Property Co. Ltd.	China	-	-	95
Guangzhou City Construction & Development Property Ltd.	China	-	-	95
Guangzhou City Construction & Development Supervising Ltd.	China	-	-	65

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附屬公司的詳情 Particulars of Subsidiaries

公司名稱 Company Name	成立為法團 所在的國家 Country of Incorporation	本公司所持股份的類別及 佔已發行股份的面值比例 Class and proportion of the nominal value of the issued shares held by the Company		
		股份類別 Class of Share	由公司 (或其代名人) 所持股份的 百分率 Percentage of Shares Held by the Company (or its nominee) (註 Note)	由公司的 附屬公司 (或其代名人) 所持股份的 百分率 Percentage of Shares Held by the Company's Subsidiary (or its nominee) (註 Note)
Guangzhou City Construction & Development Weicheng Enterprise Ltd.	China	-	-	80
Guangzhou City Construction & Development Xingye Property Agent Ltd.	China	-	-	52
Guangzhou Construction & Development Holdings (China) Limited	British Virgin Islands	Ordinary	100	-
Guangzhou Cowan City Real Estates Co. Ltd.	China	-	-	95
Guangzhou Eastern Growth City Real Estates Co. Ltd.	China	-	-	95
Guangzhou Faithbond City Real Estates Co. Ltd.	China	-	-	95
Guangzhou Grandcity Automobile Services Co.	China	-	-	81.26
Guangzhou Grandcity Development Ltd.	China	-	-	100
Guangzhou Guangxiu City Real Estates Co. Ltd.	China	-	-	95
Guangzhou Honour City Real Estates Co. Ltd.	China	-	-	95
Guangzhou Investment (China Property) Company Limited	British Virgin Islands	Ordinary	-	100
Guangzhou Investment Dual Currency Notes 1996 Limited	Cayman Islands	Ordinary	100	-

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附屬公司的詳情 Particulars of Subsidiaries

公司名稱 Company Name	成立為法團 所在的國家 Country of Incorporation	本公司所持股份的類別及 佔已發行股份的面值比例 Class and proportion of the nominal value of the issued shares held by the Company		
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Guangzhou Investment Finance Company Limited	Hong Kong	Ordinary	100	-
Guangzhou Investment (HK Property) Company Limited	British Virgin Islands	Ordinary	-	100
Guangzhou Investment (Macau Property) Company Limited	British Virgin Islands	Ordinary	-	100
Guangzhou Investment Property Holdings Limited	British Virgin Islands	Ordinary	100	-
Guangzhou Jieyacheng Real Estate Development Co., Ltd.	China	-	-	92
Guangzhou Keen Asia City Real Estates Co. Ltd.	China	-	-	95
Guangzhou May Hua City Real Estates Co. Ltd.	China	-	-	95
Guangzhou Million Top City Real Estates Co. Ltd.	China	-	-	95
Guangzhou Nanxin Highways Development Company Limited	China	-	-	27.46
Guangzhou Paper Co., Ltd.	China	-	-	51
Guangzhou Perfect City Real Estates Co. Ltd.	China	-	-	95
Guangzhou Qiaowei Highways Development Company Limited	China	-	-	34.33
Guangzhou Seaport City Real Estates Co. Ltd.	China	-	-	95

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附屬公司的詳情 Particulars of Subsidiaries

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		股份類別 Class of Share	由公司 (或其代名人) 所持股份的 百分率 Percentage of Shares Held by the Company (or its nominee) (註 Note)	由公司的 附屬公司 (或其代名人) 所持股份的 百分率 Percentage of Shares Held by the Company's Subsidiary (or its nominee) (註 Note)
Guangzhou Sincere Land City Real Estates Co. Ltd.	China	-	-	95
Guangzhou Suiqiao Development Company Limited	China	-	-	34.33
Guangzhou Sun Peak City Real Estates Co. Ltd.	China	-	-	95
Guangzhou Taihe Highways Development Company Limited	China	-	-	27.46
Guangzhou Tailong Highways Development Company Limited	China	-	-	17.50
Guangzhou Talent Gather City Real Estates Co. Ltd.	China	-	-	95
Guangzhou Tiyu Building Company Limited	China	-	-	100
Guangzhou Top Jade City Real Estates Co. Ltd.	China	-	-	95
Guangzhou Tung Win City Real Estates Co. Ltd.	China	-	-	95
Guangzhou Unionwin City Real Estates Co. Ltd	China	-	-	95
Guangzhou Weian Highways Development Company Limited	China	-	-	27.46
Guangzhou White Horse Clothings Market Ltd.	China	-	-	76.33
Guangzhou Winbase City Real Estates Co. Ltd.	China	-	-	95

附屬公司的詳情 Particulars of Subsidiaries

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Guangzhou Winner City Real Estates Co. Ltd.	China	-	-	95
Guangzhou Xingcheng Enterprise Development Ltd.	China	-	-	95
Guangzhou Xinguang Highways Development Company Limited	China	-	-	18.88
Guangzhou Yicheng Property Management Ltd.	China	-	-	85.68
Guangzhou Yieldwise City Real Estates Co. Ltd.	China	-	-	95
Guangzhou Yue Peng Information Ltd.	China	-	-	34.33
Guangzhou Yue Xiu Property Management Company Limited	China	-	-	60
Guangzhou Ziwei City Real Estates Co. Ltd.	China	-	-	95
Guide Fortune Development Limited	Hong Kong	Ordinary	-	62.5
GZI Transport (Holdings) Limited	British Virgin Islands	Ordinary	-	51
GZI Transport Limited	Bermuda	Ordinary	0.01	34.32
Honest Earn Limited	Hong Kong	Ordinary shares and Non-voting deferred shares	-	100
Honstar Investments Limited	British Virgin Islands	Ordinary	-	100
Housemaster Holdings Limited	British Virgin Islands	Ordinary	-	51

附屬公司的詳情 Particulars of Subsidiaries

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Hunan Yue Tung Highway and Bridge Development Company Limited	China	-	-	25.75
Ickleton Limited	British Virgin Islands	Ordinary	-	34.33
Intro-Win Development Limited	Hong Kong	Ordinary	-	100
Jamsin Limited	Hong Kong	Ordinary	100	-
Jankon International Limited	Hong Kong	Ordinary	-	100
Jaxon Engineering Limited	Hong Kong	Ordinary	-	100
Jesslyn Limited	Hong Kong	Ordinary shares and Non-voting deferred shares	-	100
Jumbo Good Development Limited	Hong Kong	Ordinary	-	100
Jumbo King Development Limited	Hong Kong	Ordinary	100	-
Jumbo Team Limited	British Virgin Islands	Ordinary	-	100
Kam Cheong Limited	British Virgin Islands	Ordinary	-	34.33
Kam Hon Investment Company Limited	Hong Kong	Ordinary	-	100
Keen Ocean Limited	British Virgin Islands	Ordinary	-	100
Kingswell Limited	Hong Kong	Ordinary	-	100
Kingwongs Investment Limited	British Virgin Islands	Ordinary	-	100
Kinleader Co., Ltd.	British Virgin Islands	Ordinary	-	34.33

附屬公司的詳情 Particulars of Subsidiaries

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Kiu Fung Limited	British Virgin Islands	Ordinary	-	34.33
Lawson Enterprises Limited	British Virgin Islands	Ordinary	-	51
Light Home Development Limited	Hong Kong	Ordinary	-	100
Long Win Development Ltd.	British Virgin Islands	Ordinary	-	100
May View Investment Limited	British Virgin Islands	Ordinary	-	100
Merry Growth Development Limited	Hong Kong	Ordinary	-	100
Metrogold Development Limited	British Virgin Islands	Ordinary	-	92
Mirossa Investment Limited	British Virgin Islands	Ordinary	-	100
Moon King Limited	British Virgin Islands	Ordinary	-	100
Nation Harvest Development Limited	Hong Kong	Ordinary	-	100
Onwell Enterprises Limited	British Virgin Islands	Ordinary	-	34.33
Pacific Max Industrial Limited	Hong Kong	Ordinary	-	100
Pacific Oceanic Limited	British Virgin Islands	Ordinary	-	100
Perfect Base Development Limited	Hong Kong	Ordinary	-	100
Pioneer Business Limited	British Virgin Islands	Ordinary	-	34.33
Power Head Limited	British Virgin Islands	Ordinary	-	51
Profit Optima Ltd.	British Virgin Islands	Ordinary	-	34.33
Proterall Limited	British Virgin Islands	Ordinary	-	34.33

附屬公司的詳情 **Particulars of Subsidiaries**

公司名稱 Company Name	成立為法團 所在的國家 Country of Incorporation	本公司所持股份的類別及 佔已發行股份的面值比例 Class and proportion of the nominal value of the issued shares held by the Company		
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Raybeach Investment Limited	Hong Kong	Ordinary	-	100
Richardland Limited	British Virgin Islands	Ordinary	-	100
Round Table Holdings Limited	British Virgin Islands	Ordinary	100	-
Shaanxi Jinxiu Transport Co., Limited	China	-	-	34.33
Sincere Land Investment Ltd.	British Virgin Islands	Ordinary	-	100
Sino Peace Development Limited	Hong Kong	Ordinary	-	100
Smart Perfect Development Limited	Hong Kong	Ordinary	-	100
Smart Rise Development Limited	Hong Kong	Ordinary	-	100
Smart Top Enterprises Limited	Hong Kong	Ordinary	-	34.33
Sociedade de Fomento Predial Codo (Macau) Limitada	Macau	-	-	100
Solution Investment Limited	Hong Kong	Ordinary	-	100
Sparco Development Limited	British Virgin Islands	Ordinary	-	34.33
Star Noble Enterprises Limited	Hong Kong	Ordinary	-	100
Super Gain Development Limited	British Virgin Islands	Ordinary	-	100
Super Praise Ltd.	British Virgin Islands	Ordinary	-	34.33
Super Sprite Enterprises Limited	British Virgin Islands	Ordinary	-	100

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附屬公司的詳情 Particulars of Subsidiaries

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Superfield Limited	British Virgin Islands	Ordinary	-	34.33
Superinvestor Limited	British Virgin Islands	Ordinary	-	100
Superland Development Ltd.	British Virgin Islands	Ordinary	-	100
Taissa Development Limited	British Virgin Islands	Ordinary	-	100
Takwill International Limited	Hong Kong	Ordinary	-	100
Talent Gather Development Limited	British Virgin Islands	Ordinary	-	100
Teckstar Limited	British Virgin Islands	Ordinary	-	34.33
Top Global Holdings Ltd.	British Virgin Islands	Ordinary	-	34.33
Top Health International Limited	Hong Kong	Ordinary	-	100
Topform Assets Limited	British Virgin Islands	Ordinary	-	100
Toplander Development Limited	British Virgin Islands	Ordinary	-	100
Unionwin Investment Limited	British Virgin Islands	Ordinary	-	34.33
Upgrade Resources Limited	British Virgin Islands	Ordinary	-	100
Vast Win Development Limited	Hong Kong	Ordinary	-	100
Veven Developments Limited	Hong Kong	Ordinary	-	100
Viclong Company Limited	Hong Kong	Ordinary	-	100
Winston Investment Limited	Hong Kong	Ordinary	-	100
Worldbest Development Limited	Hong Kong	Ordinary	-	100

附屬公司的詳情 Particulars of Subsidiaries

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Yan Tung Investment Limited	British Virgin Islands	Ordinary	-	28.6
Yue Xiu APT Parking Limited	Hong Kong	Ordinary	-	100
Yue Xiu Investment (China) Company Limited	China	-	100	-
Yue Xiu Property Agency Limited	Hong Kong	Ordinary	-	100
Yue Xiu Property Consultants Limited	Hong Kong	Ordinary shares and Non-voting deferred shares	-	100
Yue Xiu Property Management Limited	Hong Kong	Ordinary	-	100
廣州華振科技投資有限公司	China	-	-	100

註 Note

此百分率可以最接近的整數百分率說明，但如該百分率乃介乎 49%與 50%之間或介乎 50%與 51%之間，則須盡量說明多位小數以表明一股股份佔該類別已發行股份的面值比例的百分率(計算至一位有效數字)。

The percentage may be stated to the nearest whole number per cent except where it is between 49% and 50% or between 50% and 51%, in either of which cases, it shall be stated to as many decimal places as would be required to indicate the percentage, to one significant figure, of the proportion of the nominal value of the issued shares of that class represented by one share.



Notification of Change of Secretary and Director

(Appointment/Cessation)

公司註冊處
Companies Registry

(公司條例第 158(4) 及 (4A) 條)
(Companies Ordinance s. 158(4) & (4A))

表格 **D2A**
Form

重要事項 Important Notes

- 填表前請參閱〈填表須知〉。
請用黑色墨水列印
- Please read the accompanying notes before completing this form.
Please print in black ink.

公司編號 Company Number

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited

越秀投資有限公司

2 更改詳情 Details of Change

A. 離任秘書／董事的資料 Particulars of Secretary/Director Ceasing to Act

(如涉及超過一名秘書／董事，請用續頁 A 填報 Use Continuation Sheet A if more than 1 secretary/director is involved).

請在有關空格內加 號 Please tick the relevant box(es)

身份 Capacity 秘書 Secretary 董事 Director 候補董事 Alternate Director

代替 Alternate to

-

個人秘書／董事的姓名 Name of Individual Secretary/Director

肖博彥

Xiao

Boyan

中文姓名 Name in Chinese

英文姓氏 Surname in English

英文名字 Other Names in English

(註 Note 8) 身份證明
Identification

P787157(4)

Nil

香港身份證號碼 HK Identity Card Number

海外護照號碼 Overseas Passport Number

或 OR

(註 Note 9) 法人團體秘書／董事的中文及英文名稱
Chinese and English Names of Corporate Secretary/Director

-

離任原因 Reason for Cessation 辭職／其他 Resignation/Others 去世 Deceased

(註 Note 10) 離任日期
Date of Cessation

10

08

2005

日 DD

月 MM

年 YYYY

(註 Note 11) 請述明上述離任董事／候補董事在離任日期後，是否繼續擔任公司的
候補董事／董事職位
Please indicate whether the Director/Alternate Director ceasing to act will
continue to hold office as Alternate Director/Director in the Company after
the date of cessation 是 Yes 否 No

(註 Note 5) 提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference: FRQ01090

指明編號 1/2004 (2004 年 2 月)
Specification No. 1/2004 (Feb. 2004)

請勿填寫本欄 For Official Use



2 更改詳情 Details of Change (續上頁 cont'd)

B. 獲委任的個人秘書／董事的資料 Particulars of Individual Secretary／Director Appointed

(如委任超過一名個人秘書／董事，請用續頁 B 填報)

(Use Continuation Sheet B if more than 1 individual secretary／director is appointed)

請在有關空格內加 ✓ 號 Please tick the relevant box(es)

(註 Note 12)

身份 Capacity	<input type="checkbox"/> 秘書 Secretary	<input type="checkbox"/> 董事 Director	<input type="checkbox"/> 候補董事 Alternate Director	代替 Alternate to
----------------	--	---	---	-----------------

中文姓名
Name in Chinese

英文姓名
Name in English

<input type="text"/>	<input type="text"/>
姓氏 Surname	名字 Other Names

前用姓名
Previous Names

別名
Alias

(註 Note 13)

住址
Residential Address

<input type="text"/>	<input type="text"/>
	國家 Country

(註 Note 14)

電郵地址
E-mail Address

(註 Note 15)

身份證明 Identification

a 香港身份證號碼
Hong Kong Identity Card Number

b 海外護照
Overseas Passport

<input type="text"/>	<input type="text"/>
簽發國家 Issuing Country	號碼 Number

委任日期 Date of Appointment

<input type="text"/>	<input type="text"/>	<input type="text"/>
日 DD	月 MM	年 YYYY

(註 Note 16)

請述明董事／候補董事在獲得上述委任時，是否公司現任的候補董事／董事
Please indicate whether the Director／Alternate Director whose appointment is reported above is already an existing Alternate Director／Director in the Company at the time of the above appointment

是 Yes

否 No

2 更改詳情 Details of Change (續上頁 cont'd)

(註 Note 17) **C. 獲委任的法人團體秘書／董事的資料 Particulars of Corporate Secretary／Director Appointed**
 (如委任超過一名法人團體秘書／董事，請用續頁 C 填報)
 (Use Continuation Sheet C if more than 1 corporate secretary／director is appointed)

請在有關空格內加 號 Please tick the relevant box(es)

(註 Note 18) 身份 秘書 董事 候補董事 代替 Alternate to
 Capacity Secretary Director Alternate Director

(註 Note 19) 中文名稱
 Name in Chinese

(註 Note 19) 英文名稱
 Name in English

(註 Note 20) 地址
 Address 國家 Country

(註 Note 21) 電郵地址
 E-mail Address

公司編號 Company Number
 (只適用於在香港註冊的法人團體)
 (Only applicable to body corporate registered in Hong Kong)

委任日期 Date of Appointment
 日 DD 月 MM 年 YYYY

(註 Note 22) 請述明董事／候補董事在獲得上述委任時，是否公司現任的候補董事／董事
 Please indicate whether the Director／Alternate Director whose appointment is reported above is already an existing Alternate Director／Director in the Company at the time of the above appointment
 是 Yes
 否 No

本通知書包括 _____ 張續頁 A、_____ 張續頁 B 及 _____ 張續頁 C。
 This Notification includes _____ 0 _____ Continuation Sheet(s) A, _____ 0 _____ Continuation Sheet(s) B and _____ 0 _____ Continuation Sheet(s) C.

簽署 Signed :
 姓名 Name : YU Tat Fung 日期 Date : 10 / 08 / 2005
 董事 Director / 秘書 Secretary 日 DD / 月 MM / 年 YYYY
 *請刪去不適用者 Delete whichever does not apply





Notification of Change of Secretary and Director (Appointment/Cessation)

公司註冊處
Companies Registry

(公司條例第 158(4) 及 (4A) 條)
(Companies Ordinance s. 158(4) & (4A))

表格
Form **D2A**

重要事項 Important Notes

- 填表前請參閱〈填表須知〉。
請用黑色墨水列印
- Please read the accompanying notes before completing this form.
Please print in black ink.

公司編號 Company Number

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

2 更改詳情 Details of Change

A. 離任秘書／董事的資料 Particulars of Secretary/Director Ceasing to Act

(如涉及超過一名秘書／董事，請用續頁 A 填報 Use Continuation Sheet A if more than 1 secretary/director is involved).

請在有關空格內加 ✓ 號 Please tick the relevant box(es)

7) 身份 秘書 董事 候補董事 代替 Alternate to
Capacity Secretary Director Alternate Director -

個人秘書／董事的姓名 Name of Individual Secretary/Director

梁 凝光	Liang	Ningguang
中文姓名 Name in Chinese	英文姓氏 Surname in English	英文名字 Other Names in English

8) 身份證明 Identification **K940772(3)** Nil
香港身份證號碼 HK Identity Card Number 海外護照號碼 Overseas Passport Number

或 OR

9) 法人團體秘書／董事的中文及英文名稱 Chinese and English Names of Corporate Secretary/Director
-

離任原因 Reason for Cessation 辭職／其他 Resignation/Others 去世 Deceased

10) 離任日期 Date of Cessation

09	12	2005
日 DD	月 MM	年 YYYY

11) 請述明上述離任董事／候補董事在離任日期後，是否繼續擔任公司的候補董事／董事職位
Please indicate whether the Director/Alternate Director ceasing to act will continue to hold office as Alternate Director/Director in the Company after the date of cessation 是 Yes 否 No

5) 提交人的資料 Presentor's Reference
姓名 Name: Guangzhou Investment Company Limited
地址 Address: 26/F Yue Xiu Building
160 Lockhart Road
Wanchai, Hong Kong
電話 Tel: 傳真 Fax:
電郵地址 E-mail Address:
檔號 Reference: FRQ01292
指明編號 1/2004 (2004 年 2 月)
Specification No. 1/2004 (Feb. 2004)

請勿填寫本欄 For Official Use



2 更改詳情 Details of Change (續上頁 cont'd)

B. 獲委任的個人秘書／董事的資料 Particulars of Individual Secretary／Director Appointed

(如委任超過一名個人秘書／董事，請用續頁B填報)
 (Use Continuation Sheet B if more than 1 individual secretary／director is appointed)

請在有關空格內加 ✓ 號 Please tick the relevant box(es)

(註 Note 12)

身份 Capacity	<input type="checkbox"/> 秘書 Secretary	<input type="checkbox"/> 董事 Director	<input type="checkbox"/> 候補董事 Alternate Director	代替 Alternate to
----------------	--	---	---	-----------------

中文姓名
Name in Chinese

英文姓名
Name in English

<input type="text"/>	<input type="text"/>
姓氏 Surname	名字 Other Names

前用姓名
Previous Names

別名
Alias

(註 Note 13)

住址
Residential Address

<input type="text"/>	<input type="text"/>
	國家 Country

(註 Note 14)

電郵地址
E-mail Address

(註 Note 15)

身份證明 Identification

a 香港身份證號碼
Hong Kong Identity Card Number

b 海外護照
Overseas Passport

<input type="text"/>	<input type="text"/>
簽發國家 Issuing Country	號碼 Number

委任日期 Date of Appointment

<input type="text"/>	<input type="text"/>	<input type="text"/>
日 DD	月 MM	年 YYYY

(註 Note 16)

請述明董事／候補董事在獲得上述委任時，是否公司現任的候補董事／董事
 Please indicate whether the Director／Alternate Director whose appointment is reported above is already an existing Alternate Director／Director in the Company at the time of the above appointment

是 Yes

否 No

2 更改詳情 Details of Change (續上頁 cont'd)

(註 Note 17) **C. 獲委任的法人團體秘書／董事的資料 Particulars of Corporate Secretary／Director Appointed**
 (如委任超過一名法人團體秘書／董事，請用續頁 C 填報)
 (Use Continuation Sheet C if more than 1 corporate secretary／director is appointed)

請在有關空格內加 號 Please tick the relevant box(es)

(註 Note 18) 身份 秘書 董事 候補董事 代替 Alternate to
 Capacity Secretary Director Alternate Director

(註 Note 19) 中文名稱
 Name in Chinese

(註 Note 19) 英文名稱
 Name in English

(註 Note 20) 地址
 Address 國家 Country

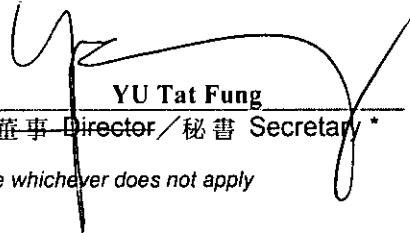
(註 Note 21) 電郵地址
 E-mail Address

公司編號 Company Number
 (只適用於在香港註冊的法人團體)
 (Only applicable to body corporate registered in Hong Kong)

委任日期 Date of Appointment
 日 DD 月 MM 年 YYYY

(註 Note 22) 請述明董事／候補董事在獲得上述委任時，是否公司現任的候補董事／董事
 Please indicate whether the Director／Alternate Director whose appointment is reported above is already an existing Alternate Director／Director in the Company at the time of the above appointment
 是 Yes 否 No

本通知書包括 _____ 張續頁 A、_____ 張續頁 B 及 _____ 張續頁 C。
 This Notification includes _____ 0 _____ Continuation Sheet(s) A, _____ 0 _____ Continuation Sheet(s) B and _____ 0 _____ Continuation Sheet(s) C.

簽署 Signed : 
 姓名 Name : YU Tat Fung
 董事 Director / 秘書 Secretary *

日期 Date : 09 / 12 / 2005
 日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply





Notification of Change of Secretary and Director (Appointment/Cessation)

公司註冊處
Companies Registry

(公司條例第 158(4) 及 (4A) 條)
(Companies Ordinance s. 158(4) & (4A))

表格 **D2A**
Form

重要事項 Important Notes

- 填表前請參閱〈填表須知〉。
請用黑色墨水列印
- Please read the accompanying notes before completing this form.
Please print in black ink.

公司編號 Company Number

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited

越秀投資有限公司

2 更改詳情 Details of Change

A. 離任秘書／董事的資料 Particulars of Secretary/Director Ceasing to Act

(如涉及超過一名秘書／董事，請用續頁 A 填報 Use Continuation Sheet A if more than 1 secretary/director is involved).

請在有關空格內加 ✓ 號 Please tick the relevant box(es)

7) 身份 秘書 董事 候補董事
Capacity Secretary Director Alternate Director

代替 Alternate to

個人秘書／董事的姓名 Name of Individual Secretary/Director

中文姓名 Name in Chinese	英文姓氏 Surname in English	英文名字 Other Names in English

(註 Note 8) 身份證明
Identification

香港身份證號碼 HK Identity Card Number	海外護照號碼 Overseas Passport Number

或 OR

(註 Note 9) 法人團體秘書／董事的中文及英文名稱
Chinese and English Names of Corporate Secretary/Director

--

離任原因 Reason for Cessation 辭職／其他 Resignation/Others 去世 Deceased

(註 Note 10) 離任日期
Date of Cessation

日 DD	月 MM	年 YYYY

(註 Note 11) 請述明上述離任董事／候補董事在離任日期後，是否繼續擔任公司的
候補董事／董事職位 是 Yes
Please indicate whether the Director/Alternate Director ceasing to act will
continue to hold office as Alternate Director/Director in the Company after 否 No
the date of cessation

(註 Note 5) 提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference: FRQ01383

指明編號 1/2004 (2004 年 2 月)
Specification No. 1/2004 (Feb. 2004)

請勿填寫本欄 For Official Use

收件日期 RECEIVED

10-03-2006



文件收發小組
Central Mail Unit

2 更改詳情 Details of Change (續上頁 cont'd)

B. 獲委任的個人秘書／董事的資料 Particulars of Individual Secretary／Director Appointed

(如委任超過一名個人秘書／董事，請用續頁B填報)

(Use Continuation Sheet B if more than 1 individual secretary/director is appointed)

請在有關空格內加 ✓ 號 Please tick the relevant box(es)

(註 Note 12) 身份 秘書 董事 候補董事 代替 Alternate to

Capacity Secretary Director Alternate Director -

中文姓名 Name in Chinese 唐 壽 春

英文姓名 Name in English Tang Shouchun

姓氏 Surname 名字 Other Names

前用姓名 Previous Names -

別名 Alias -

(註 Note 13) 住址 Residential Address 23B, Linway Court, 69-71 Stone Nullah Street, Wanchai, Hong Kong

國家 Country

(註 Note 14) 電郵地址 E-mail Address -

(註 Note 15) 身份證明 Identification

a 香港身份證號碼 Hong Kong Identity Card Number R345277(7)

b 海外護照 Overseas Passport - Nil

簽發國家 Issuing Country 號碼 Number

委任日期 Date of Appointment

28	02	2006
日 DD	月 MM	年 YYYY

(註 Note 16) 請述明董事／候補董事在獲得上述委任時，是否公司現任的候補董事／董事

Please indicate whether the Director/Alternate Director whose appointment is reported above is already an existing Alternate Director/Director in the Company at the time of the above appointment

是 Yes 否 No

2 更改詳情 Details of Change (續上頁 cont'd)

(註 Note 17) **C. 獲委任的法人團體秘書／董事的資料 Particulars of Corporate Secretary／Director Appointed**
 (如委任超過一名法人團體秘書／董事，請用續頁 C 填報)
 (Use Continuation Sheet C if more than 1 corporate secretary／director is appointed)

請在有關空格內加 號 Please tick the relevant box(es)

(註 Note 18) 身份 秘書 董事 候補董事 代替 Alternate to
 Capacity Secretary Director Alternate Director

(註 Note 19) 中文名稱 Name in Chinese

(註 Note 19) 英文名稱 Name in English

(註 Note 20) 地址 Address 國家 Country

(註 Note 21) 電郵地址 E-mail Address

公司編號 Company Number
 (只適用於在香港註冊的法人團體)
 (Only applicable to body corporate registered in Hong Kong)

委任日期 Date of Appointment
 日 DD 月 MM 年 YYYY

(註 Note 22) 請述明董事／候補董事在獲得上述委任時，是否公司現任的候補董事／董事
 Please indicate whether the Director／Alternate Director whose appointment is reported above is already an existing Alternate Director／Director in the Company at the time of the above appointment
 是 Yes 否 No

本通知書包括 _____ 張續頁 A， _____ 張續頁 B 及 _____ 張續頁 C。
 This Notification includes _____ 0 _____ Continuation Sheet(s) A, _____ 1 _____ Continuation Sheet(s) B and _____ 0 _____ Continuation Sheet(s) C.

簽署 Signed :
 姓名 Name : YU Tat Fung
 秘書 Secretary

日期 Date : 28 / 02 / 2006
 日 DD / 月 MM / 年 YYYY

362639

獲委任的個人秘書／董事的資料 (第 2B 項)
Particulars of Individual Secretary / Director Appointed (Section 2B)

請在有關空格內加 號 Please tick the relevant box(es)

(註 Note 12) 身份 秘書 董事 候補董事 代替 Alternate to
 Capacity Secretary Director Alternate Director -

中文姓名 **Name in Chinese** 王 洪 濤

英文姓名 **Name in English** Wang Hongtao
 姓氏 Surname 名字 Other Names

前用姓名 **Previous Names** -

別名 **Alias** -

(註 Note 13) 住址 **Residential Address** Flat D, 9/F., Block 5, City Garden, 233 Electric Road, North Point, Hong Kong
 國家 Country

(註 Note 14) 電郵地址 **E-mail Address** -

(註 Note 15) 身份證明 **Identification**
 a 香港身份證號碼 **Hong Kong Identity Card Number** P871719(6)
 b 海外護照 **Overseas Passport** - Nil
 簽發國家 Issuing Country 號碼 Number

委任日期 **Date of Appointment** 28 02 2006
 日 DD 月 MM 年 YYYY

(註 Note 16) 請述明董事／候補董事在獲得上述委任時，是否公司現任的候補董事／董事
 Please indicate whether the Director / Alternate Director whose appointment is reported above is already an existing Alternate Director / Director in the Company at the time of the above appointment
 是 Yes
 否 No

重要事項 Important Notes

- 填表前請參閱〈填表須知〉。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

公司編號 Company Number

0362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited (越秀投資有限公司)

(註 Note 5)

2 登記冊或其他文件的備存地點 Location of Registers or Other documents

請在有關空格內加 ✓ 號 Please tick the relevant box(es)

登記冊 / 其他文件
Registers / Other documents

備存地點
Location

生效日期
Effective Date
(日 DD / 月 MM / 年 YYYY)

成員登記冊
Register of Members

**Level 25, Three Pacific Place
1 Queen's Road East
Hong Kong**

16 January 2006

董事及秘書登記冊
Register of Directors
& Secretaries

債權證持有人登記冊
Register of Debenture
Holders

押記登記冊
Register of Charges

會議紀錄簿
Minute Books

設定押記的文書副本
Copies of Instruments
Creating Charges

(註 Note 6)

簽署 Signed :

姓名 Name : YU Tat Fung
~~董事 Director~~ / 秘書 Secretary*

日期 Date : 16 January 2006
日 DD / 月 MM / 年 YYYY

* 請刪去不適用者 Delete whichever does not apply

(註 Note 3)

提交人的資料 **Presentor's Reference**

請勿填寫本欄 **For Official Use**

姓名 Name: ABACUS SHARE REGISTRARS LIMITED

地址 Address: Level 25, Three Pacific Place,
1 Queen's Road East
Hong Kong

電話 Tel: 2980 1700 傳真 Fax: 2890 9350

電郵地址 E-mail Address:

檔號 Reference:

指明編號 2/2004 (修訂) (2004 年 2 月)
Specification No. 2/2004 (Revision) (Feb. 2004)

Acknowledgement
Companies Registry
H.K.

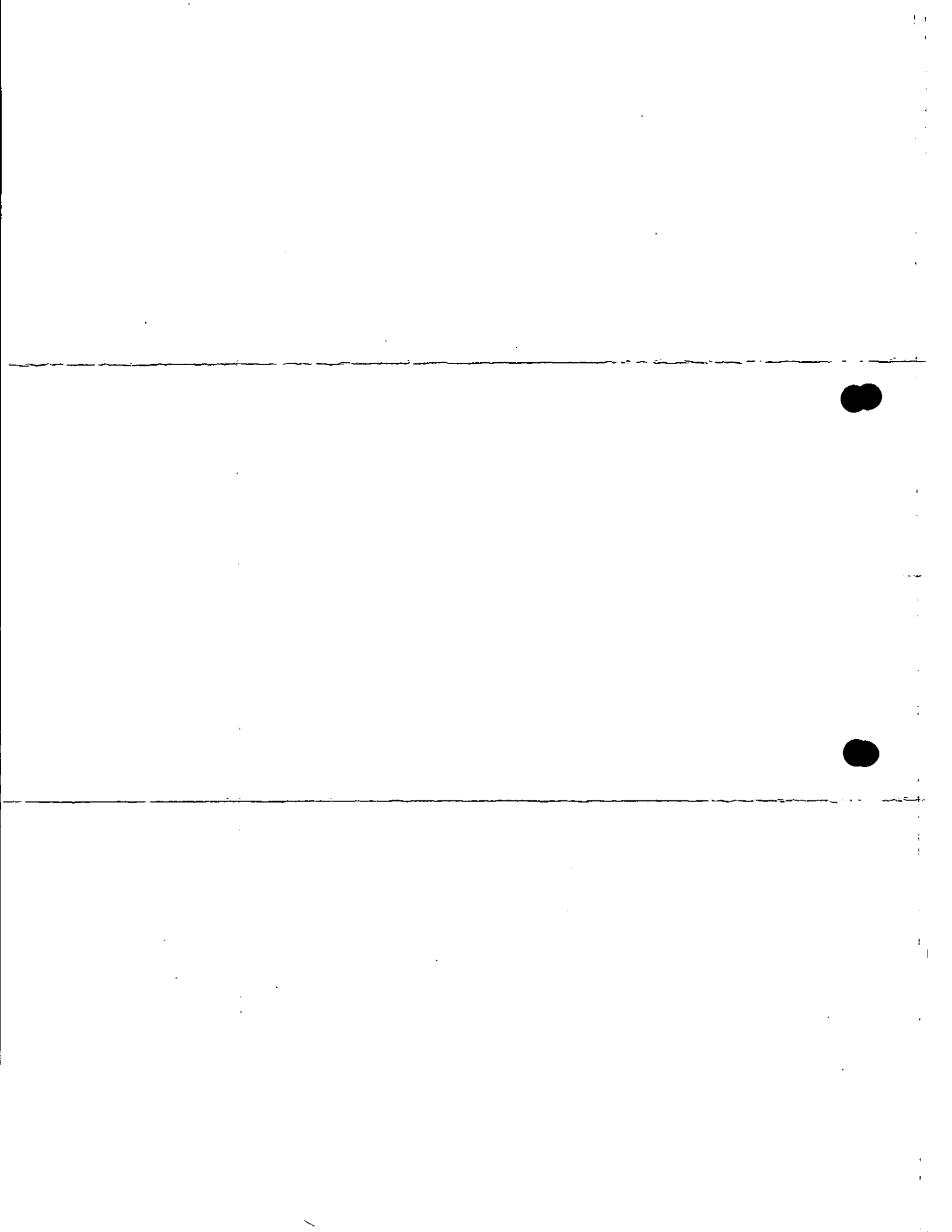
23/01/2006 10:43:33

Submission No/Seq No: 235023374/6

CR No: 0362639

Sh. Form.

R2





Notification of Situation of Registered Office

公司註冊處
Companies Registry

(公司條例第 92(2)條)
(Companies Ordinance s. 92(2))

表格
Form **R1**

重要事項 Important Notes

- 填表前請參閱〈填表須知〉。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

公司編號 Company Number

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited

越秀投資有限公司

2 註冊辦事處 Registered Office

請在有關空格內加 ✓ 號 Please tick the relevant box

申報首個註冊辦事處座落地點

Notification of Situation of First
Registered Office

申報更改註冊辦事處座落地點

Notification of Change of Situation of
Registered Office

在香港的註冊辦事處座落地點 Situation of Registered Office in Hong Kong

26/F., Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong

生效日期 Effective Date

28

日 DD

02

月 MM

2006

年 YYYY

(註 Note 5)

(註 Note 6)

3 電郵地址 E-mail Address

生效日期 Effective Date

日 DD

月 MM

年 YYYY

簽署 Signed :

姓名 Name :

YU Tat Fung

秘書 Secretary

日期 Date :

28 / 02 / 2006

日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply

(註 Note 3)

提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel:

傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference: FRQ01371

指明編號 2/2004 (2004 年 2 月)

Specification No. 2/2004 (Feb. 2004)

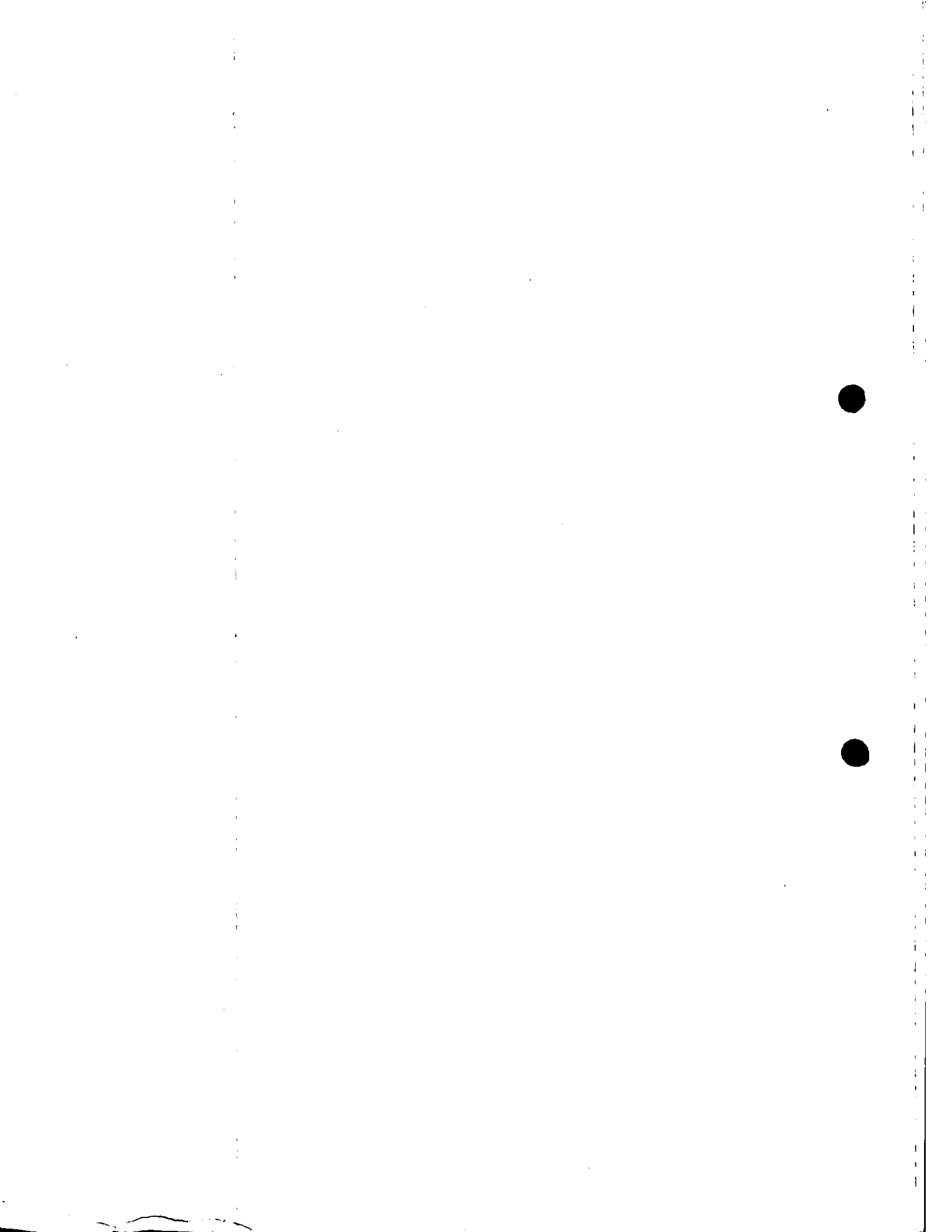
請勿填寫本欄 For Official Use

收件日期 RECEIVED

10-03-2006



文件收發小組
Central Mail Unit





Return of Allotments

公司註冊處
Companies Registry

(公司條例第 45(1)條)
(Companies Ordinance s.45(1))

RECEIVED

表格
Form **SC1**

重要事項 Important Notes

- 填表前請參閱〈填表須知〉。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

2006 MAY 19 P 1:49

OFFICE OF INTERNAL AFFAIRS
CORPORATE FINANCE
公司編號 Company Number

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

Note 7) 2 分配股份的日期或始末日期 Date or Period during which Shares were Allotted

由 From

08	03	2005
----	----	------

日 DD 月 MM 年 YYYY

至 To

24	03	2005
----	----	------

日 DD 月 MM 年 YYYY

3 本次股份分配的總款額 Totals of this Allotment

Note 8)

已繳及應繳的總面額
Total Nominal Amount Paid and Payable

已繳及應繳的溢價總額 [第5A(a) + 5B(a)項]
Total Premium Amount Paid and Payable [Sections 5A(a) + 5B(a)]

貨幣單位
Currency

款額
Amount

HK\$	280,800.0
HK\$	1,229,220.0

4 公司自成立為法團當日起計，累積的已繳股款總額(包括本次分配但不包括溢價) Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)

貨幣單位
Currency

款額
Amount

HK\$	636,191,391.4
------	---------------

Your Receipt
Companies Registry
H.K.

Note 3)

提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明編號 2/2004 (修訂) (2004 年 2 月)
Specification No. 2/2004 (Revision) (Feb. 2004)

請勿填

08/04/2005 10:27:18

Submission No.: 226003155

CR NO.: 0362639

Sh. Form.: SC1

Revenue Code Amount(HKD)

08 \$1,230.00

Paid By

Receipt No. Method Amount(HKD)

262260004521 Chq. \$1,230.00

Total Paid \$1,230.00

5 本次股份分配的詳情 **Details of this Allotment**

A. 現金支付的分配股份 Shares Allotted for Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股已繳及應繳的款額 (包括溢價) Amount Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	已繳及應繳 的溢價總款額 Total Premium Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
Ordinary	1,610,000	HK\$0.10	HK\$0.6300	-	HK\$0.5300	HK\$853,300.0
Ordinary	50,000	HK\$0.10	HK\$0.5008	-	HK\$0.4008	HK\$20,040.0
Ordinary	1,148,000	HK\$0.10	HK\$0.4100	-	HK\$0.3100	HK\$355,880.0

(註 Note 9)

B. 非現金支付的分配股份 Shares Allotted otherwise than in Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股被視作已繳 及應繳的款額 (包括溢價) Amount Treated as Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	被視作已繳及應繳 的溢價總款額 Total Premium Treated as Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		

(註 Note 10)

分配上述(B)項股份的代價

Consideration for which the Shares in (B) have been Allotted

--

6 獲分配股份者的詳情 Details of Allottee(s)

姓名/名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Cheng Kwok Cheung	28/F Seabright Plaza 9-23 Shell Street North Point Hong Kong	480,000	
Cheung Cheuk	28/F Seabright Plaza 9-23 Shell Street North Point Hong Kong	240,000	
Chen Zu	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	50,000	
Ou Yuzhen	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	96,000	
Yang Pengxian	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	156,000	
Zhan Ruilin	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	44,000	
Zhong Jianzhou	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	240,000	
Mak Man Ying	24/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	50,000	
Lam Siu Kwan	Flat 06 12/F Block D Healthy Garden 560 King's Road Hong Kong	50,000	
Lee Ah Chi	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	78,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名/名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Luk Kin Ying	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	200,000	
Un Kwok Kee John	5/F 72 Pan Hoi Street Quarry Bay Hong Kong	240,000	
Wang Yongguang	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	590,000	
Wong Sau Ching	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	240,000	
Liu Zhaowen	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
各類別股份分配的總數 Total Shares Allotted by Class		2,808,000	

簽署 Signed :

姓名 Name : YU Tat Fung
董事 Director / 秘書 Secretary *日期 Date : 06 / 04 / 2005
日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply



Return of Allotments

公司註冊處
Companies Registry

(公司條例第 45(1)條)
(Companies Ordinance s. 45(1))

表格 **SC1**
Form

重要事項 Important Notes

- 填表前請參閱《填表須知》。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

公司編號 Company Number

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

2 分配股份的日期或始末日期 Date or Period during which Shares were Allotted

由 From

06	04	2005
日 DD	月 MM	年 YYYY

至 To

27	04	2005
日 DD	月 MM	年 YYYY

3 本次股份分配的總款額 Totals of this Allotment

註 Note 8)

已繳及應繳的總面額
Total Nominal Amount Paid and Payable

已繳及應繳的溢價總額 [第 5A(a) + 5B(a)項]
Total Premium Amount Paid and Payable [Sections 5A(a) + 5B(a)]

貨幣單位 Currency	款額 Amount
HK\$	129,000.0
HK\$	482,524.0

4 公司自成立為法團當日起計，累積的已繳股款總額(包括本次分配但不包括溢價) Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)

貨幣單位 Currency	款額 Amount
HK\$	636,320,391.4

Your Receipt
Companies Registry
H.K.

3) 提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明編號 2/2004 (修訂) (2004 年 2 月)
Specification No. 2/2004 (Revision) (Feb. 2004)

06/05/2005 11:19:46
請勿
Submission No.: 231006228
CR NO.: 0362639
Sh. Form.: SC1
Revenue Code Amount(HKD)
08 \$483.00
Paid By
Receipt No. Method Amount(HKD)
312310008042 Chq \$483.00
Total Paid \$483.00

5 本次股份分配的詳情 Details of this Allotment**A. 現金支付的分配股份 Shares Allotted for Cash**

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of <i>Each</i> <i>Share</i>	每股已繳及應繳的款額 (包括溢價) Amount Paid and Payable on <i>Each Share</i> (Including Premium)		每股的溢價 款額 Premium on <i>Each Share</i>	已繳及應繳 的溢價總款額 <i>Total Premium Paid</i> and Payable (a)
			已繳付 Paid	應繳付 Payable		
Ordinary	750,000	HK\$0.10	HK\$0.4100	-	HK\$0.3100	HK\$232,500.0
Ordinary	280,000	HK\$0.10	HK\$0.5008	-	HK\$0.4008	HK\$112,224.0
Ordinary	260,000	HK\$0.10	HK\$0.6300	-	HK\$0.5300	HK\$137,800.0

(註 Note 9)

B. 非現金支付的分配股份 Shares Allotted otherwise than in Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of <i>Each Share</i>	每股被視作已繳 及應繳的款額 (包括溢價) Amount Treated as Paid and Payable on <i>Each Share</i> (Including Premium)		每股的溢價 款額 Premium on <i>Each Share</i>	被視作已繳及應繳 的溢價總款額 <i>Total Premium</i> Treated as Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		

(註 Note 10)

分配上述(B)項股份的代價

Consideration for which the Shares in (B) have been Allotted

--

6 獲分配股份者的詳情 Details of Allottee(s)

姓名/名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Tsang Chiu Ho	24C Block 4 New Jade Garden 233 Chai Wan Road Chai Wan Hong Kong	260,000	
Gao Yuan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	140,000	
Gan Ning	24/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	300,000	
Leung Lau Kuen	Flat 07 16/F Lee Ga Building 131 Sai Wan Ho Street Hong Kong	140,000	
Xie Bin	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	150,000	
Choi Kwong	24/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	300,000	
各類別股份分配的總數 Total Shares Allotted by Class		1,290,000	

簽署 Signed :

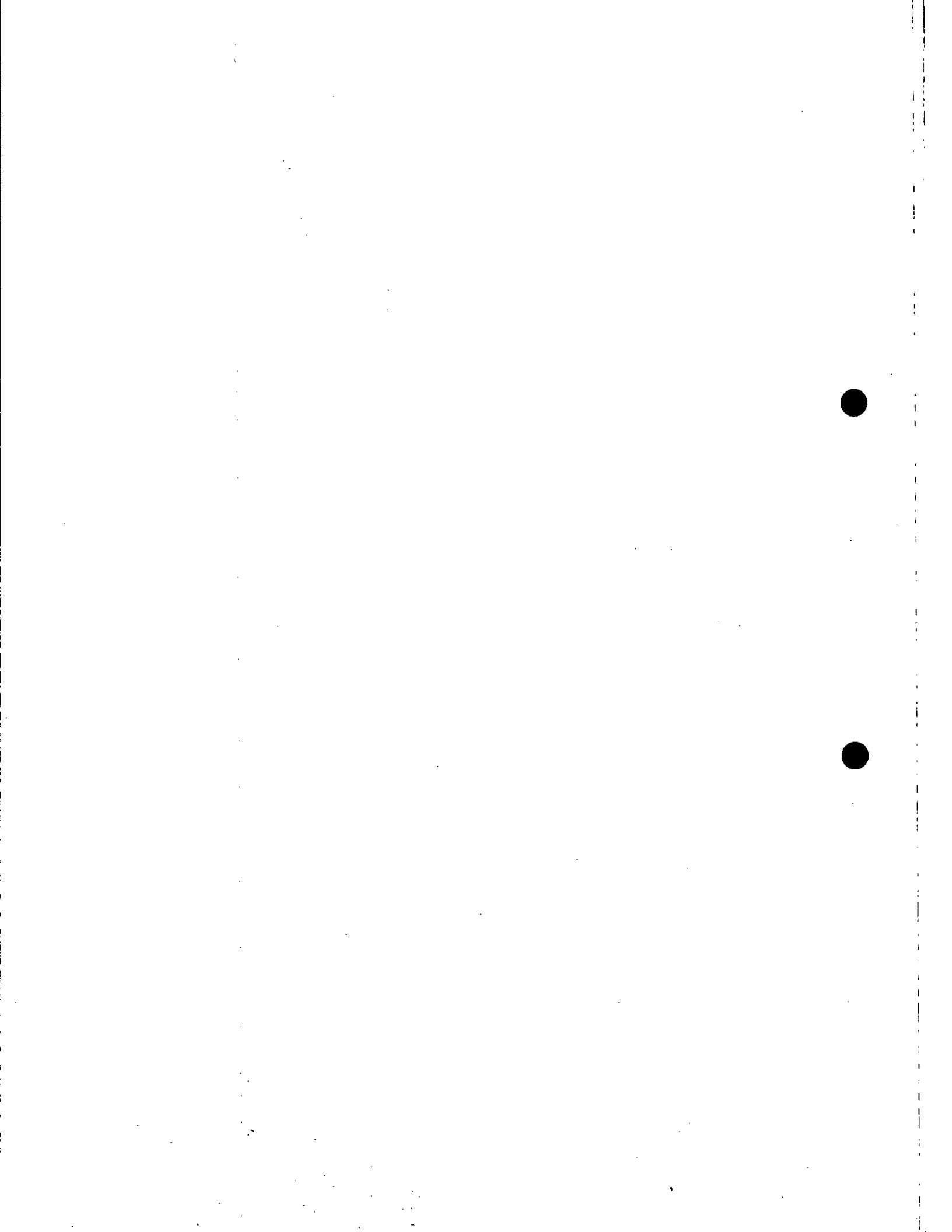
姓名 Name :

YU Tat Fung
董事 Director / 秘書 Secretary *

日期 Date :

03 / 05 / 2005
日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply





Return of Allotments

公司註冊處
Companies Registry

(公司條例第 45(1)條)
(Companies Ordinance s. 45(1))

表格 **SC1**
Form

重要事項 Important Notes

- 填表前請參閱《填表須知》。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

公司編號 Company Number

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

主 Note 7) 2 分配股份的日期或始末日期 Date or Period during which Shares were Allotted

由 From

05	05	2005
日 DD	月 MM	年 YYYY

至 To

17	05	2005
日 DD	月 MM	年 YYYY

3 本次股份分配的總款額 Totals of this Allotment

主 Note 8)

已繳及應繳的總面額
Total Nominal Amount Paid and Payable

已繳及應繳的溢價總額 [第 5A(a) + 5B(a)項]
Total Premium Amount Paid and Payable [Sections 5A(a) + 5B(a)]

貨幣單位
Currency

款額
Amount

HK\$	660,600.0
HK\$	2,054,460.0

4 公司自成立為法團當日起計，累積的已繳股款總額(包括本次分配但不包括溢價)

Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)

貨幣單位
Currency

款額
Amount

HK\$	636,980,991.4
------	---------------

Your Receipt
Companies Registry
H.K.

主 Note 3)

提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明編號 2/2004 (修訂) (2004 年 2 月)
Specification No. 2/2004 (Revision) (Feb. 2004)

請勿填

02/06/2005 10:24:14

Submission No.: 225006502

CR NO.: 0362639

Sh. Form.: SC1

Revenue Code Amount(HKD)

08 \$2,055.00

Paid By
Receipt No. Method Amount(HKD)

252250008304 Chq \$2,055.00

Total Paid \$2,055.00

5 本次股份分配的詳情 **Details of this Allotment**A. 現金支付的分配股份 **Shares Allotted for Cash**

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股已繳及應繳的款額 (包括溢價) Amount Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	已繳及應繳 的溢價總款額 Total Premium Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
Ordinary	30,000	HK\$0.10	HK\$0.6300	-	HK\$0.5300	HK\$15,900.0
Ordinary	6,576,000	HK\$0.10	HK\$0.4100	-	HK\$0.3100	HK\$2,038,560.0

(註 Note 9)

B. 非現金支付的分配股份 **Shares Allotted otherwise than in Cash**

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股被視作已繳 及應繳的款額 (包括溢價) Amount Treated as Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	被視作已繳及應繳 的溢價總款額 Total Premium Treated as Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		

(註 Note 10)

分配上述(B)項股份的代價

Consideration for which the Shares in (B) have been Allotted

--

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Lam Siu Kwan	Flat 06 12/F Blk D Healthy Gardens 560 King's Road Hong Kong	100,000	
Lo Tin Shun	Flat H 22/F Blk 25 South Horizons Ap Lei Chau Hong Kong	400,000	
Lau Yuk Ying Rita	Flat 3 9/F Block A Yue Fai Court 45 Yue Kwong Road Aberdeen Hong Kong	52,000	
Lam Wai	Flat B 8/F Yen May Bldg 11-21 Swatow Street Wanchai Hong Kong	400,000	
Chen Xuyang	21 Tung Yuen Street Yau Tong Bay Kowloon	1,000,000	
Zeng Yang Mei	28/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	30,000	
Fung Po Ping	Flat C 15/F Block 2 Lai Yee Crt Shau Kei Wan Plaza Shau Kei Wan Hong Kong	320,000	
Siu Kit	1/FI Flat F Fu Dat Court #32 Fortress Hill Road North Point Hong Kong	300,000	
Tsang Chiu Ho	24C Block 4 New Jade Garden 233 Chai Wan Road Chai Wan Hong Kong	470,000	
Zhao Ming Ju	21 Tung Yuen Street Yau Tong Bay Kowloon	320,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名/名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Cheng Hui	21 Tung Yuen Street Yau Tong Bay Kowloon	320,000	
Gong Guangshu	6/F 21 Tung Yuen Street Yau Tong Bay Kowloon	320,000	
Deng Run Rong	21 Tung Yuen Street Yau Tong Bay Kowloon	400,000	
Tsang Yuen King	Room 3218 Heng Yat House Heng On Estate Ma On Shan New Territories	54,000	
Lu Bing Tian	21 Tung Yuen Street Yau Tong Bay Kowloon	320,000	
He Liwei	23/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	1,200,000	
He Yongliang	28/F Seabright Plaza Nos 9-23 Shell Street North Point Hong Kong	600,000	
各類別股份分配的總數 Total Shares Allotted by Class		6,606,000	

簽署 Signed :

姓名 Name :

YU Tat Fung

董事 Director / 秘書 Secretary *

日期 Date :

30 / 05 / 2005

日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply



Return of Allotments

公司註冊處
Companies Registry

(公司條例第 45(1)條)
(Companies Ordinance s. 45(1))

表格 **SC1**
Form

重要事項 Important Notes

- 填表前請參閱《填表須知》。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

公司編號 Company Number

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

2 分配股份的日期或始末日期 Date or Period during which Shares were Allotted

由 From

31	05	2005
日 DD	月 MM	年 YYYY

至 To

日 DD	月 MM	年 YYYY

3 本次股份分配的總款額 Totals of this Allotment

註 Note 8)

已繳及應繳的總面額
Total Nominal Amount Paid and Payable

已繳及應繳的溢價總額 [第 5A(a) + 5B(a)項]
Total Premium Amount Paid and Payable [Sections 5A(a) + 5B(a)]

貨幣單位 Currency	款額 Amount
HK\$	20,000.0
HK\$	62,000.0

4 公司自成立為法團當日起計，累積的已繳股款總額(包括本次分配但不包括溢價)

Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)

貨幣單位 Currency	款額 Amount
HK\$	637,000,991.4

Your Receipt
Companies Registry
H.K.

註 Note 3)

提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明編號 2/2004 (修訂) (2004 年 2 月)
Specification No. 2/2004 (Revision) (Feb. 2004)

10/06/2005 15:47:02
Submission No.: 223008857
CR NO.: 0362639
Sh. Form.: SC1

Revenue Code Amount(HKD)

08 \$62.00

Paid By
Receipt No. Method Amount(HKD)

232230012879 Cash \$62.00

Total Paid \$62.00
=====

5 本次股份分配的詳情 Details of this Allotment**A. 現金支付的分配股份 Shares Allotted for Cash**

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股已繳及應繳的款額 (包括溢價) Amount Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	已繳及應繳 的溢價總款額 Total Premium Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
Ordinary	200,000	HK\$0.10	HK\$0.4100	-	HK\$0.3100	HK\$62,000.0

(註 Note 9)

B. 非現金支付的分配股份 Shares Allotted otherwise than in Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股被視作已繳 及應繳的款額 (包括溢價) Amount Treated as Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	被視作已繳及應繳 的溢價總款額 Total Premium Treated as Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		

(註 Note 10)

分配上述(B)項股份的代價

Consideration for which the Shares in (B) have been Allotted

--

6 獲分配股份者的詳情 Details of Allottee(s)

姓名/名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Lam Siu Kwan	Flat 06 12/F Blk D Healthy Gardens 560 King's Road Hong Kong	200,000	
各類別股份分配的總數 Total Shares Allotted by Class		200,000	

簽署 Signed :

姓名 Name :

YU Tat Fung

董事-Director/秘書 Secretary *

日期 Date :

01 / 06 / 2005

日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply





Return of Allotments

公司註冊處
Companies Registry

(公司條例第45(1)條)
(Companies Ordinance s. 45(1))

表格 **SC1**
Form

重要事項 Important Notes

- 填表前請參閱《填表須知》。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

2006 MAY 19 P 1:49

OFFICE OF INTERNATIONAL FINANCE

公司編號 Company Number

362639

1. 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

主 Note 7) 2 分配股份的日期或始末日期 Date or Period during which Shares were Allotted

由 From

08	06	2005
日 DD	月 MM	年 YYYY

至 To

30	06	2005
日 DD	月 MM	年 YYYY

3 本次股份分配的總款額 Totals of this Allotment

主 Note 8)

已繳及應繳的總面額
Total Nominal Amount Paid and Payable

已繳及應繳的溢價總額 [第5A(a) + 5B(a)項]
Total Premium Amount Paid and Payable [Sections 5A(a) + 5B(a)]

貨幣單位
Currency

款額
Amount

HK\$	911,600.0
HK\$	3,018,680.0

4 公司自成立為法團當日起計，累積的已繳股款總額(包括本次分配但不包括溢價)

Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)

貨幣單位
Currency

款額
Amount

HK\$	637,912,591.4
------	---------------

Your Receipt
Companies Registry
H.K.

主 Note 3)

提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明編號 2/2004 (修訂) (2004年2月)
Specification No. 2/2004 (Revision) (Feb. 2004)

08/07/2005 16:04:52

Submission No.: 230013001

CR NO.: 0362639

Sh. Form.: SC1

Revenue Code Amount(HKD)

08 \$3,019.00

Paid By
Receipt No. Method Amount(HKD)

302300017467 Chq \$3,019.00

Total Paid \$3,019.00
=====

5 本次股份分配的詳情 Details of this Allotment

A. 現金支付的分配股份 Shares Allotted for Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股已繳及應繳的款額 (包括溢價) Amount Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	已繳及應繳 的溢價總款額 Total Premium Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
Ordinary	876,000	HK\$0.10	HK\$0.6300	-	HK\$0.5300	HK\$464,280.0
Ordinary	8,240,000	HK\$0.10	HK\$0.4100	-	HK\$0.3100	HK\$2,554,400.0

(註 Note 9)

B. 非現金支付的分配股份 Shares Allotted otherwise than in Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股被視作已繳 及應繳的款額 (包括溢價) Amount Treated as Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	被視作已繳及應繳 的溢價總款額 Total Premium Treated as Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
-						

(註 Note 10)

分配上述(B)項股份的代價

Consideration for which the Shares in (B) have been Allotted

--

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Gan Ning	24/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	400,000	
Tse Shi Chu	Flat E 36/F Block 5 Regentville 8 Wo Mun Street Fanling New Territories	560,000	
Ko Yung Lai Jackie	24/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	1,750,000	
Lam Siu Kwan	Flat 06 12/F Blk D Healthy Gardens 560 King's Road Hong Kong	300,000	
Liu Jinxiang	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	1,800,000	
Un Kwok Kee John	5/F 72 Pan Hoi Street Quarry Bay Hong Kong	320,000	
Ou Junming	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	400,000	
Chiu Suk Woon	28/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	300,000	
Su Manhong	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	1,200,000	
Lam Wai	Flat B 8/F Yen May Bldg 11-21 Swatow St Wanchai Hong Kong	360,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名 / 名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Wong Yan Kit	Flat F 15/F Mainway Court 15-33 Kwong Wa Street Mongkok Kowloon	120,000	
Tsang Chiu Ho	24C Block 4 New Jade Garden 233 Chai Wan Road Chai Wan Hong Kong	130,000	
Gong Guangshu	6/F 21 Tung Yuen St Yau Tong Bay Kowloon	276,000	
Ou Zhaohe	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	1,200,000	
各類別股份分配的總數 Total Shares Allotted by Class		9,116,000	

簽署 Signed :

姓名 Name :

YU Tat Fung

董事 Director / 秘書 Secretary *

日期 Date :

06 / 07 / 2005

日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply



Return of Allotments

公司註冊處
Companies Registry

(公司條例第 45(1)條)
(Companies Ordinance s. 45(1))

表格 **SC1**
Form

重要事項 Important Notes

- 填表前請參閱〈填表須知〉。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

公司編號 Company Number

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

主 Note 7) 2 分配股份的日期或始末日期 Date or Period during which Shares were Allotted

由 From

14	07	2005
日 DD	月 MM	年 YYYY

至 To

26	07	2005
日 DD	月 MM	年 YYYY

3 本次股份分配的總款額 Totals of this Allotment

主 Note 8)

已繳及應繳的總面額
Total Nominal Amount Paid and Payable

已繳及應繳的溢價總額 [第 5A(a) + 5B(a)項]
Total Premium Amount Paid and Payable [Sections 5A(a) + 5B(a)]

貨幣單位
Currency

款額
Amount

HK\$	247,200.0
HK\$	902,860.0

4 公司自成立為法團當日起計，累積的已繳股款總額(包括本次分配但不包括溢價) Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)

貨幣單位
Currency

款額
Amount

HK\$	638,159,791.4
------	---------------

Your Receipt
Companies Registry
H.K.

主 Note 3) 提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明編號 2/2004 (修訂) (2004 年 2 月)
Specification No. 2/2004 (Revision) (Feb. 2004)

09/08/2005 11:01:06

Submission No.: 236010382/1

CR NO.: 0362639

Sh. Form.: SC1

Revenue Code Amount(HKD)

08 \$903.00

Receipt No. Method Amount(HKD)

362360013161 Chq \$903.00

Total Paid \$903.00

5 本次股份分配的詳情 Details of this Allotment

A. 現金支付的分配股份 Shares Allotted for Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股已繳及應繳的款額 (包括溢價) Amount Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	已繳及應繳 的溢價總款額 Total Premium Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
Ordinary	600,000	HK\$0.10	HK\$0.6300	-	HK\$0.5300	HK\$318,000.0
Ordinary	50,000	HK\$0.10	HK\$0.5008	-	HK\$0.4008	HK\$20,040.0
Ordinary	1,822,000	HK\$0.10	HK\$0.4100	-	HK\$0.3100	HK\$564,820.0

(註 Note 9)

B. 非現金支付的分配股份 Shares Allotted otherwise than in Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股被視作已繳 及應繳的款額 (包括溢價) Amount Treated as Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	被視作已繳及應繳 的溢價總款額 Total Premium Treated as Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		

(註 Note 10)

分配上述(B)項股份的代價

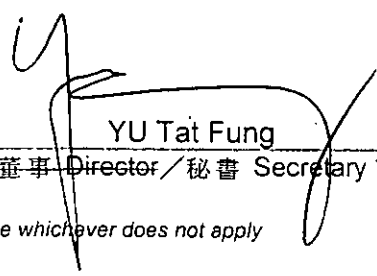
Consideration for which the Shares in (B) have been Allotted

6 獲分配股份者的詳情 Details of Allottee(s)

姓名/名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Leung Sau Lan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	52,000	
Liu Ying	24/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	180,000	
Wong Yan Kit	Flat F 15/F Mainway Court 15-33 Kwong Wa Street Kowloon	200,000	
Ip Wing Wah	Flat D 17/F Block 1 Royal Ascot Fo Tan Shatin New Territories	400,000	
Yuen Chi Keung	Flat 8 1/F Fu Cheung House On Ning Road Yuen Long New Territories	320,000	
Tsang Chiu Ho	Flt C 24/F Blk 4 New Jade Gdn 233 Chai Wan Rd Chai Wan Hong Kong	600,000	
Zhou Jianxin	D3 Block 3 39 Kennedy Road Wanchai Hong Kong	320,000	
Chair Kwong Hing	Flat D 25/F Block 1 Metro City Phase 2 Tseung Kwan O New Territories	400,000	
各類別股份分配的總數 Total Shares Allotted by Class		2,472,000	

簽署 Signed :

姓名 Name :



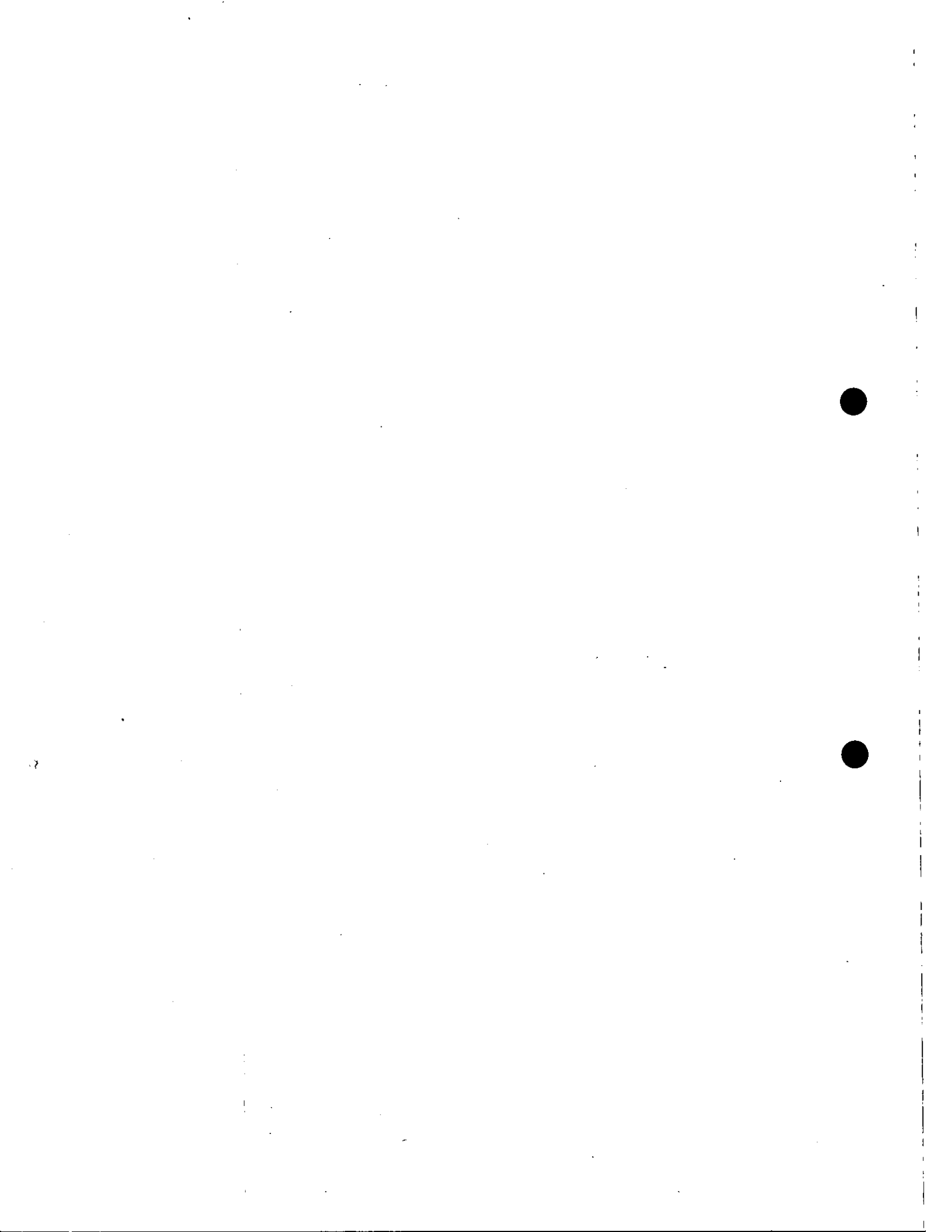
YU Tat Fung
董事 Director / 秘書 Secretary *

日期 Date :

02 / 08 / 2005

日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply





Return of Allotments

公司註冊處
Companies Registry

(公司條例第 45(1)條)
(Companies Ordinance)

表格
Form **SC1**

RECEIVED

2005 MAY 19 P 1:49

重要事項 Important Notes

- 填表前請參閱《填表須知》。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

OFFICE OF INTERNATIONAL TRADE FINANCE
公司編號 Company Number

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

Note 7) 2 分配股份的日期或始末日期 Date or Period during which Shares were Allotted

由 From

09	08	2005
日 DD	月 MM	年 YYYY

至 To

31	08	2005
日 DD	月 MM	年 YYYY

3 本次股份分配的總款額 Totals of this Allotment

Note 8)

已繳及應繳的總面額
Total Nominal Amount Paid and Payable

已繳及應繳的溢價總額 [第5A(a) + 5B(a)項]
Total Premium Amount Paid and Payable [Sections 5A(a) + 5B(a)]

貨幣單位 Currency	款額 Amount
HK\$	1,407,500.0
HK\$	4,990,470.0

4 公司自成立為法團當日起計，累積的已繳股款總額(包括本次分配但不包括溢價)

Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)

貨幣單位 Currency	款額 Amount
HK\$	639,567,291.4

Your Receipt
Companies Registry
H.K.

Note 3)

提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明編號 2/2004 (修訂) (2004年2月)
Specification No. 2/2004 (Revision) (Feb. 2004)

08/09/2005 15:43:37

Submission No.: 222019579/1
CR NO.: 0362639
Sh. Form.: SC1

Revenue Code Amount(HKD)
08 \$4,991.00

Receipt No. Method Amount(HKD)
222220027873 Chq \$4,991.00

Total Paid \$4,991.00
=====

5 本次股份分配的詳情 **Details of this Allotment**A. 現金支付的分配股份 **Shares Allotted for Cash**

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股已繳及應繳的款額 (包括溢價) Amount Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	已繳及應繳 的溢價總款額 Total Premium Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
Ordinary	2,851,000	HK\$0.10	HK\$0.6300	-	HK\$0.5300	HK\$1,511,030.0
Ordinary	11,224,000	HK\$0.10	HK\$0.4100	-	HK\$0.3100	HK\$3,479,440.0

(註 Note 9)

B. 非現金支付的分配股份 **Shares Allotted otherwise than in Cash**

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股被視作已繳 及應繳的款額 (包括溢價) Amount Treated as Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	被視作已繳及應繳 的溢價總款額 Total Premium Treated as Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		

(註 Note 10)

分配上述(B)項股份的代價

Consideration for which the Shares in (B) have been Allotted

--

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Siu Tai Kuen	Room 1107 East Terrace Sai Wan Estate Hong Kong	320,000	
Wu Shanghai	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	1,200,000	
Wong Yuk Ping	21/B Fortune Building 150-158 Lockhart Road Wanchai Hong Kong	240,000	
Wong Yan Kit	Flat F 15/F Mainway Court 15-33 Kwong Wa Street Kowloon	100,000	
Wang Wei	26/F Yue Xiu Bldg 160-174 Lockhart Rd Wanchai Hong Kong	1,200,000	
Wen Jinxian	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	400,000	
Mak Ngai Hong	Room 1102 Block A Ming Wah Building Shau Kei Wan Hong Kong	60,000	
Chan Yan Ki	Flat B 17/F Block 7 Tuen Mun Town Plaza Tuen Mun New Territories	52,000	
Lee Pui Yi Ivy	24/F Yue Xiu Bldg 160-174 Lockhart Road Wanchai Hong Kong	97,000	
Jiang Shunjian	21 Tung Yuen Street Yau Tong Bay Kowloon	320,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Wong Sau Ching	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	320,000	
Zhu Shunlian	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	560,000	
Chiu Suk Woon	21/F F Blk 2 Koway Court 111 Chai Wan Rd Chai Wan Hong Kong	700,000	
Qiao Chenggang	21 Tung Yuen Street Yau Tong Bay Kowloon	300,000	
Luk Kin Ying	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	320,000	
Li Fong	1501 Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	240,000	
Tu Baiyan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	300,000	
Chan Wai Yee	Flat 905 Tsui Lok House Tsui Ping Estate Kwun Tong Kowloon	100,000	
Wu Ying	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	1,200,000	
Zhong Zhiqiang	Flat F 11/F Goodview Court 20 Yuet Wah Street Kwun Tong Kowloon	848,000	
Yeung Miu Yin	Rm 17 4/F Chung Hing Bldg 33 Chung Wui St Tai Kok Tsui Kowloon	240,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名/名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Zhou Jian Xin	D3 Blk 3 39 Kennedy Rd Wanchai Hong Kong	264,000	
Chan Ka Wai Carrie	Site 2 Blk 2 7H Whampoa Garden Hung Hom Kowloon	1,240,000	
Lo Tin Shun	Flat H 22/F Blk 25 South Horizons Ap Lei Chau Hong Kong	360,000	
Ye Linsheng	21 Tung Yuen Street Yau Tong Bay Kowloon	1,000,000	
Li Jianxun	21 Tung Yuen Street Yau Tong Bay Kowloon	800,000	
Wang Jun	24/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	1,000,000	
Huang Shaozhen	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Yuen Chi Keung	Flat 8 1/F Fu Cheung House On Ning Road Yuen Long New Territories	240,000	
各類別股份分配的總數 Total Shares Allotted by Class		14,075,000	

簽署 Signed :

姓名 Name :


YU Tat Fung
董事 Director / 秘書 Secretary

日期 Date :

05 / 09 / 2005

日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply





重要事項 Important Notes

- 填表前請參閱《填表須知》。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

7096 MAY 19 P 1:49

OFFICE OF INTERNATIONAL
FINANCE

公司編號 **Company Number**

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

2 分配股份的日期或始末日期 Date or Period during which Shares were Allotted

由 From

07	09	2005
日 DD	月 MM	年 YYYY

至 To

30	09	2005
日 DD	月 MM	年 YYYY

3 本次股份分配的總款額 Totals of this Allotment

已繳及應繳的總面額
Total Nominal Amount Paid and Payable

已繳及應繳的溢價總額 [第5A(a) + 5B(a)項]
Total Premium Amount Paid and Payable [Sections 5A(a) + 5B(a)]

貨幣單位 Currency	款額 Amount
HK\$	1,004,500.0
HK\$	3,798,950.0

4 公司自成立為法團當日起計，累積的已繳股款總額(包括本次分配但不包括溢價)

Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)

貨幣單位 Currency	款額 Amount
HK\$	640,571,791.4

Your Receipt
Companies Registry
H.K.

07/10/2005 11:01:35
Submission No.: 230022484/1
CR NO.: 0362639
Sh. Form.: SC1

3) 提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明編號 2/2004 (修訂) (2004年2月)
Specification No. 2/2004 (Revision) (Feb. 2004)

Revenue Code	Amount(HKD)
08	\$3,799.00
Receipt No. Method	Amount(HKD)
302300030666 Chq	\$3,799.00
Total Paid	\$3,799.00

5 本次股份分配的詳情 Details of this Allotment**A. 現金支付的分配股份 Shares Allotted for Cash**

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股已繳及應繳的款額 (包括溢價) Amount Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	已繳及應繳 的溢價總款額 Total Premium Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
Ordinary	3,093,000	HK\$0.10	HK\$0.6300	-	HK\$0.5300	HK\$1,639,290.0
Ordinary	50,000	HK\$0.10	HK\$0.5008	-	HK\$0.4008	HK\$20,040.0
Ordinary	6,902,000	HK\$0.10	HK\$0.4100	-	HK\$0.3100	HK\$2,139,620.0

(註 Note 9)

B. 非現金支付的分配股份 Shares Allotted otherwise than in Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股被視作已繳 及應繳的款額 (包括溢價) Amount Treated as Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	被視作已繳及應繳 的溢價總款額 Total Premium Treated as Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		

(註 Note 10)

分配上述(B)項股份的代價

Consideration for which the Shares in (B) have been Allotted

--

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Zhan Kecheng	15F Sun Shing Mansion 27-39 Queen's Road West Sheung Wan Hong Kong	600,000	
Li Hoi Ying	Flat A 10/F Block 3 Villa Tiara No 9 Tuen Hing Rd Tuen Mun New Territories	320,000	
Gao Yuan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	560,000	
Xie Jie Lin	Flat A 20/F Block 2 15 Hoi Kwong St Quarry Bay Hong Kong	320,000	
Li Feng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	320,000	
Lee Pui Yi Ivy	24/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	45,000	
Lau Yuk Ying Rita	Flat 3 9/F Block A Yue Fai Court 45 Yue Kwong Road Aberdeen Hong Kong	96,000	
Meng Xiaobing	21 Tung Yuen St Yau Tong Bay Kowloon Hong Kong	1,750,000	
Lo Tin Shun	Flat H 22/F Blk 25 South Horizons Apleichau Hong Kong	360,000	
Xie Bin	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	200,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Chen Zhihong	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	300,000	
Chiu Suk Woon	21/F F Block 2 Koway Court 111 Chai Wan Rd Chai Wan Hong Kong	600,000	
Liu Yongjie	26/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	420,000	
Zeng Yang Mei	28/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	30,000	
Ma Zhigang	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	60,000	
Zhu Jinxing	28/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	500,000	
So Ching Yee	26/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	300,000	
Zhong Jianzhou	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	320,000	
Wang Yongguang	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	400,000	
Wong Sau Ching	Room 1909 19/F Ching Yi House Tsz Ching Estate Tsz Wan Shan Kowloon	400,000	
Wen Jinxian	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	400,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名/名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Yu Dongsheng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	10,000	
Hong Chutian	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	60,000	
Wong Yan Kit	26/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	60,000	
Peng Chunsheng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	1,000,000	
Li Hoo Shun	11/F A6 Po Wing Bldg 243-249 Yee Kuk Street Kowloon	92,000	
Ruan Hanming	7/F B Avery House 22 Tai Yuen St Wanchai Hong Kong	320,000	
Qing Ping	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	100,000	
Jian Wenyong	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
各類別股份分配的總數 Total Shares Allotted by Class		10,045,000	

簽署 Signed :

姓名 Name :

YU Tat Fung

董事 Director / 秘書 Secretary *

日期 Date :

03 / 10 / 2005

日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply





Return of Allotments

公司註冊處
Companies Registry

(公司條例第 45(1)條)
(Companies Ordinance s. 45(1))

表格 **SC1**
Form

重要事項 Important Notes

- 填表前請參閱《填表須知》。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

公司編號 Company Number

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

2 分配股份的日期或始末日期 Date or Period during which Shares were Allotted

由 From

06	10	2005
日 DD	月 MM	年 YYYY

至 To

25	10	2005
日 DD	月 MM	年 YYYY

3 本次股份分配的總款額 Totals of this Allotment

註 Note 8)

已繳及應繳的總面額
Total Nominal Amount Paid and Payable

已繳及應繳的溢價總額 [第5A(a) + 5B(a)項]
Total Premium Amount Paid and Payable [Sections 5A(a) + 5B(a)]

貨幣單位 Currency	款額 Amount
HK\$	2,112,000.0
HK\$	8,025,261.6

4 公司自成立為法團當日起計，累積的已繳股款總額(包括本次分配但不包括溢價) Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)

貨幣單位 Currency	款額 Amount
HK\$	642,683,791.4

Your Receipt
Companies Registry
H.K.

註 Note 3)

提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明編號 2/2004 (修訂) (2004 年 2 月)
Specification No. 2/2004 (Revision) (Feb. 2004)

04/11/2005 10:50:08
請 Submission No.: 235018036/1
CR NO.: 0362639
Sh. Form.: SC1

Revenue Code Amount(HKD)

08 \$8,026.00

Receipt No. Method Amount(HKD)

352350024597 Chq \$8,026.00

Total Paid \$8,026.00
=====

5 本次股份分配的詳情 Details of this Allotment

A. 現金支付的分配股份 Shares Allotted for Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股已繳及應繳的款額 (包括溢價) Amount Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	已繳及應繳 的溢價總款額 Total Premium Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
Ordinary	6,016,000	HK\$0.10	HK\$0.6300	-	HK\$0.5300	HK\$3,188,480.0
Ordinary	1,702,000	HK\$0.10	HK\$0.5008	-	HK\$0.4008	HK\$682,161.6
Ordinary	13,402,000	HK\$0.10	HK\$0.4100	-	HK\$0.3100	HK\$4,154,620.0

(註 Note 9)

B. 非現金支付的分配股份 Shares Allotted otherwise than in Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股被視作已繳 及應繳的款額 (包括溢價) Amount Treated as Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	被視作已繳及應繳 的溢價總款額 Total Premium Treated as Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
-						

(註 Note 10)

分配上述(B)項股份的代價

Consideration for which the Shares in (B) have been Allotted

--

6 獲分配股份者的詳情 **Details of Allottee(s)**

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Yang Laoguang	Flat D 3/F Blk 3 Phoenix Court 39 Kennedy Road Central Hong Kong	2,400,000	
Wang Yongguang	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	1,620,000	
Lu Yubei	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	108,000	
Li Guo Feng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Liu Yan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Huang Mingzhou	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	44,000	
Guo Xiaofan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	44,000	
Li Hoi Ying	Flat A 10/F Block 3 Villa Tiara No 9 Tuen Hing Rd Tuen Mun New Territories	480,000	
Ou Zhaohe	23/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	2,340,000	
Ip Wing Wah	Flat D 17/F Block 1 Royal Ascot Fo Tan Shatin New Territories	360,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Un Kwok Kee John	72 Pan Hoi St 5/F Quarry Bay Hong Kong	240,000	
Mak Man Ying	24/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	130,000	
Xu Jin	26/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	50,000	
Lin Bing	24/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	400,000	
Wu Zhiming	24/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	1,780,000	
Lao Zhuoqun	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	1,200,000	
Ruan Xiongbiao	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	600,000	
Tang Shouchun	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	1,200,000	
Feng Li	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	2,200,000	
Wang Hongtao	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	1,200,000	
Ling Man Ching	Flat D 3/F Block 1 Lakeside Garden Sai Kung N.T.	320,000	

6 獲分配股份者的詳情 **Details of Allottee(s)**

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Chiu Suk Woon	21/F Flat F Block 2 Koway Court 111 Chaiwan Rd Hong Kong	300,000	
Du Fengjun	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	180,000	
Zheng Min Juan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Wen Xiao Bing	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Ying Kan	Rm 816 Hang Wo Hse Tai Wo Est Tai Po NT	36,000	
Lau Ka Wai	25/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	36,000	
Tau Siu Kwan	24/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	400,000	
Zhang Bohua	28/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	500,000	
So Ching Yee	26/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	400,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名/名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Tan Yongqiang	28/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	600,000	
Wu Yuefeng	28/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	1,600,000	
Lee Ah Chi	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	52,000	
各類別股份分配的總數 Total Shares Allotted by Class		21,120,000	

簽署 Signed :



姓名 Name :

YU Tat Fung

~~董事 Director~~ / 秘書 Secretary *

日期 Date :

03 / 11 / 2005

日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply

重要事項 Important Notes

- 填表前請參閱《填表須知》。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

公司編號 Company Number

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

主 Note 7) 2 分配股份的日期或始末日期 Date or Period during which Shares were Allotted

由 From

01	11	2005
日 DD	月 MM	年 YYYY

至 To

23	11	2005
日 DD	月 MM	年 YYYY

3 本次股份分配的總款額 Totals of this Allotment

主 Note 8)

已繳及應繳的總面額
Total Nominal Amount Paid and Payable

已繳及應繳的溢價總額 [第 5A(a) + 5B(a)項]
Total Premium Amount Paid and Payable [Sections 5A(a) + 5B(a)]

貨幣單位
Currency

款額
Amount

HK\$	1,516,400.0
HK\$	6,369,320.0

4 公司自成立為法團當日起計，累積的已繳股款總額(包括本次分配但不包括溢價)
Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)

貨幣單位
Currency

款額
Amount

HK\$	644,200,191.4
Your Receipt Companies Registry H.K.	

主 Note 3)

提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited.

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明編號 2/2004 (修訂) (2004 年 2 月)
Specification No. 2/2004 (Revision) (Feb. 2004)

請勿

01/12/2005 14:22:36

Submission No.: 236017131/1
CR NO.: 0362639
Sh. Form.: SC1

Revenue Code Amount(HKD)
08 \$6,370.00

Receipt No. Method Amount(HKD)
362360021907 Chq \$6,370.00

Total Paid \$6,370.00
=====

5 本次股份分配的詳情 Details of this Allotment

A. 現金支付的分配股份 Shares Allotted for Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股已繳及應繳的款額 (包括溢價) Amount Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	已繳及應繳 的溢價總款額 Total Premium Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
Ordinary	7,584,000	HK\$0.10	HK\$0.6300	-	HK\$0.5300	HK\$4,019,520.0
Ordinary	7,580,000	HK\$0.10	HK\$0.4100	-	HK\$0.3100	HK\$2,349,800.0

(註 Note 9)

B. 非現金支付的分配股份 Shares Allotted otherwise than in Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股被視作已繳 及應繳的款額 (包括溢價) Amount Treated as Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	被視作已繳及應繳 的溢價總款額 Total Premium Treated as Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
-						

(註 Note 10)

分配上述(B)項股份的代價

Consideration for which the Shares in (B) have been Allotted

--

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
He Liwei	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	1,600,000	
Chu Chik Fai	Flat G 30/F Block 15 Lung Mun Oasis 43 Lung Mun Rd Tuen Mun New Territories	320,000	
Mo Bing	25/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	700,000	
Cai Feiming	24/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	528,000	
Mo Yunian	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	420,000	
Wang Yongguang	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	420,000	
Huang Weigang	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	420,000	
Liang Shangshang	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	44,000	
Zhong Huimin	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	50,000	
Jian Jieru	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	50,000	
Deng Bei	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Lai Ya	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	108,000	
Ruan Xiongbiao	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	400,000	
Ko Yung Lai Jackie	24/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	1,300,000	
Huang Qiuquan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Chen Zhihong	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	500,000	
Peng Chun Sheng	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	1,002,000	
Ou Junming	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	600,000	
Zhang Jie	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	500,000	
Zhu Shunlian	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	560,000	
Tse Kin Sui	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	700,000	
He Wenfeng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名/名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Liang Wenchu	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Li Qi	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	60,000	
Deng Jianmin	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	50,000	
Siu Tai Kuen	Room 1107 East Terrace Sai Wan Estate Hong Kong	480,000	
Cheung Cheuk	Flat A 20/F Block 2 Hai Kwong Court Hoi Kwong Street Quarry Bay Hong Kong	240,000	
Wu Shang Hui	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	1,000,000	
Wang Wei	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	2,800,000	
各類別股份分配的總數 Total Shares Allotted by Class		15,164,000	

簽署 Signed :

姓名 Name :

YU Tat Fung

董事 Director / 秘書 Secretary *

日期 Date :

28 / 11 / 2005

日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply



Return of Allotments

公司註冊處
Companies Registry

(公司條例第 45(1)條)
(Companies Ordinance s. 45(1))

表格 **SC1**
Form

重要事項 Important Notes

- 填表前請參閱〈填表須知〉。
● 請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

公司編號 Company Number

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

主 Note 7) 2 分配股份的日期或始末日期 Date or Period during which Shares were Allotted

由 From

28 11 2005

日 DD 月 MM 年 YYYY

至 To

29 11 2005

日 DD 月 MM 年 YYYY

3 本次股份分配的總款額 Totals of this Allotment

主 Note 8)

已繳及應繳的總面額
Total Nominal Amount Paid and Payable

已繳及應繳的溢價總額 [第 5A(a) + 5B(a)項]
Total Premium Amount Paid and Payable [Sections 5A(a) + 5B(a)]

貨幣單位
Currency

款額
Amount

HK\$	1,684,000.0
HK\$	8,243,880.0

4 公司自成立為法團當日起計，累積的已繳股款總額(包括本次分配但不包括溢價)

Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)

貨幣單位
Currency

款額
Amount

HK\$	645,884,191.4
------	---------------

Your Receipt
Companies Registry
H.K.

主 Note 3) 提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明編號 2/2004 (修訂) (2004 年 2 月)
Specification No. 2/2004 (Revision) (Feb. 2004)

請

16/12/2005 11:29:00

Submission No.: 221024616/1

CR NO.: 0362639

Sh. Form.: SC1

Revenue Code Amount(HKD)

08 \$8,244.00

Receipt No. Method Amount(HKD)

212210030987 Chq \$8,244.00

Total Paid \$8,244.00

=====

5 本次股份分配的詳情 **Details of this Allotment**

A. 現金支付的分配股份 **Shares Allotted for Cash**

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股已繳及應繳的款額 (包括溢價) Amount Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	已繳及應繳 的溢價總款額 Total Premium Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
Ordinary	13,578,000	HK\$0.10	HK\$0.6300	-	HK\$0.5300	HK\$7,196,340.0
Ordinary	400,000	HK\$0.10	HK\$0.5008	-	HK\$0.4008	HK\$160,320.0
Ordinary	2,862,000	HK\$0.10	HK\$0.4100	-	HK\$0.3100	HK\$887,220.0

(註 Note 9) B. 非現金支付的分配股份 **Shares Allotted otherwise than in Cash**

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股被視作已繳 及應繳的款額 (包括溢價) Amount Treated as Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	被視作已繳及應繳 的溢價總款額 Total Premium Treated as Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
-						

(註 Note 10)

分配上述 (B) 項股份的代價

Consideration for which the Shares in (B) have been Allotted

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Wu Yuefeng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	400,000	
Mok Ha Sing	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	130,000	
Feng Zhidong	25/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	560,000	
Li Pui Ha	24/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	52,000	
Yeung Miu Yin	Room 17 4/F Chung Hing Bldg 33 Chung Wui Street Tai Kok Tsui Kowloon	560,000	
Li Jianxun	21 Tung Yuen Street Yau Tong Bay Kowloon	1,200,000	
Fung Pui	307 Block 29 Heng Fa Chuen Chaiwan Hong Kong	900,000	
Ye Linsheng	21 Tung Yuen Street Yau Tong Bay Kowloon	1,000,000	
Chen Xuyang	21 Tung Yuen Street Yau Tong Bay Kowloon	1,000,000	
Wong Sau Ching	1909 19/F Ching Yi House Tsz Ching Estate Kowloon	720,000	
Ling Man Ching	Flat D 3/F Block 1 Lakeside Garden Sai Kung New Territories	480,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Wong Sau Ching	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	240,000	
Shen Shuzhao	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	108,000	
Wu Jing	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Liao Rongying	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Chen Pei	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	312,000	
Luk Kin Ying	26/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	280,000	
Jiang Shunjian	21 Tung Yuen Street Yau Tong Bay Kowloon	528,000	
Liang Songbin	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Ruan Hanming	26/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	300,000	
Ye Xiqiang	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	156,000	
Lin Bing	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	1,800,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名/名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Mo Bing	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	700,000	
Wang Yongguang	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	1,474,000	
Lam Siu Kwan	Flat 06 12/F Blk D Healthy Gardens 560 King's Road Hong Kong	300,000	
Lai Tat Ming	Flat G 22/F Block 1 Tai Po Centre Tai Po New Territories	720,000	
Liu Dianping	21 Tung Yuen Street Yau Tong Bay Kowloon	400,000	
He Liwei	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	800,000	
Chair Kwong Hing	Flat D 25/F Block 1 Metro City Phase 2 Tseung Kwan O New Territories	360,000	
Hong Chutian	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	70,000	
Zhong Zhide	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	108,000	
Wang Ling	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	108,000	
Huang Jiayong	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	100,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名/名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Ling Shi	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	100,000	
Li Bei	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	100,000	
Zheng Gangqiu	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	312,000	
Wu Suwen	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	180,000	
各類別股份分配的總數 Total Shares Allotted by Class		16,840,000	

簽署 Signed :

姓名 Name : YU Tat Fung
~~董事 Director~~ / 秘書 Secretary *

日期 Date : 06 / 12 / 2005
 日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply

重要事項 Important Notes

- 填表前請參閱《填表須知》。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

公司編號 **Company Number**

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

主 Note 7) **2 分配股份的日期或始末日期 Date or Period during which Shares were Allotted**

由 From

01	12	2005
日 DD	月 MM	年 YYYY

至 To

23	12	2005
日 DD	月 MM	年 YYYY

3 本次股份分配的總款額 Totals of this Allotment

主 Note 8)

已繳及應繳的總面額
Total Nominal Amount Paid and Payable

已繳及應繳的溢價總額 [第 5A(a) + 5B(a)項]
Total Premium Amount Paid and Payable [Sections 5A(a) + 5B(a)]

貨幣單位
Currency

款額
Amount

HK\$	5,877,200.0
HK\$	29,348,156.8

**4 公司自成立為法團當日起計，累積的已繳股款總額(包括本次分配但不包括溢價)
Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)**

貨幣單位
Currency

款額
Amount

HK\$	651,761,391.4
------	---------------

Your Receipt
Companies Registry
H.K.

主 Note 3) **提交人的資料 Presentor's Reference**

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明編號 2/2004 (修訂) (2004 年 2 月)
Specification No. 2/2004 (Revision) (Feb. 2004)

30/12/2005 13:57:36

Submission No.: 229031019/1
CR NO.: 0362639
Sh. Form.: SC1

Revenue Code Amount(HKD)
08 \$29,349.00

Receipt No. Method Amount(HKD)
292290043638 Chq \$29,349.00

Total Paid \$29,349.00
=====

5 本次股份分配的詳情 Details of this Allotment

A. 現金支付的分配股份 Shares Allotted for Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股已繳及應繳的款額 (包括溢價) Amount Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	已繳及應繳 的溢價總款額 Total Premium Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
Ordinary	46,114,000	HK\$0.10	HK\$0.6300	-	HK\$0.5300	HK\$24,440,420.0
Ordinary	936,000	HK\$0.10	HK\$0.5008	-	HK\$0.4008	HK\$375,148.8
Ordinary	9,574,000	HK\$0.10	HK\$0.4100	-	HK\$0.3100	HK\$2,967,940.0
Ordinary	1,180,000	HK\$0.10	HK\$0.8140	-	HK\$0.7140	HK\$842,520.0
Ordinary	968,000	HK\$0.10	HK\$0.8460	-	HK\$0.7460	HK\$722,128.0

(註 Note 9)

B. 非現金支付的分配股份 Shares Allotted otherwise than in Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股被視作已繳 及應繳的款額 (包括溢價) Amount Treated as Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	被視作已繳及應繳 的溢價總款額 Total Premium Treated as Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		

(註 Note 10)

分配上述(B)項股份的代價

Consideration for which the Shares in (B) have been Allotted

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6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Yang De	23/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	1,346,000	
Cheng Kwok Cheung	28/F Seabright Plaza 9-23 Shell Street North Point Hong Kong	560,000	
Zhu Hongxia	21 Tung Yuen Street Yau Tong Bay Kowloon	866,000	
Ip Wing Wah	Flat D 17/F Block 1 Royal Ascot Fo Tan Shatin N.T.	360,000	
Li Chi Keung	Flat 2 3/F Block G Forest Hill 1E Kau To Shan Road Shatin N.T.	500,000	
Liang Shangshang	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	46,000	
Tang Zhuangju	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Tan Feng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
He Wanru	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Sun Yanyun	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Chen Xi	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Chen Xiaoyan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Zhu Wenbo	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Chen Huiqing	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Chen Dongming	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Huang Yongbin	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Chen Shudan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Lin Xiaofen	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	108,000	
Xu Jianhui	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	108,000	
Pang Guoming	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Luo Huanchan	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	312,000	
Jian Jieru	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	50,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Lin Jianmin	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	160,000	
Lan Dachao	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	580,000	
Shang Yuying	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	880,000	
Qiao Chenggang	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	600,000	
Lee Ka Yip	Flat F 2/F Block 5 Cheerful Garden 23 Siu Sai Wan Road Chaiwan Hong Kong	92,000	
Tu Baiyang	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	400,000	
Tang Shouchun	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	900,000	
Wong Yan Kit	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	50,000	
Li Hoo Shun	11/F A6 Po Wing Bldg 243-249 Yee Kuk Street Kowloon	90,000	
Lu Kai	23/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	264,000	
Lu Bing Tian	21 Tung Yuen Street Yau Tong Bay Kowloon	264,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名 / 名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Li Feng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	410,000	
Chen Zhihong	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	480,000	
Zhao Mingju	21 Tung Yuen Street Yau Tong Bay Kowloon	528,000	
Zhan Kecheng	15F Sun Shing Mansion 27-39 Queen's Road West Hong Kong	1,000,000	
Lin Shu	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Huang Zhicheng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Yu Dongsheng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	82,000	
Yu Zehua	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Kong Xiaoling	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Guo Liyun	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Huang Yi	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Long Guilan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Guo Jia	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Zhou Lanlan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Yi Dihua	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Zhang Liang	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	92,000	
He Dongxin	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	96,000	
Li Shengxue	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	100,000	
Xu Min	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Wang Jingru	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Luo Pei	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Huang Qili	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Xu Lan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Liang Danqing	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	190,000	
Wang Yongguang	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	1,892,000	
Lin Feng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Mo Qinghua	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Wang Haiying	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Xie Sixin	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Hu Tieshan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	312,000	
Ding Zhongchao	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	312,000	
Lin Zhaoyuan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	96,000	
Chen Zhixue	26/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	60,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Zhong Ou	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	200,000	
Choi Kwong	24/F Yue Xiu Bldg 160-174 Lockhart Rd Wanchai Hong Kong	1,120,000	
Lam Sing Wah	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	152,000	
Yuan Ting	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	220,000	
Chiu Suk Woon	28/F Yue Xiu Bldg 160-174 Lockhart Road Wanchai Hong Kong	300,000	
Li Jianxun	21 Tung Yuen Street Yau Tong Bay Kowloon	500,000	
Mo Bing	25/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	608,000	
Fung Pui	307 Block 29 Heng Fa Chuen Chai Wan Hong Kong	800,000	
Gan Ning	24/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	800,000	
Lao Zhuoqun	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	2,340,000	
Huang Huilian	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	44,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Deng Jianmin	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	50,000	
Mai Haoran	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Huang Lisi	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Liu Jian	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Hong Chutian	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	132,000	
Cheng Yi	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Zhu Weiqiong	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Ye Haiming	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Zeng Hong	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Pan Ling	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Chen Feng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Liang Xiuyun	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Hu Jing	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Zeng Jiawei	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Kuang Weiyi	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Ou Yuzhen	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	96,000	
Ye Weixing	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	96,000	
Tan Jianmin	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	100,000	
Ou Jingmei	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Zhu Huiling	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Liang Jianxin	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Luo Yingming	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Xie Xiaoshan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Wu Haiyan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Xue Hongying	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Chen Meiqing	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Luo Yongbing	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	108,000	
Cai Gefeng	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	108,000	
Ma Zhongwen	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	108,000	
You Shaorong	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	108,000	
He Rihui	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	108,000	
Ou Canming	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	108,000	
Chen Kai	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	150,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Jiang Zeguang	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	150,000	
Dai Guilin	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	160,000	
Ouyang Pingnan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Zhang Yu	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Xu Shusui	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Yang Jiena	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Liu Yisheng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Zeng Danzhuo	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Cheng Jiuzhou	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Yang Kai	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Lin Xiaohong	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Yu Qiuping	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Dai Lihua	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	312,000	
Liang Cheng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	312,000	
Yang Shaoqing	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	312,000	
Kang Yongquan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	312,000	
Tan Xiuying	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	312,000	
Wang Chunrong	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	312,000	
Ling Jingbo	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	36,000	
Wen Bosui	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Xie Jiqing	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Liang Peiyi	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名 / 名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Jiang Guoxiong	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	84,000	
Li Xiaoling	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	96,000	
Zhou Xiuhao	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	96,000	
Xie Jinping	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	132,000	
Hong Runxiang	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	132,000	
Liang Weijie	26/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	60,000	
Li Xiaobei	26/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	60,000	
Hu Ying	26/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	60,000	
Zhu Yue	25/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	60,000	
Xie Xueming	25/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	60,000	
Chen Zhuoren	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名 / 名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Wu Yuefeng	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	3,840,000	
Zhang Lichen	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	162,000	
Wei Yun	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	660,000	
Lin Deliang	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	250,000	
So Ching Yee	26/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	1,000,000	
Mak Man Ying	24/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Chen Zheqiu	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	528,000	
Zhuo Zhidong	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Li Lifeng	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Peng Bo	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Liu Bihong	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	

6 獲分配股份者的詳情 **Details of Allottee(s)**

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Li Junwen	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Tang Zongyi	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Yu Kaiwei	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Tian Mi	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Kong Xiangjian	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Chen Haiying	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Song Yongkang	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Tan Dongqing	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Huang Xiaobai	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Li Zhizhong	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Lu Liqiang	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Li Feijiao	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Ling Jianwen	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Ling Lanzhang	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Huang Jianxiong	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Ning Weiqiang	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Zhao Genyuan	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Yuan Xiaofei	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Li Feiyan	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Hu Zhiqing	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	108,000	
Yang Penxian	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	156,000	
Ye Xiqiang	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	156,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Wu Guoxiang	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Gao Wanhua	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Zheng Shaolong	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Zhang Wei	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Chen Xiaodong	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Lai Ming	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Yu Rongjun	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Zhang Jun	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Lai Qiushou	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	312,000	
Jin Youjing	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	312,000	
Zhuang Qiuli	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	312,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名 / 名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Li Xiaohong	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Hu Xiaogang	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	204,000	
Fang Haiqing	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	60,000	
Huang Bingchao	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Wu Baipei	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	300,000	
Wu Zhiqiang	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	432,000	
Xie Yi	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	222,000	
Yi Zhenxue	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	392,000	
Tau Siu Kwan	24/F Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong	1,000,000	
Chen Zu	23/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	50,000	
Chen Zhimin	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Luo Cong	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Zhong Huiyi	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Lin Erjia	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	96,000	
Liu Bojian	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	96,000	
Chang Zhenqing	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	108,000	
Shen Liying	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	108,000	
Chen Jianming	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	132,000	
Wu Xinghe	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	204,000	
Mo Weining	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	36,000	
Wang Jun	25/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	800,000	
Ping Yuheng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Zhang Wenshu	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	108,000	
Liang Yiqiang	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Li Zhongdong	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Zhang Zhibing	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Liu Chunsheng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	36,000	
Yu Jixiao	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	36,000	
Wang Yanhong	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Wang Yu	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Zhou Weiqiang	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Feng Yucheng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Zhou Yun	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Zhou Wei	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	84,000	
Xie Fengcheng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	84,000	
Zhu Xuteng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	84,000	
Lin Desheng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	84,000	
Guo Zhongwen	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	132,000	
Li Zhengliang	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	180,000	
Liang Minhua	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	180,000	
Wan Hor Yan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	36,000	
Yu Tat Fung	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	700,000	
Chen Xuyang	21 Tung Yuen Street Yau Tong Bay Kowloon	1,000,000	
Zou Yingchun	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Xiao Donghui	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Wang Jian	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	312,000	
Zhang Lili	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Liu Zhuanzhou	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	312,000	
Xu Yiwei	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	36,000	
Lian Zhen	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	36,000	
He Honghui	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Chen Yongping	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Shen Jianjun	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Wang Zhijun	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	180,000	
Zhu Jinxing	28/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	800,000	

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Ye Linsheng	21 Tung Yuen Street Yau Tong Bay Kowloon	1,000,000	
He Huiling	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Li Feng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Zhong Silin	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Liu Weiping	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Huang Jiayong	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	92,000	
Xiao Yuhua	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	100,000	
He Minzhou	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Yao Dahai	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Wu Yonggao	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
Song Suihua	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	

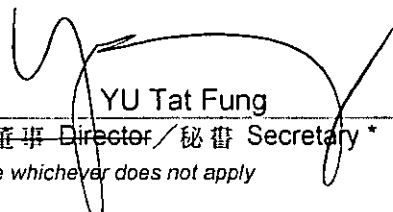
6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Liang Minhong	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	108,000	
Xie Zonggan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	108,000	
Zhong Jibin	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	192,000	
Li Xinye	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	312,000	
Sun Hongyan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	36,000	
Huang Chengqiu	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Huang Honghui	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Yao Yuehui	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Li Qibin	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	96,000	
Wen Leibin	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	96,000	
Jiang Peng	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	132,000	

6 獲分配股份者的詳情 **Details of Allottee(s)**

姓名 / 名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Zeng Xiaoling	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	60,000	
Xing Runuan	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	90,000	
Lin Xiaoqing	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	60,000	
Gao Xiaoqun	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	50,000	
Tse Kin Sui	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	360,000	
Lao Lifang	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	102,000	
各類別股份分配的總數 Total Shares Allotted by Class		58,772,000	

簽署 Signed :



姓名 Name : YU Tat Fung
~~董事 Director~~ / ~~秘書 Secretary~~ *

日期 Date : 30 / 12 / 2005
 日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply



RECEIVED

重要事項 Important Notes

- 填表前請參閱《填表須知》。
請用黑色墨水列印。

- Please read the accompanying notes before completing this form.
Please print in black ink.

2006 MAY 19 P 1:49

公司編號 Company Number

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

2 分配股份的日期或始末日期 Date or Period during which Shares were Allotted

由 From

30	12	2005
日 DD	月 MM	年 YYYY

至 To

日 DD	月 MM	年 YYYY

3 本次股份分配的總款額 Totals of this Allotment

已繳及應繳的總面額
Total Nominal Amount Paid and Payable

已繳及應繳的溢價總額 [第5A(a) + 5B(a)項]
Total Premium Amount Paid and Payable [Sections 5A(a) + 5B(a)]

貨幣單位 Currency	款額 Amount
HK\$	132,200.0
HK\$	566,940.0

**4 公司自成立為法團當日起計，累積的已繳股款總額(包括本次分配但不包括溢價)
Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)**

貨幣單位 Currency	款額 Amount
HK\$	651,893,591.4

Your Receipt
Companies Registry
H.K.

提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明檔號 2/2004 (修訂) (2004年2月)
Specification No. 2/2004 (Revision) (Feb. 2004)

13/01/2006 16:01:28

Submission No.:	226024007/1
CR NO.:	0362639
Sh. Form.:	SC1
Revenue Code	Amount(HKD)
08	\$567.00
Receipt No. Method	Amount(HKD)
262260034295 Chq	\$567.00
Total Paid	\$567.00

5 本次股份分配的詳情 Details of this Allotment

A. 現金支付的分配股份 Shares Allotted for Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of <i>Each</i> <i>Share</i>	每股已繳及應繳的款額 (包括溢價) Amount Paid and Payable on <i>Each Share</i> (Including Premium)		每股的溢價 款額 Premium on <i>Each Share</i>	已繳及應繳 的溢價總款額 <i>Total</i> Premium Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
Ordinary	54,000	HK\$0.10	HK\$0.6300	-	HK\$0.5300	HK\$28,620.0
Ordinary	768,000	HK\$0.10	HK\$0.5400	-	HK\$0.4400	HK\$337,920.0
Ordinary	500,000	HK\$0.10	HK\$0.5008	-	HK\$0.4008	HK\$200,400.0

(註 Note 9)

B. 非現金支付的分配股份 Shares Allotted otherwise than in Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of <i>Each Share</i>	每股被視作已繳 及應繳的款額 (包括溢價) Amount Treated as Paid and Payable on <i>Each Share</i> (Including Premium)		每股的溢價 款額 Premium on <i>Each Share</i>	被視作已繳及應繳 的溢價總款額 <i>Total</i> Premium Treated as Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
-						

(註 Note 10)

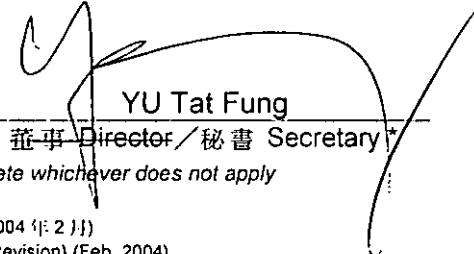
分配上述(B)項股份的代價

Consideration for which the Shares in (B) have been Allotted

--

6 獲分配股份者的詳情 Details of Allottee(s)

姓名/名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Lin Bing	24/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	768,000	
Liu Bocai	26/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	54,000	
Li Kuanglun	24/F Yue Xiu Building 160-174 Lockhart Road Wanchai Hong Kong	500,000	
各類別股份分配的總數 Total Shares Allotted by Class		1,322,000	

簽署 Signed : 

姓名 Name : YU Tat Fung
 董事 Director / 秘書 Secretary *

日期 Date : 10 / 01 / 2006
 日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply



重要事項 Important Notes

- 填表前請參閱《填表須知》。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

公司編號 Company Number

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

主 Note 7) **2 分配股份的日期或始末日期 Date or Period during which Shares were Allotted**

由 From

11	01	2006
日 DD	月 MM	年 YYYY

至 To

27	01	2006
日 DD	月 MM	年 YYYY

3 本次股份分配的總款額 Totals of this Allotment

主 Note 8)

已繳及應繳的總面額
Total Nominal Amount Paid and Payable

已繳及應繳的溢價總額 [第 5A(a) + 5B(a)項]
Total Premium Amount Paid and Payable [Sections 5A(a) + 5B(a)]

貨幣單位 Currency	款額 Amount
HK\$	3,369,800.0
HK\$	17,898,428.0

4 公司自成立為法團當日起計，累積的已繳股款總額(包括本次分配但不包括溢價)

Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)

貨幣單位 Currency	款額 Amount
HK\$	655,263,391.4

Your Receipt
Companies Registry
H.K.

主 Note 3)

提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明編號 2/2004 (修訂) (2004 年 2 月)
Specification No. 2/2004 (Revision) (Feb. 2004)

09/02/2006 15:36:32

Submission No.: 235024271/1
CR NO.: 0362639
Sh. Form.: SC1

Revenue Code Amount(HKD)
08 \$17,899.00

Receipt No. Method Amount(HKD)
352350034089 Chq \$17,899.00

Total Paid \$17,899.00
=====

5 本次股份分配的詳情 Details of this Allotment

A. 現金支付的分配股份 Shares Allotted for Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股已繳及應繳的款額 (包括溢價) Amount Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	已繳及應繳 的溢價總款額 Total Premium Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
Ordinary	21,600,000	HK\$0.10	HK\$0.6300	-	HK\$0.5300	HK\$11,448,000.0
Ordinary	5,870,000	HK\$0.10	HK\$0.4100	-	HK\$0.3100	HK\$1,819,700.0
Ordinary	480,000	HK\$0.10	HK\$0.8140	-	HK\$0.7140	HK\$342,720.0
Ordinary	5,748,000	HK\$0.10	HK\$0.8460	-	HK\$0.7460	HK\$4,288,008.0

(註 Note 9)

B. 非現金支付的分配股份 Shares Allotted otherwise than in Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股被視作已繳 及應繳的款額 (包括溢價) Amount Treated as Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	被視作已繳及應繳 的溢價總款額 Total Premium Treated as Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
-						

(註 Note 10)

分配上述(B)項股份的代價

Consideration for which the Shares in (B) have been Allotted

--

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Please see attached.			
各類別股份分配的總數 Total Shares Allotted by Class			

簽署 Signed :

姓名 Name : YU Tat Fung
~~董事 Director~~ / 秘書 Secretary

日期 Date : 6 / 2 / 2006
 日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply

PRINT DATE: 03/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006395 CEN YUWEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 20/01/2006
001343 CHAIR KWONG HING	INVESTOR FLAT D 25/F BLK 1 METRO CITY PHASE 2 TSEUNG KWAN O KOWLOON	180,000 17/01/2006
001349 CHAN WAI YEE	INVESTOR FLAT 905 TSUI LOK HOUSE TSUI PING ESTATE KWUN TONG KOWLOON	460,000 24/01/2006
006362 CHEN JIESONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 17/01/2006
001423 CHEN KAI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 20/01/2006
006418 CHEN LIHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 27/01/2006
006387 CHEN PEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	348,000 20/01/2006
006379 CHEN WEIXING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	132,000 17/01/2006
006374 CHEN YONGJIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	84,000 17/01/2006

PRINT DATE: 03/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006317 CHEN YONGPING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	78,000 20/01/2006
006183 DAI GUILIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	152,000 20/01/2006
006380 DU JINGLAI	INVESTOR 26/F YUE XIU BUILDING 160 LOCKHART ROAD WANCHAI HONG KONG	60,000 17/01/2006
006370 FENG ZHIZHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	36,000 17/01/2006
006076 FENG ZHIDONG	INVESTOR 25/F YUE XIU BUILDING 160 LOCKHART ROAD WANCHAI HONG KONG	400,000 17/01/2006
006076 FENG ZHIDONG	INVESTOR 25/F YUE XIU BUILDING 160 LOCKHART ROAD WANCHAI HONG KONG	410,000 20/01/2006
006365 FU ZHENGMIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	108,000 17/01/2006
006150 FUNG PUI	INVESTOR 307 BLOCK 29 HENG FA CHUEN CHAI WAN HONG KONG	100,000 17/01/2006
006411 GU ZHONGHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD	54,000 24/01/2006

PRINT DATE: 03/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
	WANCHAI HONG KONG	
001610 GUO XIAOFAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	160,000 20/01/2006
006126 HE DONGXIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	96,000 20/01/2006
006397 HE JIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	160,000 20/01/2006
001936 HE LIWEI	INVESTOR 23/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	2,670,000 27/01/2006
006366 HE SHUOHUI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	192,000 17/01/2006
006368 HE YONGLIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	192,000 17/01/2006
001942 HONG CHUTIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	80,000 20/01/2006
006371 HOU GENHUI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	54,000 17/01/2006
006407 HU QIANHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI	102,000 24/01/2006

PRINT DATE: 03/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
	HONG KONG	
006406 HU YINGHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 24/01/2006
006413 HUANG JIANFENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	60,000 24/01/2006
006088 HUANG JIAYONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 17/01/2006
5394 HUANG WEIJUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 20/01/2006
006392 HUANG WENGUANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 20/01/2006
006060 JIAN JIERU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 20/01/2006
001995 JIANG ZEGUANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 20/01/2006
002245 KO YUNG LAI JACKIE	INVESTOR 24/F YUE XIU BUILDING 160 LOCKHART ROAD WANCHAI HONG KONG	660,000 20/01/2006
006164 KUANG WEIYI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD	100,000 24/01/2006

PRINT DATE: 03/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
	WANCHAI HONG KONG	
006417 LAI QIUSHOU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	348,000 27/01/2006
005975 LAM SIU KWAN	INVESTOR FLAT 06 12/F BLK D HEALTHY GARDENS 560 KING'S ROAD HONG KONG	100,000 24/01/2006
002392 LAU JIN TIN DON	MANAGER 25/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	2,500,000 24/01/2006
003556 LEUNG SAU LAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	46,000 17/01/2006
006384 LI FEIYAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 17/01/2006
003560 LI JIANXUN	INVESTOR 21 TUNG YUEN STREET YAU TONG BAY KOWLOON	700,000 17/01/2006
003648 LI SHENGXUE	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	70,000 20/01/2006
006205 LI XIAOLING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	80,000 27/01/2006
003616 LI YING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	192,000 17/01/2006

PRINT DATE: 03/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006377 LI YONGHAI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	84,000 17/01/2006
006304 LI ZHENGLIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	240,000 20/01/2006
006375 LIANG JINHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	84,000 17/01/2006
006328 LIANG MINHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 17/01/2006
006059 LIANG SHANGSHANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	80,000 20/01/2006
006224 LIN DELIANG	INVESTOR 23/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	1,050,000 27/01/2006
006385 LIU BIHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	160,000 17/01/2006
006410 LIU GUIZHAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	36,000 24/01/2006
006359 LIU ZHAOWEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD	154,000 17/01/2006

PRINT DATE: 03/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
	WANCHAI HONG KONG	
006122 LONG GUILAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 17/01/2006
006115 LU KAI	INVESTOR 23/F YUE XIU BUILDING 160 LOCKHART ROAD WANCHAI HONG KONG	264,000 24/01/2006
006390 MA BOJIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	54,000 20/01/2006
006178 MA ZHONGWEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 17/01/2006
004090 OU HAIJING	INVESTOR 24/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	1,088,000 20/01/2006
005973 OU JUNMING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	300,000 24/01/2006
006376 PAN ZHIMING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	84,000 17/01/2006
006409 PENG ZHANPENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	192,000 24/01/2006
006381 QIU JINGWEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD	60,000 17/01/2006

PRINT DATE: 03/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
	WANCHAI HONG KONG	
006364 SHEN LIZHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 17/01/2006
006078 SHEN SHUZHAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	70,000 20/01/2006
006408 SHI MEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 24/01/2006
004440 SHIU SIU TAO	INVESTOR FLAT 7B BLOCK 20 CHI FU FA YUEN POKFULAM HONG KONG	700,000 11/01/2006
004440 SHIU SIU TAO	INVESTOR FLAT 7B BLOCK 20 CHI FU FA YUEN POKFULAM HONG KONG	360,000 24/01/2006
006401 SITU YI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	312,000 20/01/2006
004431 SIU KIT	INVESTOR 1/FL FLAT F FU DAT COURT #32 FORTRESS HILL ROAD NORTH POINT HONG KONG	200,000 24/01/2006
004447 SO CHING YEE	INVESTOR 26/F YUE XIU BUILDING 160 LOCKHART ROAD WANCHAI HONG KONG	600,000 20/01/2006
006396 SUN ZIQING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI	108,000 20/01/2006

PRINT DATE: 03/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
	HONG KONG	
006382 TAN HANBIAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	60,000 17/01/2006
006398 TANG YAOWEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	192,000 20/01/2006
006049 TAU SIU KWAN	INVESTOR 24/F YUE XIU BUILDING 160 LOCKHART ROAD WANCHAI HONG KONG	720,000 17/01/2006
004882 TSE KIN SUI	INVESTOR 23/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	360,000 17/01/2006
006373 WANG HUAJIE	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	54,000 17/01/2006
005467 WEI YUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	232,000 17/01/2006
006393 WEI ZHIHAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 20/01/2006
006378 WEN HE	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	132,000 17/01/2006
006079 WU JING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD	90,000 24/01/2006

PRINT DATE: 03/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
	WANCHAI HONG KONG	
005493 WU SHANGHUI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	900,000 24/01/2006
006281 WU XINGHE	INVESTOR 25/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	582,000 24/01/2006
005450 WU YUEFENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	1,500,000 17/01/2006
5474 ZHIMING	INVESTOR 24/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	3,604,000 20/01/2006
006323 XIAO YUHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 24/01/2006
006367 XIE JIANBO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	192,000 17/01/2006
006404 XIE JINPING	INVESTOR 25/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	150,000 24/01/2006
006186 XU SHUSUI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	400,000 27/01/2006
006360 XU XIAOYIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD	200,000 17/01/2006

PRINT DATE: 03/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
	WANCHAI HONG KONG	
006372 XU XINMIAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	54,000 17/01/2006
006174 XUE HONGYING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 20/01/2006
006363 YAO ZHICHENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 17/01/2006
006400 YE RONGJI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	312,000 20/01/2006
006083 YE XIQIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 17/01/2006
006083 YE XIQIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	260,000 27/01/2006
006125 YI DIHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	144,000 27/01/2006
006386 YI ZHENXUE	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 20/01/2006
006383	INVESTOR	100,000

PRINT DATE: 03/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
YU RONGJUN	26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	17/01/2006
006163 ZENG JIAWEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 24/01/2006
005935 ZHAN KECHENG	INVESTOR 15F SUN SHING MANSION 27-39 QUEEN'S ROAD WEST HONG KONG	1,000,000 20/01/2006
006389 ZHAN RUILIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	44,000 20/01/2006
006399 ZHANG HAOJIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	192,000 20/01/2006
006312 ZHANG LILI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 11/01/2006
006355 ZHANG WEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 11/01/2006
006369 ZHANG YANJUAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	312,000 17/01/2006
006405 ZHAO QIGANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	54,000 24/01/2006

PRINT DATE: 03/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006391 ZHAO WEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	70,000 20/01/2006
006416 ZHENG FUFANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	148,000 27/01/2006
005940 ZHONG HUIMIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	60,000 20/01/2006
006412 ZHONG KUI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	84,000 24/01/2006
006296 ZHOU WEIQIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	148,000 24/01/2006
006206 ZHOU XIUHAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	250,000 24/01/2006
006388 ZHU JINXING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	700,000 20/01/2006
006361 ZHU XIAOQING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 17/01/2006
SUB-TOTAL :		33,698,000
GRAND-TOTAL :		33,698,000

PRINT DATE: 03/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
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*** End Of Report ***



重要事項 Important Notes

- 填表前請參閱《填表須知》。
請用黑色墨水列印。

- Please read the accompanying notes before completing this form.
Please print in black ink.

RECEIVED
2006 MAY 19 P 1:40
OFFICE OF INTERNATIONAL
CORPORATE FINANCE

公司編號 **Company Number**

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

2 分配股份的日期或始末日期 Date or Period during which Shares were Allotted

由 From

03	02	2006
日 DD	月 MM	年 YYYY

至 To

21	02	2006
日 DD	月 MM	年 YYYY

3 本次股份分配的總款額 Totals of this Allotment

注 Note 8)

已繳及應繳的總面額
Total Nominal Amount Paid and Payable

已繳及應繳的溢價總額 [第5A(a) + 5B(a)項]
Total Premium Amount Paid and Payable [Sections 5A(a) + 5B(a)]

貨幣單位
Currency

款額
Amount

HK\$	4,303,200.0
HK\$	23,954,536.0

4 公司自成立為法團當日起計，累積的已繳股款總額(包括本次分配但不包括溢價)

Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)

貨幣單位
Currency

款額
Amount

HK\$	659,566,591.4
Your Receipt Companies Registry H.K.	

注 Note 3)

提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明編號 2/2004 (修訂) (2004年2月)
Specification No. 2/2004 (Revision) (Feb. 2004)

03/03/2006 10:56:53

Submission No.: 235025802/1

CR NO.: 0362639

Sh. Form.: SC1

Revenue Code Amount(HKD)

08 \$23,955.00

Receipt No. Method Amount(HKD)

352350036258 Chq \$23,955.00

Total Paid \$23,955.00
=====

5 本次股份分配的詳情 Details of this Allotment

A. 現金支付的分配股份 Shares Allotted for Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股已繳及應繳的款額 (包括溢價) Amount Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	已繳及應繳 的溢價總款額 Total Premium Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
Ordinary	13,579,000	HK\$0.10	HK\$0.6300	-	HK\$0.5300	HK\$7,196,870.0
Ordinary	4,000,000	HK\$0.10	HK\$0.4100	-	HK\$0.3100	HK\$1,240,000.0
Ordinary	11,232,000	HK\$0.10	HK\$0.5400	-	HK\$0.4400	HK\$4,942,080.0
Ordinary	1,040,000	HK\$0.10	HK\$0.8140	-	HK\$0.7140	HK\$742,560.0
Ordinary	13,181,000	HK\$0.10	HK\$0.8460	-	HK\$0.7460	HK\$9,833,026.0

(註 Note 9)

B. 非現金支付的分配股份 Shares Allotted otherwise than in Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股被視作已繳 及應繳的款額 (包括溢價) Amount Treated as Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	被視作已繳及應繳 的溢價總款額 Total Premium Treated as Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		

(註 Note 10)

分配上述(B)項股份的代價

Consideration for which the Shares in (B) have been Allotted

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6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Please see attached.			
各類別股份分配的總數 Total Shares Allotted by Class			

簽署 Signed :

姓名 Name :

YU Tat Fung

董事 Director / 秘書 Secretary *

日期 Date :

28 / 2 / 2006

日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply

PRINT DATE: 23/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006421 CAI WEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	202,000 03/02/2006
006449 CAI XIAOPING	INVESTOR 24/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	312,000 09/02/2006
001343 CHAIR KWONG HING	INVESTOR FLAT D 25/F BLK 1 METRO CITY PHASE 2 TSEUNG KWAN O KOWLOON	180,000 09/02/2006
001349 CHAN WAI YEE	INVESTOR FLAT 905 TSUI LOK HOUSE TSUI PING ESTATE KWUN TONG KOWLOON	300,000 03/02/2006
005997 CHAN YAN KI	INVESTOR FLAT B 17/F BLOCK 7 TUEN MUN TOWN PLAZA TUEN MUN NEW TERRITORIES	60,000 09/02/2006
006479 CHEN GUANZHAN	INVESTOR 28/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	11,232,000 17/02/2006
006439 CHEN GUOJI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 07/02/2006
006424 CHEN JIANMING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	138,000 03/02/2006
006424 CHEN JIANMING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	180,000 21/02/2006

PRINT DATE: 23/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006100 CHEN XI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 13/02/2006
006458 CHEN XIAODONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	400,000 13/02/2006
006101 CHEN XIAOYAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	160,000 17/02/2006
006477 CHEN XIYANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 17/02/2006
006374 CHEN YONGJIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	148,000 15/02/2006
006471 CHEN ZHIFEI	INVESTOR 28/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 15/02/2006
006017 CHEN ZHIHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	400,000 13/02/2006
001421 CHU CHIK FAI	INVESTOR FLAT G 30/F BLOCK 15 LUNG MUN OASIS 43 LUNG MUN RD TUEN MUN NEW TERRITORIES	160,000 09/02/2006
006491 DAI ZHIRONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 21/02/2006

PRINT DATE: 23/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006151 DENG JIANMIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 09/02/2006
006500 DENG ZHENGMIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 21/02/2006
006466 DONG HUIYAN	INVESTOR 15/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	2,100,000 15/02/2006
006370 FANG ZHIZHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	148,000 13/02/2006
006420 FENG MINGJIE	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	74,000 03/02/2006
006365 FU ZHENGMIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	210,000 21/02/2006
006438 GAN SHIGAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 07/02/2006
006342 GAO XIAOQUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	50,000 17/02/2006
001611 GAO YUAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	273,000 09/02/2006

PRINT DATE: 23/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006123 GUO JIA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 15/02/2006
006436 HE CHENGYONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 07/02/2006
006475 HE YERONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 17/02/2006
001942 HONG CHUTIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	110,000 15/02/2006
5476 HONG GUOBING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 17/02/2006
006469 HU XIAOGANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	250,000 15/02/2006
006333 HUANG CHENGQIU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	62,000 03/02/2006
006484 HUANG JIANXIONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 21/02/2006
006460 HUANG WEIGANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	520,000 13/02/2006

PRINT DATE: 23/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006437 HUANG YUEHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 07/02/2006
006204 JIANG GUOXIONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	55,000 07/02/2006
006204 JIANG GUOXIONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	50,000 21/02/2006
006468 JIN YOUJING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	280,000 15/02/2006
006062 LAI YA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	84,000 07/02/2006
005975 LAM SIU KWAN	INVESTOR FLAT 06 12/F BLK D HEALTHY GARDENS 560 KING'S ROAD HONG KONG	200,000 17/02/2006
006344 LAO LIFANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 09/02/2006
006489 LE GUORONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	50,000 21/02/2006
003627 LEE AH CHI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 21/02/2006

PRINT DATE: 23/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006113 LEE KA YIP	INVESTOR FLAT F 2/F BLOCK 5 CHEERFUL GARDEN 23 SIU SAI WAN ROAD CHAIWAN HONG KONG	90,000 17/02/2006
006464 LEUNG LAU KUEN	INVESTOR RM 1501 YUE XIU BLDG 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 13/02/2006
006090 LI BEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 13/02/2006
006493 CHI KEUNG RONO	INVESTOR 21 TUNG YUEN STREET YAU TONG BAY KOWLOON	220,000 21/02/2006
006474 LI FEIJIAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 17/02/2006
006494 LI HONGBIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	54,000 21/02/2006
006434 LI JIEQING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	120,000 07/02/2006
006434 LI JIEQING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	170,000 17/02/2006
006335 LI QIBIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	282,000 15/02/2006

PRINT DATE: 23/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006423 LI WEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	412,000 03/02/2006
006264 LI XIAOHONG	INVESTOR 25/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	148,000 03/02/2006
006462 LI YOULIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	70,000 13/02/2006
006447 LI YUANJI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	192,000 09/02/2006
006447 LI YUANJI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	250,000 21/02/2006
006426 LI YUNAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	108,000 03/02/2006
006170 LIANG JIANXIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 09/02/2006
006117 LIN SHU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	50,000 13/02/2006
006454 LIN XIAOFEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	110,000 13/02/2006

PRINT DATE: 23/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006444 LIN XUEDONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 09/02/2006
006495 LIN ZHIYING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 21/02/2006
006440 LING JIANWEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 07/02/2006
006486 LING LANZHANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 21/02/2006
003588 LIU DIANPING	INVESTOR 21 TUNG YUEN STREET YAU TONG BAY KOWLOON	100,000 21/02/2006
003652 LIU NING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	1,254,000 09/02/2006
006313 LIU ZHUANZHOU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	240,000 03/02/2006
006478 LU XIANXIAN	INVESTOR 26/F YUE XIU BUILDING 160 LOCKHART ROAD WANCHAI HONG KONG	30,000 17/02/2006
006457 LUO HUANCHAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	300,000 13/02/2006

PRINT DATE: 23/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006463 MAK YUN	INVESTOR RM 1309 WO YAT HOUSE WO MING COURT 8 NGAN O ROAD TSEUNG KWAN O NT	100,000 13/02/2006
006134 MO QINGHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 03/02/2006
006282 MO WEINING	INVESTOR 25/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	38,000 03/02/2006
006490 MO WEINING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	50,000 21/02/2006
006459 MO YUNIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	450,000 13/02/2006
006181 OU CANMING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	210,000 17/02/2006
006443 OU SHAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 07/02/2006
006450 OU WEIPENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	312,000 09/02/2006
006450 OU WEIPENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	300,000 21/02/2006

PRINT DATE: 23/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006473 PAN JINGYI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	80,000 17/02/2006
006496 PENG XINGZHOU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 21/02/2006
006004 QIAO CHENGGANG	INVESTOR 21 TUNG YUEN STREET YAU TONG BAY KOWLOON	1,100,000 13/02/2006
004211 RUAN HANMING	INVESTOR 26/F YUE XIU BUILDING 160 LOCKHART ROAD WANCHAI HONG KONG	200,000 17/02/2006
004209 RUAN XIONGBIAO	INVESTOR 25/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	1,600,000 07/02/2006
004431 SIU KIT	INVESTOR 1/FL FLAT F FU DAT COURT #32 FORTRESS HILL ROAD NORTH POINT HONG KONG	200,000 07/02/2006
004447 SO CHING YEE	INVESTOR 26/F YUE XIU BUILDING 160 LOCKHART ROAD WANCHAI HONG KONG	800,000 13/02/2006
006332 SUN HONGYAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	148,000 15/02/2006
006099 SUN YANYUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	60,000 17/02/2006
006053 TAN YONGQIANG	INVESTOR 28/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	1,308,000 09/02/2006

PRINT DATE: 23/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006448 TONG JIANZHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	192,000 09/02/2006
006428 WANG HAIDUAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	84,000 03/02/2006
006465 WANG HONGTAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	480,000 13/02/2006
006492 WANG MINGQIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 21/02/2006
006499 WANG RUZHEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 21/02/2006
005496 WANG WEIFENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	290,000 13/02/2006
006461 WANG YANHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	50,000 13/02/2006
005448 WANG YONGGUANG	INVESTOR 23/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 07/02/2006
005448 WANG YONGGUANG	INVESTOR 23/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	1,180,000 21/02/2006

PRINT DATE: 23/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006429 WANG YUNTAI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	60,000 03/02/2006
006429 WANG YUNTAI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	140,000 17/02/2006
006435 WEI JIANJUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	302,000 07/02/2006
006472 WEI QIJUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	180,000 15/02/2006
006114 WONG YAN KIT	INVESTOR 25/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	170,000 03/02/2006
006488 WU BAIPEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	350,000 21/02/2006
006422 WU SHAOMING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	160,000 03/02/2006
006451 WU XIANGPING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 09/02/2006

PRINT DATE: 23/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006326 WU YONGGAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	60,000 17/02/2006
006470 XIA FENGXIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	148,000 15/02/2006
006427 XIE BENKAI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	54,000 03/02/2006
006300 XIE FENGCHENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	78,000 13/02/2006
006367 XIE JIANBO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	400,000 21/02/2006
006202 XIE JIQING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	148,000 03/02/2006
006136 XIE SIXIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	230,000 15/02/2006
006445 XU HAOHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 09/02/2006
006108 XU JIANHUI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	210,000 13/02/2006

PRINT DATE: 23/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006127 XU MIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 15/02/2006
006425 XU XIANGJUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 03/02/2006
006446 XU ZHIHUI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	192,000 09/02/2006
006446 XU ZHIHUI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	250,000 21/02/2006
006441 YANG SULUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	312,000 07/02/2006
006334 YAO YUEHUI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	78,000 15/02/2006
006363 YAO ZHICHENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 21/02/2006
006497 YE MIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 21/02/2006
083 YE XIQIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	120,000 13/02/2006

PRINT DATE: 23/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006442 YE YIXIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	84,000 07/02/2006
006442 YE YIXIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 21/02/2006
006293 YU JIXIAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	74,000 15/02/2006
006498 YU WEIXIONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 21/02/2006
006189 ZENG DANZHUO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	400,000 09/02/2006
006487 ZENG XIONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	302,000 21/02/2006
006455 ZHANG JUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 13/02/2006
006485 ZHANG LICHEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	140,000 21/02/2006
006467 ZHANG QICONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	202,000 15/02/2006

PRINT DATE: 23/02/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006091 ZHENG GANGQIU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	300,000 13/02/2006
006086 ZHONG ZHIDE	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 13/02/2006
006456 ZHOU JIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	300,000 13/02/2006
006298 YOU YUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	98,000 09/02/2006
006388 ZHU JINXING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	400,000 13/02/2006
006156 ZHU WEIQIONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	160,000 13/02/2006
006102 ZHU WENBO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	120,000 03/02/2006
006361 ZHU XIAOQING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	130,000 21/02/2006
GRAND-TOTAL :		43,032,000

*** End Of Report ***



重要事項 Important Notes

- 填表前請參閱《填表須知》。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

公司編號 Company Number

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

2 分配股份的日期或始末日期 Date or Period during which Shares were Allotted

由 From

24	02	2006
日 DD	月 MM	年 YYYY

至 To

28	02	2006
日 DD	月 MM	年 YYYY

3 本次股份分配的總款額 Totals of this Allotment

已繳及應繳的總面額

Total Nominal Amount Paid and Payable

已繳及應繳的溢價總額 [第 5A(a) + 5B(a)項]

Total Premium Amount Paid and Payable [Sections 5A(a) + 5B(a)]

貨幣單位
Currency

款額
Amount

HK\$	1,230,400.0
HK\$	8,551,184.0

4 公司自成立為法團當日起計，累積的已繳股款總額(包括本次分配但不包括溢價)

Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)

貨幣單位
Currency

款額
Amount

HK\$	660,796,991.4
------	---------------

Your Receipt
Companies Registry
H.K.

提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明編號 2/2004 (修訂) (2004 年 2 月)
Specification No. 2/2004 (Revision) (Feb. 2004)

10/03/2006 15:57:48

Submission No.: 228030219/1
CR NO.: 0362639
Sh. Form.: SC1

Revenue Code Amount(HKD)
08 \$8,552.00

Receipt No. Method Amount(HKD)
282280038909 Chq \$8,552.00

Total Paid \$8,552.00
=====

5 本次股份分配的詳情 Details of this Allotment

A. 現金支付的分配股份 Shares Allotted for Cash

股份類別 Class of Shares	獲分配的股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股已繳及應繳的款額 (包括溢價) Amount Paid and Payable on Each Share (Including Premium)		每股的溢價款額 Premium on Each Share	已繳及應繳的溢價總款額 Total Premium Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
Ordinary	2,830,000	HK\$0.10	HK\$0.6300	-	HK\$0.5300	HK\$1,499,900.0
Ordinary	510,000	HK\$0.10	HK\$0.8140	-	HK\$0.7140	HK\$364,140.0
Ordinary	8,964,000	HK\$0.10	HK\$0.8460	-	HK\$0.7460	HK\$6,687,144.0

(註 Note 9)

B. 非現金支付的分配股份 Shares Allotted otherwise than in Cash

股份類別 Class of Shares	獲分配的股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股被視作已繳及應繳的款額 (包括溢價) Amount Treated as Paid and Payable on Each Share (Including Premium)		每股的溢價款額 Premium on Each Share	被視作已繳及應繳的溢價總款額 Total Premium Treated as Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		

(註 Note 10)

分配上述(B)項股份的代價

Consideration for which the Shares in (B) have been Allotted

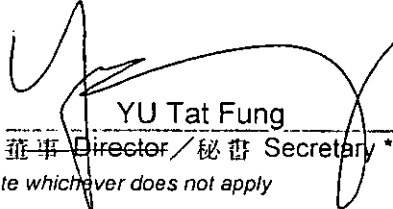
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6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Please see attached.			
各類別股份分配的總數 Total Shares Allotted by Class			

簽署 Signed :

姓名 Name :



YU Tat Fung
~~董事~~ Director / ~~秘書~~ Secretary *

日期 Date :

6 / 3 / 2006

日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply

第三頁 Page 3

PRINT DATE: 03/03/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006175 CHEN MEIQING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 24/02/2006
006155 CHENG YI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	160,000 24/02/2006
001421 CHU CHIK FAI	INVESTOR FLAT G 30/F BLOCK 15 LUNG MUN OASIS 43 LUNG MUN RD TUEN MUN NEW TERRITORIES	240,000 28/02/2006
006194 DAI LIHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	300,000 24/02/2006
006519 DUAN ZHONGQIU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	302,000 28/02/2006
006420 FENG MINGJIE	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	64,000 24/02/2006
006297 FENG YUCHENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	148,000 24/02/2006
006512 FU LIKE	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 24/02/2006
006120 GUO LIYUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	160,000 24/02/2006

PRINT DATE: 03/03/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006069 HE WENFENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 24/02/2006
001942 HONG CHUTIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	390,000 24/02/2006
006469 HU XIAOGANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	332,000 24/02/2006
006333 HUANG CHENGQIU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	86,000 24/02/2006
006341 HUANG HONGHUI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	148,000 24/02/2006
006503 HUANG JIANFENG	INVESTOR 28/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	80,000 24/02/2006
006505 HUANG JINGXIONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	202,000 24/02/2006
006510 HUANG XINLUO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	80,000 24/02/2006

PRINT DATE: 03/03/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006060 JIAN JIERU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	50,000 24/02/2006
006506 JIANG TAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	84,000 24/02/2006
006504 JIAO DONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	116,000 24/02/2006
006164 KUANG WEIYI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	60,000 24/02/2006
006523 LI PINYU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 28/02/2006
003629 LI PUI HA	INVESTOR 24/F YUE XIU BLDG 160-174 LOCKHART ROAD WANCHAI HONG KONG	44,000 28/02/2006
003648 LI SHENGXUE	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	170,000 24/02/2006
006331 LI XINYE	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	300,000 24/02/2006
006522 LI YONGXIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 28/02/2006

PRINT DATE: 03/03/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006290 LI ZHONGDONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 24/02/2006
006315 LIAN ZHEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	42,000 24/02/2006
006203 LIANG PEIYI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	66,000 24/02/2006
006511 LIANG QIDE	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 24/02/2006
006192 LIN XIAOHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 24/02/2006
006340 LIN XIAOQING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	50,000 28/02/2006
006089 LING SHI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	180,000 24/02/2006
006509 LIU BOJIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	120,000 24/02/2006
006292 LIU CHUNSHENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 24/02/2006

PRINT DATE: 03/03/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006410 LIU GUIZHAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	48,000 24/02/2006
006018 LIU YONGJIE	INVESTOR 26/F YUE XIU BUILDING 160 LOCKHART ROAD WANCHAI HONG KONG	600,000 28/02/2006
006122 LONG GUILAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	46,000 24/02/2006
006514 LUO ZEQUAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	54,000 24/02/2006
006178 MA ZHONGWEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	110,000 24/02/2006
006165 OU YUZHEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	150,000 28/02/2006
006184 OUYANG PINGNAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 28/02/2006
006109 PANG GUOMING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 24/02/2006
006496 PENG XINGZHOU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 24/02/2006

PRINT DATE: 03/03/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006507 PENG ZHANPENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	400,000 24/02/2006
006520 QIAN JINGQIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	202,000 28/02/2006
004209 RUAN XIONGBIAO	INVESTOR 24/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	654,000 24/02/2006
004447 SO CHING YEE	INVESTOR 26/F YUE XIU BUILDING 160 LOCKHART ROAD WANCHAI HONG KONG	600,000 28/02/2006
006327 SONG SUIHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 28/02/2006
006513 SUN XIAOMING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	96,000 24/02/2006
006382 TAN HANBIAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	140,000 24/02/2006
006515 WANG CHUNKAI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	36,000 24/02/2006

PRINT DATE: 03/03/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006135 WANG HAIYING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 24/02/2006
006087 WANG LING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	120,000 24/02/2006
006521 WANG MINGQIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	50,000 28/02/2006
006472 WEI QIJUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	240,000 24/02/2006
006508 WU GUOXIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	220,000 24/02/2006
006079 WU JING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	70,000 24/02/2006
006427 XIE BENKAI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	76,000 24/02/2006
006136 XIE SIXIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	170,000 28/02/2006
006172 XIE XIAOSHAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	60,000 24/02/2006

PRINT DATE: 03/03/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006329 XIE ZONGGAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	112,000 24/02/2006
005901 YE WEIXING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	400,000 28/02/2006
006125 YI DIHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	16,000 24/02/2006
006179 YOU SHAORONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 24/02/2006
005902 YU DONGSHENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 24/02/2006
006517 YU HUIZHEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	60,000 24/02/2006
006163 ZENG JIAWEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	70,000 24/02/2006
006516 ZHANG SHEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	36,000 24/02/2006
006288 ZANG WENSHU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	210,000 24/02/2006

PRINT DATE: 03/03/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006524 ZHAO GENYUAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	120,000 28/02/2006
006412 ZHONG KUI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	116,000 24/02/2006
006456 ZHOU JIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	300,000 24/02/2006
006299 ZHOU WEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	114,000 24/02/2006
006298 ZHOU YUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	50,000 24/02/2006
006169 ZHU HUILING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 24/02/2006
		SUB-TOTAL : 12,304,000
		GRAND-TOTAL : 12,304,000

*** End Of Report ***



Return of Allotments

公司註冊處
Companies Registry

(公司條例第 45(1)條)
(Companies Ordinance s. 45(1))

表格 **SC1**
Form

重要事項 Important Notes

- 填表前請參閱《填表須知》。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

2006 MAY 19 P 1:20
OFFICE OF INTERNATIONAL
CORPORATE FINANCE

公司編號 Company Number

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

2 分配股份的日期或始末日期 Date or Period during which Shares were Allotted

由 From

03	03	2006
日 DD	月 MM	年 YYYY

至 To

28	03	2006
日 DD	月 MM	年 YYYY

3 本次股份分配的總款額 Totals of this Allotment

註 Note 8)

已繳及應繳的總面額
Total Nominal Amount Paid and Payable

已繳及應繳的溢價總額 [第 5A(a) + 5B(a)項]
Total Premium Amount Paid and Payable [Sections 5A(a) + 5B(a)]

貨幣單位 Currency	款額 Amount
HK\$	5,122,400.0
HK\$	32,534,228.0

4 公司自成立為法團當日起計，累積的已繳股款總額(包括本次分配但不包括溢價) Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)

貨幣單位 Currency	款額 Amount
HK\$	665,919,391.4

Your Receipt
Companies Registry
H.K.

3) 提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明編號 2/2004 (修訂) (2004 年 2 月)
Specification No. 2/2004 (Revision) (Feb. 2004)

31/03/2006 10:22:35

Submission No.: 229040023/1

CR NO.: 0362639

Sh. Form.: SC1

Revenue Code	Amount(HKD)
08	\$30,000.00

Receipt No.	Method	Amount(HKD)
292290057059	Chq	\$30,000.00

Total Paid \$30,000.00

=====

5 本次股份分配的詳情 Details of this Allotment

A. 現金支付的分配股份 Shares Allotted for Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股已繳及應繳的款額 (包括溢價) Amount Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	已繳及應繳 的溢價總款額 Total Premium Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
Ordinary	10,456,000	HK\$0.10	HK\$0.6300	-	HK\$0.5300	HK\$5,541,680.0
Ordinary	3,400,000	HK\$0.10	HK\$0.4100	-	HK\$0.3100	HK\$1,054,000.0
Ordinary	5,950,000	HK\$0.10	HK\$0.5400	-	HK\$0.4400	HK\$2,618,000.0
Ordinary	3,665,000	HK\$0.10	HK\$0.8140	-	HK\$0.7140	HK\$2,616,810.0
Ordinary	27,753,000	HK\$0.10	HK\$0.8460	-	HK\$0.7460	HK\$20,703,738.0

(註 Note 9)

B. 非現金支付的分配股份 Shares Allotted otherwise than in Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股被視作已繳 及應繳的款額 (包括溢價) Amount Treated as Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	被視作已繳及應繳 的溢價總款額 Total Premium Treated as Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		

(註 Note 10)

分配上述(B)項股份的代價

Consideration for which the Shares in (B) have been Allotted

--

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Please see attached.			
各類別股份分配的總數 Total Shares Allotted by Class			

簽署 Signed :

姓名 Name : YU Tat Fung
 董事 Director / 秘書 Secretary

日期 Date : 30 / 3 / 2006
 日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply

PRINT DATE: 30/03/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006542 CAI XIAOPING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	580,000 07/03/2006
006395 CEN YUWEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 21/03/2006
001396 CHAN WAI YEE	INVESTOR FLAT 905 TSUI LOK HOUSE TSUI PING ESTATE KWUN TONG KOWLOON	180,000 07/03/2006
006549 CHEN DAIQING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	40,000 07/03/2006
006549 CHEN DAIQING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	70,000 21/03/2006
006104 CHEN DONGMING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 28/03/2006
006601 CHEN HAIYING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	160,000 28/03/2006
006578 CHEN HUIXIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	250,000 21/03/2006
006424 CHEN JIANMING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	64,000 21/03/2006

PRINT DATE: 30/03/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006589 CHEN JIHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	30,000 21/03/2006
001423 CHEN KAI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	250,000 14/03/2006
006600 CHEN MIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	80,000 28/03/2006
006387 CHEN PEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	232,000 14/03/2006
006477 CHEN XIYANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 21/03/2006
006575 CHEN ZHIFEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 21/03/2006
006017 CHEN ZHIHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	500,000 28/03/2006
006190 CHENG JIUZHOU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	210,000 03/03/2006
006155 CHENG YI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 21/03/2006

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ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
005974 CHIU SUK WOON	INVESTOR 28/F YUE XIU BLDG 160-174 LOCKHART ROAD WANCHAI HONG KONG	300,000 03/03/2006
001421 CHU CHIK FAI	INVESTOR FLAT G 30/F BLOCK 15 LUNG MUN OASIS 43 LUNG MUN RD TUEN MUN NEW TERRITORIES	80,000 14/03/2006
006183 DAI GUILIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	230,000 03/03/2006
006183 DAI GUILIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	220,000 21/03/2006
006194 DAI LIHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	280,000 14/03/2006
006584 DAI WENCHEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	98,000 21/03/2006
006491 DAI ZHIRONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 07/03/2006
006565 DENG JIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	96,000 14/03/2006
006587 DENG JIWEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	80,000 21/03/2006

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ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006551 DENG ZHAOMING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	54,000 07/03/2006
006500 DENG ZHENGMIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 07/03/2006
006500 DENG ZHENGMIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	50,000 28/03/2006
006138 DING ZHONGCHAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	400,000 07/03/2006
006585 FAN ZIQIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	80,000 21/03/2006
006547 FANG CHUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	51,000 07/03/2006
006547 FANG CHUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	51,000 21/03/2006
006536 FENG LI	INVESTOR 23/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	1,000,000 03/03/2006
006420 FENG MINGJIE	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	64,000 21/03/2006

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ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006586 FENG XIANYAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	80,000 21/03/2006
001592 FENG XIAOMING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	580,000 14/03/2006
006512 FU LIKE	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	312,000 14/03/2006
006438 GAN SHIGAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 03/03/2006
006541 GAN XIANGDONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	136,000 07/03/2006
006560 GAO XIAOQUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	60,000 14/03/2006
006411 GU ZHONGHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	74,000 07/03/2006
006303 GUO ZHONGWEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	150,000 14/03/2006
006436 HE CHENGYONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 03/03/2006

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ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006126 HE DONGXIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 14/03/2006
006320 HE HUILING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 07/03/2006
006320 HE HUILING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	70,000 28/03/2006
001936 HE LIWEI	INVESTOR 23/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	500,000 14/03/2006
006324 HE MINZHOU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 07/03/2006
006324 HE MINZHOU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 28/03/2006
006476 HONG GUOBING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 21/03/2006
006407 HU QIANHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 21/03/2006
006137 TIESHAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	180,000 03/03/2006

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ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006137 HU TIESHAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	400,000 14/03/2006
006406 HU YINGHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 21/03/2006
006543 HU ZHIQING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 07/03/2006
006590 HUANG JIANHUI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 21/03/2006
006088 HUANG JIAYONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 14/03/2006
001939 HUANG SHAOZHEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	110,000 07/03/2006
001939 HUANG SHAOZHEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 28/03/2006
006602 HUANG XIAOBAI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 28/03/2006
006105 HUANG YONGBIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 21/03/2006

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ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006554 HUANG YONGPING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	54,000 07/03/2006
006554 HUANG YONGPING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	148,000 21/03/2006
006204 JIANG GUOXIONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	43,000 03/03/2006
006337 JIANG PENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	382,000 07/03/2006
006506 JIANG TAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 14/03/2006
001995 JIANG ZEGUANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 14/03/2006
006504 JIAO DONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	230,000 14/03/2006
006197 KANG YONGQUAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	580,000 07/03/2006
002251 G XIAOLING	INVESTOR 26/F YUE XIU BLDG 160-174 LOCKHART ROAD WANCHAI HONG KONG	112,000 21/03/2006

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ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006531 LAI MING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	230,000 03/03/2006
006062 LAI YA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	126,000 03/03/2006
005975 LAM SIU KWAN	INVESTOR FLAT 06 12/F BLK D HEALTHY GARDENS 560 KING'S ROAD HONG KONG	350,000 14/03/2006
006564 LAN QIUCHAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 14/03/2006
006583 LAO JIAJIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	50,000 21/03/2006
006489 LE GUORONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	50,000 07/03/2006
006489 LE GUORONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 21/03/2006
006529 LEE KA LUN	INVESTOR 19C BLOCK 1 ILLUMINATION TERRACE 5-7 TAI HANG ROAD HONG KONG	2,450,000 03/03/2006
006090 LI BEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	110,000 14/03/2006

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ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006384 LI FEIYAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 21/03/2006
003567 LI FENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 07/03/2006
006546 LI GUODONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 07/03/2006
006546 LI GUODONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	150,000 21/03/2006
006530 LI HANGUI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	402,000 03/03/2006
006530 LI HANGUI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	190,000 14/03/2006
003648 LI SHENGXUE	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	230,000 28/03/2006
006205 LI XIAOLING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	68,000 21/03/2006
006447 LI YUANJI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	150,000 07/03/2006

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ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006304 LI ZHENGLIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	160,000 28/03/2006
006570 LI ZHIZHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 14/03/2006
006604 LIAN ZHEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	36,000 28/03/2006
006195 LIANG CHENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	580,000 07/03/2006
006132 LIANG DANQING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	400,000 07/03/2006
006328 LIANG MINHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 07/03/2006
006305 LIANG MINHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	290,000 07/03/2006
006527 LIANG YOUPAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	1,900,000 03/03/2006
006224 LIN DELIANG	INVESTOR 23/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI	1,308,000 07/03/2006

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ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
	HONG KONG	
006302 LIN DESHENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	150,000 07/03/2006
006545 LIN ERJIA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	80,000 07/03/2006
006545 LIN ERJIA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	120,000 21/03/2006
006133 FENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	400,000 03/03/2006
006555 LIN JUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	96,000 07/03/2006
006117 LIN SHU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	50,000 07/03/2006
006454 LIN XIAOFEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 07/03/2006
006340 LIN XIAOQING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	50,000 14/03/2006
006444 XUEDONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	60,000 07/03/2006

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ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006495 LIN ZHIYING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	140,000 21/03/2006
006200 LING JINGBO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 07/03/2006
006200 LING JINGBO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	48,000 21/03/2006
006349 LIU BOCAI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	148,000 07/03/2006
006292 LIU CHUNSHENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	150,000 14/03/2006
006410 LIU GUIZHAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	26,000 14/03/2006
006552 LIU LIYAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 07/03/2006
006556 LIU XIANGYUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	60,000 07/03/2006
006582 LIU XIAOXING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD	80,000 21/03/2006

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ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED

WANCHAI HONG KONG		
006359 LIU ZHAOWEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 07/03/2006
006313 LIU ZHUANZHOU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	160,000 21/03/2006
006553 LIUFU JUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 07/03/2006
006553 LIUFU JUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	180,000 28/03/2006
006122 LONG GUILAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	24,000 14/03/2006
006603 LU GUANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 28/03/2006
006576 LU KAI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	98,000 21/03/2006
006478 LU XIANXIAN	INVESTOR 26/F YUE XIU BUILDING 160 LOCKHART ROAD WANCHAI HONG KONG	190,000 07/03/2006
006478 LU XIANXIAN	INVESTOR 26/F YUE XIU BUILDING 160 LOCKHART ROAD WANCHAI HONG KONG	90,000 21/03/2006

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ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006457 LUO HUANCHAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	280,000 21/03/2006
006171 LUO YINGMING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 07/03/2006
006171 LUO YINGMING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 28/03/2006
006176 LUO YONGBING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	110,000 21/03/2006
006152 MAI HAORAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 21/03/2006
006463 MAK YUN	INVESTOR RM 1309 WO YAT HOUSE WO MING COURT 8 NGAN O ROAD TSEUNG KWAN O NT	100,000 14/03/2006
006134 MO QINGHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 07/03/2006
006490 MO WEINING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	60,000 21/03/2006

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ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006459 MO YUNIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	450,000 03/03/2006
006168 OU JINGMEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 03/03/2006
006443 OU SHAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 07/03/2006
006150 OU WEIPENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	280,000 03/03/2006
006165 OU YUZHEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	150,000 21/03/2006
006184 OUYANG PINGNAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 14/03/2006
006473 PAN JINGYI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	80,000 21/03/2006
006588 PENG NINGYUE	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 21/03/2006
006561 QIU FENG	INVESTOR 26/F YUE XIU BUILDING	250,000 14/03/2006

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ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006318 SHEN JIANJUN	160-174 LOCKHART ROAD WANCHAI HONG KONG INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 07/03/2006
006580 SHEN LIYING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	210,000 21/03/2006
006563 SHEN QINGQIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	80,000 14/03/2006
006078 SHEN SHUZHAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 07/03/2006
006078 SHEN SHUZHAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	40,000 28/03/2006
006408 SHI MEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	120,000 21/03/2006
006401 SITU YI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	400,000 07/03/2006
004431 SIU KIT	INVESTOR 1/FL FLAT F FU DAT COURT #32 FORTRESS HILL ROAD NORTH POINT HONG KONG	200,000 03/03/2006
006568 SUN XIAORONG	INVESTOR 26/F	100,000 14/03/2006

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ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
	YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	
006396 SUN ZIQING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 07/03/2006
006559 TAN SIMA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	580,000 14/03/2006
006581 TIAN MI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 21/03/2006
006448 TONG JIANZHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	270,000 07/03/2006
006515 WANG CHUNKAI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	60,000 21/03/2006
006428 WANG HAIDUAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 07/03/2006
006135 WANG HAIYING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 07/03/2006
006577 WANG HUILIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	310,000 21/03/2006
006311 WANG JIAN	INVESTOR 26/F YUE XIU BUILDING	360,000 07/03/2006

PRINT DATE: 30/03/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
	160-174 LOCKHART ROAD WANCHAI HONG KONG	
006533 WANG LIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	192,000 03/03/2006
006499 WANG RUZHEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	150,000 07/03/2006
006499 WANG RUZHEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	50,000 28/03/2006
006294 WANG YANHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	70,000 21/03/2006
005448 WANG YONGGUANG	INVESTOR 23/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	1,562,000 03/03/2006
005448 WANG YONGGUANG	INVESTOR 23/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	1,200,000 07/03/2006
005448 WANG YONGGUANG	INVESTOR 23/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	500,000 14/03/2006
006472 WEI QIJUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	160,000 21/03/2006
006336 WEN LEIBIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD	100,000 21/03/2006

PRINT DATE: 30/03/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
	WANCHAI HONG KONG	
006548 WU GUOFAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	148,000 07/03/2006
006173 WU HAIYAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 21/03/2006
006079 WU JING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	40,000 28/03/2006
006451 WU XIANGPING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	280,000 03/03/2006
006326 WU YONGGAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	140,000 21/03/2006
005473 WU ZHANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	406,000 14/03/2006
006310 XIAO DONGHUI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 14/03/2006
006532 XIAO JIHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 03/03/2006
006532 XIAO JIHUA	INVESTOR 26/F YUE XIU BUILDING	200,000 21/03/2006

PRINT DATE: 30/03/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
	160-174 LOCKHART ROAD WANCHAI HONG KONG	
006323 XIAO YUHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 14/03/2006
006427 XIE BENKAI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 21/03/2006
005945 XIE BIN	INVESTOR 26/F YUE XIU BLDG 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 03/03/2006
006592 XIE HAISONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 21/03/2006
006207 XIE JINPING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	232,000 07/03/2006
006329 XIE ZONGGAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	88,000 14/03/2006
006339 XING RUNUAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 07/03/2006
006605 YU GUOMEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	52,000 28/03/2006

PRINT DATE: 30/03/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006445 XU HAOHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	160,000 07/03/2006
006127 XU MIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 14/03/2006
006593 XU NING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	192,000 21/03/2006
006446 XU ZHIHUI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	150,000 14/03/2006
006567 YANG JIANSHENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	192,000 14/03/2006
006538 YANG JUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	110,000 07/03/2006
005879 YANG LAO GUANG	INVESTOR FLAT D 3/F BLK 3 PHOENIX COURT 39 KENNEDY ROAD CENTRAL HONG KONG	1,000,000 03/03/2006
006539 YANG MINGLI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD	302,000 07/03/2006

PRINT DATE: 30/03/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED

WANCHAI HONG KONG		
006196 YANG SHAOQING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	580,000 03/03/2006
006550 YANG ZHENLIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 07/03/2006
006550 YANG ZHENLIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 21/03/2006
006325 YAO DAHAI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 03/03/2006
006562 YE QINGLIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	148,000 14/03/2006
006442 YE YIXIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	150,000 07/03/2006
006517 YU HUIZHEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 14/03/2006
006528 YU LUP FAT JOSEPH	INVESTOR 5/F BLOCK 48 BAQUIO VILLA 555 VICTORIA ROAD POKFULAM HONG KONG	3,500,000 03/03/2006
006193 YU QIUPING	INVESTOR 26/F YUE XIU BUILDING	200,000 07/03/2006

PRINT DATE: 30/03/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
	160-174 LOCKHART ROAD WANCHAI HONG KONG	
006383 YU RONGJUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	150,000 14/03/2006
006119 YU ZEHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	160,000 07/03/2006
006158 ZENG HONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 07/03/2006
006338 ZENG XIAOLING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	65,000 07/03/2006
006566 ZHANG BAOZHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	192,000 14/03/2006
006399 ZHANG HAOJIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	270,000 07/03/2006
006399 ZHANG HAOJIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	130,000 21/03/2006
006558 NG JIANGUO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	128,000 14/03/2006

PRINT DATE: 30/03/2006

ACCOUNT NO. / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
005942 ZHANG JIE	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	300,000 21/03/2006
006516 ZHANG SHEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	58,000 07/03/2006
006516 ZHANG SHEN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	16,000 21/03/2006
006355 ZHANG WEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	230,000 03/03/2006
006185 ZHANG YU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	400,000 21/03/2006
006579 ZHANG ZHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	202,000 21/03/2006
006391 ZHAO WEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	112,000 07/03/2006
006091 ZHENG GANGQIU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	280,000 21/03/2006
006544	INVESTOR	280,000

PRINT DATE: 30/03/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
ZHENG SHAOLONG	26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	07/03/2006
005924 ZHONG JIANZHOU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 21/03/2006
006330 ZHONG JIBIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	400,000 03/03/2006
006412 ZHONG KUI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	32,000 14/03/2006
006591 ZHONG ZHENYE	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	60,000 21/03/2006
006456 ZHOU JIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	480,000 21/03/2006
006299 ZHOU WEI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	148,000 21/03/2006
006569 ZHOU ZHENLIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 14/03/2006
006361 ZHU XIAOQING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	70,000 14/03/2006
	SUB-TOTAL :	51,224,000

PRINT DATE: 30/03/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
		GRAND-TOTAL : 51,224,000

*** End Of Report ***



Return of Allotments

表格 Form **SC1**

公司註冊處
Companies Registry

(公司條例第 45(1)條)
(Companies Ordinance s. 45(1))

RECEIVED
2006 MAY 19 P 1:20
OFFICE OF INTERNATIONAL
CORPORATE FINANCE

公司編號 Company Number
362639

重要事項 Important Notes

- 填表前請參閱《填表須知》。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

2 分配股份的日期或始末日期 Date or Period during which Shares were Allotted

由 From

31	03	2006
日 DD	月 MM	年 YYYY

至 To

日 DD	月 MM	年 YYYY

3 本次股份分配的總款額 Totals of this Allotment

E Note 8)

已繳及應繳的總面額
Total Nominal Amount Paid and Payable

已繳及應繳的溢價總額 [第 5A(a) + 5B(a)項]
Total Premium Amount Paid and Payable [Sections 5A(a) + 5B(a)]

貨幣單位
Currency

款額
Amount

HK\$	393,200.0
HK\$	2,779,760.0

4 公司自成立為法團當日起計，累積的已繳股款總額(包括本次分配但不包括溢價)

Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)

貨幣單位
Currency

款額
Amount

HK\$	666,312,591.4
------	---------------

Your Receipt
Companies Registry
H.K.

E Note 3) 提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明編號 2/2004 (修訂) (2004 年 2 月)
Specification No. 2/2004 (Revision) (Feb. 2004)

18/04/2006 16:13:01
請 Submission No.: 226030815/1
CR NO.: 0362639
Sh. Form.: SC1

Revenue Code Amount(HKD)
08 \$2,780.00

Receipt No. Method Amount(HKD)
262260044435 Chq \$2,780.00

Total Paid \$2,780.00
=====

5 本次股份分配的詳情 Details of this Allotment

A. 現金支付的分配股份 Shares Allotted for Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股已繳及應繳的款額 (包括溢價) Amount Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	已繳及應繳 的溢價總款額 Total Premium Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
Ordinary	392,000	HK\$0.10	HK\$0.6300	-	HK\$0.5300	HK\$207,760.0
Ordinary	130,000	HK\$0.10	HK\$0.4100	-	HK\$0.3100	HK\$40,300.0
Ordinary	380,000	HK\$0.10	HK\$0.8140	-	HK\$0.7140	HK\$271,320.0
Ordinary	3,030,000	HK\$0.10	HK\$0.8460	-	HK\$0.7460	HK\$2,260,380.0

(註 Note 9)

B. 非現金支付的分配股份 Shares Allotted otherwise than in Cash

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of Each Share	每股被視作已繳 及應繳的款額 (包括溢價) Amount Treated as Paid and Payable on Each Share (Including Premium)		每股的溢價 款額 Premium on Each Share	被視作已繳及應繳 的溢價總款額 Total Premium Treated as Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
-						

(註 Note 10)

分配上述(B)項股份的代價

Consideration for which the Shares in (B) have been Allotted

--

6 獲分配股份者的詳情 Details of Allottee(s)

姓名/名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
Please see attached.			
各類別股份分配的總數 Total Shares Allotted by Class			

簽署 Signed :

姓名 Name :


YU Tat Fung
 董事 Director / 秘書 Secretary *

日期 Date :

3 / 4 / 2006
 日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply

PRINT DATE: 06/04/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006607 HE JIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	220,000 31/03/2006
006606 HUANG BINGCHAO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 31/03/2006
001943 HUANG HUILIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	160,000 31/03/2006
006608 HUANG JIANFENG	INVESTOR 26/F YUE XIU BUILDING 160 LOCKHART ROAD WANCHAI HONG KONG	60,000 31/03/2006
002247 KANG SIPING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	592,000 31/03/2006
005975 LAM SIU KWAN	INVESTOR FLAT 06 12/F BLK D HEALTHY GARDENS 560 KING'S ROAD HONG KONG	200,000 31/03/2006
006448 TONG JIANZHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	130,000 31/03/2006
006306 WAN HOR YAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	130,000 31/03/2006
006609 YANG PENGXIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	580,000 31/03/2006

PRINT DATE: 06/04/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006157 YE HAIMING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	160,000 31/03/2006
005902 YU DONGSHENG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 31/03/2006
006383 YU RONGJUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	150,000 31/03/2006
006566 ANG BAOZHONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	400,000 31/03/2006
005940 ZHONG HUIMIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	140,000 31/03/2006
006456 ZHOU JIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	720,000 31/03/2006
006102 ZHU WENBO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 31/03/2006
		SUB-TOTAL : 3,932,000
		GRAND-TOTAL : 3,932,000

*** End Of Report ***





Return of Allotments

公司註冊處
Companies Registry

(公司條例第 45(1)條)
(Companies Ordinance s. 45(1))

表格
Form **SC1**

重要事項 Important Notes

- 填表前請參閱〈填表須知〉。
請用黑色墨水列印。
- Please read the accompanying notes before completing this form.
Please print in black ink.

公司編號 Company Number

362639

1 公司名稱 Company Name

Guangzhou Investment Company Limited
越秀投資有限公司

2 分配股份的日期或始末日期 Date or Period during which Shares were Allotted

由 From

10	04	2006
日 DD	月 MM	年 YYYY

至 To

28	04	2006
日 DD	月 MM	年 YYYY

3 本次股份分配的總款額 Totals of this Allotment

註 Note 8)

已繳及應繳的總面額
Total Nominal Amount Paid and Payable

已繳及應繳的溢價總額 [第 5A(a) + 5B(a)項]
Total Premium Amount Paid and Payable [Sections 5A(a) + 5B(a)]

貨幣單位 Currency	款額 Amount
HK\$	1,334,800.0
HK\$	7,631,688.0

4 公司自成立為法團當日起計，累積的已繳股款總額(包括本次分配但不包括溢價) Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)

貨幣單位 Currency	款額 Amount
HK\$	667,647,391.4

Your Receipt
Companies Registry
H.K.

註 Note 3)

提交人的資料 Presentor's Reference

姓名 Name: Guangzhou Investment Company Limited

地址 Address: 26/F., Yue Xiu Building,
160 Lockhart Road,
Wanchai, Hong Kong

電話 Tel: 傳真 Fax:

電郵地址 E-mail Address:

檔號 Reference:

指明編號 2/2004 (修訂) (2004年2月)
Specification No. 2/2004 (Revision) (Feb. 2004)

10/05/2006 11:08:15
Submission No.: 226031698/1
CR NO.: 0362639
Sh. Form.: SC1

Revenue Code Amount(HKD)

08 \$7,632.00

Receipt No. Method Amount(HKD)

262260045777 Chq \$7,632.00

Total Paid \$7,632.00
=====

5 本次股份分配的詳情 **Details of this Allotment**A. 現金支付的分配股份 **Shares Allotted for Cash**

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of <i>Each</i> <i>Share</i>	每股已繳及應繳的款額 (包括溢價) Amount Paid and Payable on <i>Each Share</i> (Including Premium)		每股的溢價 款額 Premium on <i>Each Share</i>	已繳及應繳 的溢價總款額 <i>Total Premium Paid</i> and Payable (a)
			已繳付 Paid	應繳付 Payable		
Ordinary	7,690,000	HK\$0.10	HK\$0.6300	-	HK\$0.5300	HK\$4,075,700.0
Ordinary	1,500,000	HK\$0.10	HK\$0.4100	-	HK\$0.3100	HK\$465,000.0
Ordinary	340,000	HK\$0.10	HK\$0.8140	-	HK\$0.7140	HK\$242,760.0
Ordinary	3,818,000	HK\$0.10	HK\$0.8460	-	HK\$0.7460	HK\$2,848,228.0

(註 Note 9)

B. 非現金支付的分配股份 **Shares Allotted otherwise than in Cash**

股份類別 Class of Shares	獲分配的 股份數目 Number of Shares Allotted	每股的面值 Nominal Value of <i>Each Share</i>	每股被視作已繳 及應繳的款額 (包括溢價) Amount Treated as Paid and Payable on <i>Each Share</i> (Including Premium)		每股的溢價 款額 Premium on <i>Each Share</i>	被視作已繳及應繳 的溢價總款額 <i>Total Premium</i> Treated as Paid and Payable (a)
			已繳付 Paid	應繳付 Payable		
-						

(註 Note 10)

分配上述(B)項股份的代價

Consideration for which the Shares in (B) have been Allotted

--

6 獲分配股份者的詳情 Details of Allottee(s)

姓名／名稱 Name	地址 Address	各類別股份分配的數目 No. of Shares Allotted by Class	
		類別 Class	類別 Class
		Ordinary	
	Please see attached.		
各類別股份分配的總數 Total Shares Allotted by Class			

簽署 Signed :

姓名 Name : YU Tat Fung
董事 Director / 秘書 Secretary *

日期 Date : 3 / 5 / 2006
日 DD / 月 MM / 年 YYYY

*請刪去不適用者 Delete whichever does not apply

PRINT DATE: 02/05/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006613 CAO WEIMIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	148,000 10/04/2006
006622 CHANG ZHENQING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	110,000 24/04/2006
006439 CHEN GUOJI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 18/04/2006
006362 CHEN JIESONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 18/04/2006
006600 CHEN MIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	80,000 24/04/2006
006621 CHEN ZHEQIU	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 24/04/2006
006619 CHEN ZHOUCHEG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	96,000 18/04/2006
006491 DAI ZHIRONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	50,000 18/04/2006
006565 DENG JIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	160,000 18/04/2006

PRINT DATE: 02/05/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006151 DENG JIANMIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 18/04/2006
006624 DIAO YUJIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	90,000 24/04/2006
006466 DONG HUIYAN	INVESTOR 15/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	800,000 18/04/2006
006617 WANHUA	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	250,000 18/04/2006
006625 GONG ZHIGUO	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	60,000 24/04/2006
006366 HE SHUOHUI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	140,000 10/04/2006
006105 HUANG YONGBIN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 24/04/2006
006489 LE GUORONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	50,000 10/04/2006
005560 LI JIANXUN	INVESTOR 21 TUNG YUEN STREET YAU TONG BAY KOWLOON	300,000 28/04/2006

PRINT DATE: 02/05/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006289 LIANG YIQIANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 10/04/2006
006555 LIN JUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	148,000 10/04/2006
006509 LIU BOJIAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	130,000 18/04/2006
006018 LIU YONGJIE	INVESTOR 26/F YUE XIU BUILDING 160 LOCKHART ROAD WANCHAI HONG KONG	300,000 24/04/2006
006603 LU GUANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 10/04/2006
006623 LU XUEQING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	102,000 24/04/2006
006463 MAK YUN	INVESTOR RM 1309 WO YAT HOUSE WO MING COURT 8 NGAN O ROAD TSEUNG KWAN O NT	100,000 28/04/2006
006016 MENG XIAOBING	INVESTOR 21 TUNG YUEN ST YAU TONG BAY KOWLOON	500,000 10/04/2006
006627 PI JUNPING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	66,000 28/04/2006

PRINT DATE: 02/05/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006618 RUAN XIONGBIAO	INVESTOR 28/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	1,500,000 18/04/2006
006616 SHI YONGCHI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	334,000 18/04/2006
006612 SITU JINXIONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 10/04/2006
006513 SUN XIAOMING	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	216,000 28/04/2006
004871 TANG SHOUCHUN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	2,340,000 28/04/2006
006199 WANG CHUNRONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	290,000 18/04/2006
006393 WEI ZHIHAN	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	160,000 24/04/2006
006628 WONG KAM MING	INVESTOR 24/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	1,000,000 28/04/2006
005453 SHANGHUI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	440,000 28/04/2006

PRINT DATE: 02/05/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
006614 WU ZESONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	180,000 10/04/2006
006614 WU ZESONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	240,000 24/04/2006
005473 WU ZHANG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	300,000 10/04/2006
005506 XIE JIELIN	INVESTOR FLAT A 20/F BLOCK 2 15 HOI KWONG STREET QUARRY BAY HONG KONG	528,000 10/04/2006
006400 YE RONGJI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	200,000 18/04/2006
005942 ZHANG JIE	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	500,000 10/04/2006
006312 ZHANG LILI	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 18/04/2006
006591 ZHONG ZHENYE	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	100,000 10/04/2006
006615 ZHOU WEIXIONG	INVESTOR 26/F YUE XIU BUILDING 160-174 LOCKHART ROAD WANCHAI HONG KONG	138,000 18/04/2006

PRINT DATE: 02/05/2006

ACCOUNT NO / NAME	OCCUPATION / ADDRESS	NO OF SHARES / DATE ALLOTTED
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SUB-TOTAL :	13,348,000
GRAND-TOTAL :	13,348,000

*** End Of Report ***





越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Stock Code: 123)

(Incorporated in Hong Kong with limited liability)

Announcement of 2004 Results

Chairman's Statement

During 2004, each and every business of the Group achieved satisfactory results. The profit attributable to shareholders surged to approximately HK\$330,823,000, representing an increase of 10 per cent as compared with that of 2003. Basic earnings per share amounted to approximately HK\$5.24 cents, representing an increase of 7.2 per cent as compared with that of 2003.

The Group's businesses are mainly concentrated in Guangzhou and its peripheral areas. Therefore, the Group's results benefited from the continuous rapid growth of the Guangzhou economy. In 2004, Guangzhou's GDP first broke RMB410 billion mark, representing an increase of 15 per cent as compared with that of 2003, and Guangzhou experienced a growth rate of over 15 per cent for two consecutive years. In terms of registered households, GDP per capita exceeded US\$6,000. Unemployment rate in the urban area was the lowest in five years. With the privilege of hosting the 2010 Asian Games, the gradual implementation of "9+2" Pan Pearl River Delta Economic Cooperation, the opening of the new Guangzhou New Baiyuan International Airport, and the construction of a new railway station, the economy of Guangzhou is entering into a new phase of development. There are increasing demands on better working conditions, living environment and better quality of cultural life. As a result, the property, toll road and newsprint businesses of the Group achieved satisfactory results in 2004. Turnover from properties development and leasing business was approximately HK\$2,354 million, representing an increase of 3.5 per cent as compared with that of 2003. The profit attributable to shareholders from toll road business was approximately HK\$276 million, representing an increase of 23.5 per cent as compared with that of 2003. Turnover from newsprint business was approximately HK\$1,241 million, representing an increase of 23.3 per cent as compared with that of 2003.

In 2004, the State implemented successive policies to control the supply of land and financing of properties. These policies were intended to further standardize the property market with the objective of ensuring the development of a sustainable and healthy property market. These new policies undoubtedly presented great development opportunities to large and reputable developers such as the Group. In 2004, the Group proactively aligned itself with the market adjustment, further clarified its overall strategies to focus on the property

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market of Guangzhou, and expanded the development and operation of commercial properties in a timely fashion. The aim was to gradually transform a mainly unidimensional property development business into a balanced property development and investment business, breaking away from a mere property developer and moving towards the realization of the business model of a "commercial property operator".

With the economic development of Guangzhou entering into a new phase, there will be more investment in the construction of infrastructure facilities, the construction of inter-city transportation system within the Pearl River Delta will be pushed ahead, with the aim to create an "One hour economic zone" in Pearl River Delta Region (including Hong Kong and Macau) and greater efforts will be devoted to quicken the development of Nansha, with emphasis in capital intensive industries. All these policies and city developments will be beneficial to the expansion of various businesses of the Group in future.

From now on, the Group will capitalize on the opportunities ahead and will leverage on its strength and competence to establish its commercial property business. Comprehensive strategies for procuring the establishment of an integrated property business with balanced investments in both property development and investment will be promptly formulated. At the same time, the Group will strengthen its property management business and will increase its portfolio of multi-function commercial property with ancillary supermarkets or chainstores. While at least maintaining the current level of development in medium-priced and up market residential properties, the Group will increase its product mix by expanding the development of shopping centres, offices and hotels according to market conditions, thereby attaining a balanced development structure for the middle-tier and luxurious products. The toll road business will principally focus in the expansion of high quality expressways. The manufacturing of newsprint will seek to increase its market share through consolidation of internal resources and increase in production capacities. The Group will further enhance its competitiveness and operating efficiency and devote to reducing costs as it has been, to bring higher investment returns for our shareholders.

I wish to take this opportunity to express my gratitude to the directors, senior management and all staff for their hardwork in the management and operation of our businesses during the past year. I also wish to thank all shareholders, our bankers and our business partners for their strong support for the Group.

Ou Bingchang
Chairman

Hong Kong, 21st April 2005

RESULTS

The directors of Guangzhou Investment Company Limited are pleased to announce the audited consolidated results of the Group for the year ended 31st December 2004 as follows:—

	Note	2004 HK\$'000	2003 HK\$'000
Turnover	1	4,526,679	3,925,109
Cost of sales		(3,473,912)	(2,758,973)
Gross profit		1,052,767	1,166,136
Other revenues		35,556	31,549
Selling and distribution expenses		(178,451)	(127,154)
General and administrative expenses		(392,143)	(414,033)
Reversal of provision for doubtful debt		104,942	—
Loss on deemed disposal of certain interests in a subsidiary		(481)	(94,942)
Write-back/(write-down) of properties held for/under development to net realisable value		44,546	(5,805)
Revaluation surplus on investment properties		76,750	165,840
Profit from operation	2	743,486	721,591
Finance costs		(112,512)	(224,733)
Share of profits less losses of			
— jointly controlled entities		(23,021)	(49,693)
— associated companies		214,382	181,767
Profit before taxation		822,335	628,932
Taxation	3	(210,565)	(114,599)
Profit after taxation		611,770	514,333
Minority interests		(280,947)	(213,680)
Profit attributable to shareholders		330,823	300,653
Dividends	4	109,797	117,540
Earnings per share			
— Basic	5	HK\$ 24 cents	HK\$ 4.89 cents
— Fully diluted		HK\$ 15 cents	HK\$ 4.83 cents

Notes:

1 Turnover, revenue and segment information

The Group is principally engaged in development, operation and management of toll highways and bridges, development, selling and management of properties and holding of investment properties, and manufacturing and trading of newspaper. Revenues recognised are as follows:

	2004 HK\$'000	2003 HK\$'000
Turnover	4,526,679	3,925,109
Toll revenue from toll operations	400,212	428,873
Property management fee income	114,610	70,760
Rental income	367,050	319,066
- Properties	65,339	58,908
- Car park	—	—
Sales revenue	1,987,231	1,955,105
- Sales of properties	1,240,693	1,006,263
- Sales of newspaper	351,544	86,134
- Others	—	—
Other revenues	5,587	8,450
Interest income	14,904	3,483
Dividend income	15,065	19,616
Commission on properties sales and rental	35,556	31,549
Total revenues	4,562,235	3,956,658

Primary reporting format - business segments

The Group operates mainly in Hong Kong and the Mainland of China ("China") and in three main business segments:

- Properties - development, selling and management of properties and holding of investment properties
- Toll operations - development, operation and management of toll highways and bridges
- Paper - manufacturing and selling of newspaper paper

There are no significant sales between the business segments.

Secondary reporting format - geographical segments

The Group's three business segments are mainly managed in Hong Kong and China:

Hong Kong — properties
China — toll operations, properties and paper
Others — properties

There are no significant sales between the geographical segments.

Primary reporting format - business segments

	Toll operations		Properties		Paper		Group	
	2004	2003	2004	2003	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	400,212	428,871	2,885,774	2,489,973	1,240,693	1,006,263	4,526,679	3,925,109
Segment results	148,290	185,289	530,881	591,423	95,296	90,293	774,987	867,005
Interest income							5,587	8,450
Loss on deemed disposal of certain interests in a subsidiary							(481)	(94,942)
Unallocated operation costs							(36,587)	(58,922)
Finance costs							(112,512)	(224,713)
Share of profits less (losses) of: Jointly controlled entities	13,772	(30,419)	(36,793)	(29,274)	—	—	(23,021)	(49,693)
Associated companies	214,382	181,607	—	160	—	—	214,382	181,767
Profit before taxation							822,335	628,912
Taxation							(210,365)	(114,598)
Profit after taxation							611,970	514,313
Minority interests							(280,947)	(213,690)
Profit attributable to shareholders							330,823	300,623

Secondary reporting format - geographical segments

	Turnover	
	2004	2003
	HK\$'000	HK\$'000
Hong Kong	448,891	180,674
China	4,051,641	3,741,675
Overseas	26,147	2,760
	4,526,679	3,925,109

2 Profit from operation

Profit from operation is stated after charging the following:

	2004	2003
	HK\$'000	HK\$'000
Depreciation and amortisation	211,441	184,280
Cost of inventories sold	3,202,685	2,508,535
Loss on disposal of other investments	—	1,059

3 Taxation

- (a) Hong Kong profits tax has been provided at the rate of 17.5 per cent (2003: 17.5 per cent) on the estimated assessable profit for the year.
- (b) China enterprise income taxation is provided on the profits of the Group's subsidiaries, associated companies and jointly controlled entities in China in accordance with the Income Tax Law of China for Enterprises with Foreign Investment and Foreign Enterprises ("China Tax Law") at rates ranging from 18 per cent to 33 per cent. Under the China Tax Law, certain of the Group's subsidiaries, associated companies and jointly controlled entities in China are entitled to an income tax holiday for two to five years from its first profit making year followed by a 50 per cent reduction in income tax for the next three to five years.
- (c) China land appreciation tax is levied at progressive rates ranging from 30 per cent to 60 per cent on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditures.
- (d) The amount of taxation charged to the consolidated profit and loss account represents:

	2004	2003
	HK\$'000	HK\$'000
Company and subsidiaries		
Current taxation	1,547	1,627
Hong Kong profits tax	135,656	78,974
China enterprise income tax	68,295	42,544
China land appreciation tax	5,296	(6,051)
Under/(over)provision in prior years		
Deferred taxation relating to the reversal of temporary differences	(31,852)	(30,949)
Deferred taxation resulting from an increase in tax rate	178,942	(1,019)
	178,942	85,126
Associated companies		
Share of China enterprise income tax	13,990	5,814
Share of deferred taxation	11,589	17,782
Jointly controlled entities		
Share of deferred taxation	6,044	5,877
Taxation charges	210,565	114,599

4 Dividends

	2004	2003
	HK\$'000	HK\$'000
Interim, paid, of HK\$0.0083 (2003: HK\$0.008) per ordinary share	52,531	49,502
Final, proposed, of HK\$0.009 (2003: HK\$0.0108) per ordinary share	57,286	68,038
	<u>109,797</u>	<u>117,540</u>

5 Earnings per share

The calculations of basic and diluted earnings per share are based on the Group's profit attributable to shareholders of HK\$330,823,000 (2003: HK\$300,653,000).

The basic earnings per share is based on the weighted average number of 6,318,186,352 (2003: 6,146,494,166) ordinary shares in issue during the year. The diluted earnings per share is based on 6,424,401,643 (2003: 6,223,193,777) ordinary shares which is the weighted average number of ordinary shares in issue during the year plus the weighted average number of 106,215,291 (2003: 76,701,611) ordinary shares deemed to be issued at no consideration if all outstanding options had been exercised.

6 Recently issued accounting standards

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). They have been prepared under the historical cost convention except that investment properties are stated at fair value.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginning on or after 1st January 2005. The Group has not early adopted these new HKFRSs in the accounts for the year ended 31st December 2004. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

ANALYSIS OF RESULTS

During 2004, the Group's turnover rose sharply by 15.3 per cent to HK\$4,526,679,000, of which income from properties sale and leasing business accounted for 52 per cent of the turnover. The increase in turnover was mainly attributable to the sale of Pokfulam Terrace in Hong Kong by its property arm.

For the Group's property business, despite competition in the property market of Guangzhou remained keen in 2004, income from properties sales and leasing business from the Group's properties in Guangzhou and Hong Kong still recorded growth of various extents, with sales income recorded a slight increase of 1.6 per cent to HK\$1,987,231,000, and rental income recorded a sharp increase of 15 per cent to HK\$367,050,000, reflecting a continuous growth in contribution from the Group's rental properties. As for the Group's toll road business, despite the adverse impact on the traffic of Class 1 and Class 2 highways occasioned by the evolution of the highway network in Guangzhou and continuous diversion

effect brought about by the new expressways, which resulted in the decrease of the Group's turnover from toll road business by 6.7 per cent to HK\$400,212,000, certain expressways of the Group benefited from the commencement of operation of Jingzhu Expressway and Guanghui Expressway, and witnessed rapid growth in traffic and income. For the newsprint business, turnover rose sharply by 23.3 per cent to HK\$1,240,693,000 due to continued rising demand for newsprint in China.

Due to increased costs of raw materials in China and increased costs of sales for certain projects of the property business in 2004, gross profit margin of the Group decreased by 9.7 per cent to HK\$1,052,767,000.

The Group implemented stringent cost control measures in 2004. However, as the selling and administrative expenses for Guangzhou City Construction & Development Homecity Supermarket was accounted for for the full year, the Group's selling and administrative expenses slightly increased by 5.4 per cent to HK\$570,594,000. In addition, surplus in the revaluation of investment properties of HK\$76,750,000, write back of impairment provision on projects under construction of HK\$44,546,000 and a provision for doubtful debt of HK\$104,942,000 made in prior years was written back in 2004.

The Group's finance costs decreased by 49.9 per cent to HK\$112,512,000 in 2004, which was mainly attributable to the continual repayment of bank borrowings by the Group and capitalization of interests for projects under construction of the property business.

The Group's share of profit of associated companies rose sharply by 17.9 per cent to HK\$214,382,000, which was mainly attributable to the growth in earnings on the toll road projects of the Group's toll road business, including Humen Bridge, Northern Ring Expressway and Shantou Bay Bridge. Notwithstanding an earning of HK\$13,772,000 attributable to GNSR Expressway, a jointly controlled entity of the toll road business, the Group's share of loss of jointly controlled entities was HK\$23,021,000 in 2004, resulting from provision on impairment for the property business attributable to jointly controlled entities.

The Group's taxation charge in 2004 was HK\$210,565,000, representing an increase of 83.7 per cent as compared with that of 2003, which was mainly attributable to the increase in profit before taxation for the year.

Minority interests of the Group in 2004 increased by 31.5 per cent to HK\$280,947,000, which was mainly attributable to the increase in profit before taxation for the year, which resulted in a corresponding increase in minority interests.

For the year ended 31st December 2004, the Group's profit attributable to shareholders increased by 10 per cent to HK\$330,823,000, and basic earnings per share was HK5.24 cents.

FINAL DIVIDEND

The Directors recommended the payment of final dividend of HK\$0.009 (2003: HK\$0.0108) per share to shareholders whose names appeared on the register of members of the Company on 26th May 2005. Subject to the approval of shareholders at the Annual General Meeting to be held on 26th May 2005, the final dividend will be paid on 16th June 2005. Together with the interim dividend of HK\$0.0083 (2003: HK\$0.008) per share, total dividends for the year ended 31st December 2004 will amount to HK\$0.0173 (2003: HK\$0.0188) per share, representing a dividend pay out ratio of 33 per cent.

BUSINESS REVIEW

During 2004, each and every business of the Group achieved satisfactory results. Total sales of properties in Guangzhou and Hong Kong amounted to approximately HK\$1,987 million. Profit attributable to shareholders of GZI Transport Limited, a toll road business subsidiary of the Group, was HK\$276 million, representing an increase of 23.5 per cent as compared with that of 2003. Sales income from Guangzhou Paper Co., Ltd. ("Guangzhou Paper") amounted to approximately HK\$1,241 million, representing an increase of 23.3 per cent as compared with that of 2003.

Property business

Tapping on excellent opportunities offered by the upward moving Guangzhou property prices in 2004, which was a breakthrough of the virtually flat pricing trend for the past years and a robust rebound of the property market in Hong Kong, the Group promptly launched its properties projects for sale, which mitigated the effect of substantial increase in costs of construction raw materials, and obtained satisfactory results.

Up to 311,500 sq. meters in the floor area of the Group's properties in Hong Kong and Guangzhou were sold, which mainly included the first and second phases of Jiang Nan New Mansion, phase 3 of Springland Garden, the first and second phases of Southern Le Sand in Nansha, Glade Village in Chonghua, and part of Star International. These properties were located adjacent to subway exits or superb community neighborhoods. Therefore sales were very active. During the period, remaining units in 23 projects, including Run Hui Building, Ju Ya Mansion, Wen De Ya Xuan and Springland Garden were sold. The Group thus effectively reduced its number of completed properties pending for sale to a historical low level.

In Hong Kong, the Group launched the Pokfulam Terrace project in Pokfulam during the year under review, which was well received by the market. About 7,700 sq. meters of floor area was sold, with sales amounting to HK\$326 million.

In view of enhancing the competitiveness of the Company's core businesses and to reduce market risks, the business strategies for the Group's properties business was set as "emphasis in both development of residential properties and operation of commercial properties, so as to generate stable development and steady stream of revenue in the long term".

In view of the macro-economic control measures imposed on the economy, by leveraging on the quality of its properties and the reputation of its brand, the Group gradually transformed from engaging in a single line of business of properties development to a comprehensive commercial properties operator with emphasis in both sales of and investment in properties. Through appropriate horizontal expansion in the scale of its operation in commercial properties, vertical integration of the upstream and downstream operations has been realized as a result of the radial nature of the operation of commercial properties. This in turn promoted further development of various supporting businesses. During the year, when new projects such as Victory Plaza and Fortune Square officially commenced operation, area of properties leased by the Group increased to approximately 600,000 sq. meters, with rental income amounting to approximately HK\$367 million, representing an increase of 15 per cent as compared with that of 2003. The Group will pursue horizontal expansion and vertical integration for its property development, and bring long-term and steady income for the shareholders.

By allocating the Group's large land bank in an appropriate manner, we will expand the development for commercial properties and offices, so as to cope with the development trend of Guangzhou as the centre of Pan Pearl River Delta Economic Region.

As a result of the rapid growth in the economy of Guangzhou and the indirect benefits deriving from Guangzhou being the centre of Pan Pearl River Delta Economic Region, demand from the market as a whole with respect to high quality working environment, living conditions and infrastructure facilities continued to increase. By sufficiently leveraging on the advantage of the Group having a large land bank, it will expand the development of middle-tier and luxurious residential properties, shopping centers, offices and hotels as appropriate, whilst still focusing on the development of residential properties. The development of the tower building for Victory Plaza, Subway RJ-1, Tianhe Commercial 12-1, S will proceed successively. The Group will thus have different products to meet the needs of the market in future.

Other businesses

Earnings from the toll road business continued to grow, and the production and sales of newsprint business rose sharply.

Despite the traffic diversion effect caused by the new roads on the Group's certain non-expressway highways resulted in the fall of income for such highways in 2004, traffic volume for the expressways of the associated companies of GZI Transport, rose sharply, benefiting from the economic boom in Guangdong Province, in particular, Pan Pearl River Delta Economic Region, commencement of operation for Jingzhu Expressway, rise in living standards, and the substantial increase in car ownership by households. Compared with 2003, daily average traffic volume of GNSR Expressway, Hunmen Bridge and Xian Expressway increased by 147.9 per cent, 21.8 per cent and 37.4 per cent respectively. Profit attributable to shareholders from GZI Transport increased by 23.5 per cent to approximately HK\$276 million as compared with that of 2003.

Guangzhou Paper continued to maintain bigger market share in the domestic newsprint market during the year. As the boom in demand for newsprint in China continued, through cost controls and strengthening management, improvement in production programs, more than 301,800 tonnes of newsprint were produced by Guangzhou Paper for the year, with 311,200 tonnes of newsprint sold, representing an increase of 19.6 per cent as compared with that of 2003. Meanwhile, by adopting a series of management measures, such as reducing consumption and wastage of various types of raw materials, extensive downsizing of staff and reduction of finance costs by early repayment of bank loans, the pressure on the substantial increase in costs brought by the surge in price of raw materials and energy was relieved to a significant extent. The operation of Guangzhou Paper maintained its steady development. During the year under review, Guangzhou Paper recorded a turnover of approximately HK1,241 million, representing an increase of 23.3 per cent as compared with that of 2003.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 18th May, 2005 to Thursday, 26th May 2005, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged for registration with the Company's Share Registrar, Abacus Share Registrars Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 17th May 2005.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

The annual report of the Company containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (before amendments effective 31st March 2004) will be published on the website of the Stock Exchange in due course.

By order of the Board

Ou Bingchang
Chairman

Hong Kong, 21st April 2005

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

Executive Directors:

Ou Bingchang, Liang Yi, Chen Guangsong, Li Fei, Liang Ningguang

Independent Non-executive Directors:

Yo Loo Fat Joseph, Lee Ka Lun and Lau Hon Chuen Ambrose.

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CORPORATE FINANCE

Tuesday, May 3, 2005 The Standard



越秀投資有限公司
GUANGZHOU INVESTMENT COMPANY LIMITED

(Stock Code: 123)

(Incorporated in Hong Kong with limited liability)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("2005 AGM") of the Guangzhou Investment Company Limited ("Company") will be held at 20th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong on Thursday, 26th May, 2005 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited accounts and the reports of the directors and auditors for the year ended 31st December, 2004.
2. To declare a final dividend.
3. To elect directors and to authorise the board to fix directors' remuneration.
4. To re-appoint auditors and to authorise the board to fix their remuneration.
5. As special business to consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

A. "THAT

(a) subject to sub-paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited ("Stock Exchange") or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of shares of the Company which may be purchased by the Company pursuant to the approval in sub-paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and

(c) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of Hong Kong to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting."

B. "THAT

(a) subject to sub-paragraph (c) below and pursuant to Section 371 of the Companies Ordinance, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;

(b) the approval in sub-paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in sub-paragraph (a), otherwise than pursuant to (i) a Rights Issue, (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue of eligible participants under such scheme and arrangement of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, or (iii) any scrip dividend or similar

arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of Hong Kong to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

"Rights Issue" means an offer of shares of the Company open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong)."

C. "THAT

conditional upon the passing of Resolutions under sub-paragraphs A and B above, the aggregate nominal amount of the number of shares in the capital of the Company which shall have been repurchased by the Company pursuant to and in accordance with sub-paragraph A above shall be added to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the exercise of the general mandate approved in sub-paragraph B above."

By order of the Board
Yu Tat Fung
Company Secretary

Hong Kong, 29th April, 2005

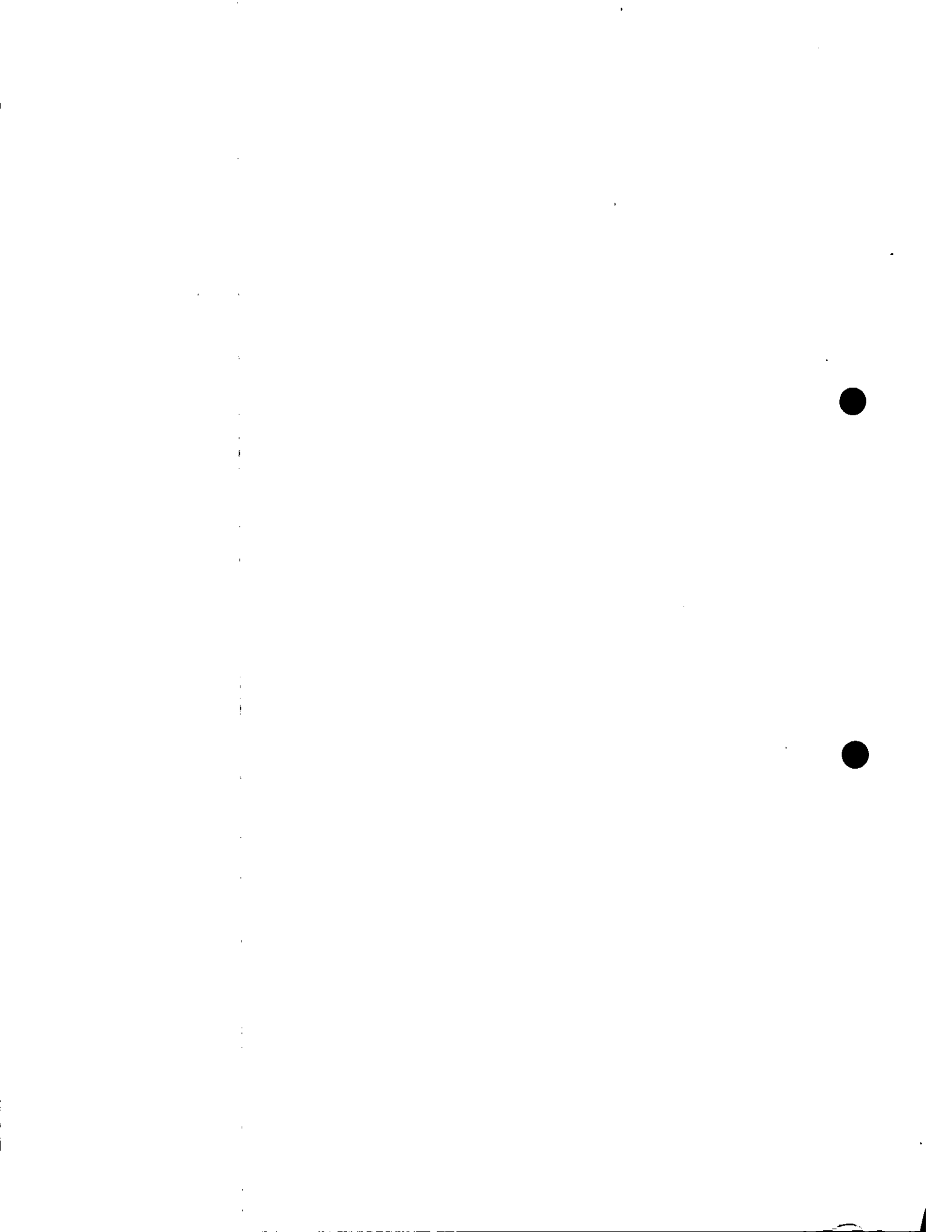
Notes:

1. The register of members of the Company will be closed from Wednesday, 18th May, 2005 to Thursday, 26th May, 2005, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the final dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 50 Gloucester Road, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 17th May, 2005.
2. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such authority, must be deposited with the Company's share registrar, Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 50 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding of the meeting or adjourned meeting thereof.
4. At the 2004 annual general meeting of the Company, Ordinary Resolutions were passed giving general mandates to Directors to repurchase Shares on the Stock Exchange and to allot, issue and otherwise deal with additional Shares in the capital of the Company respectively. Under the provisions of the Companies Ordinance and the Listing Rules these general mandates lapse at the conclusion of the 2005 AGM, unless renewed at that meeting. The Ordinary Resolutions sought in items 5A and 5B of the above notice renew these mandates.
5. With reference to the Ordinary Resolutions sought in items 5A and 5B of the above notice, the Directors wish to state that they have no immediate plans to repurchase any existing Shares or to issue any new Shares. Approval is being sought from members of the Company as a general mandate pursuant to the Companies Ordinance and the Listing Rules.

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

Executive Directors: Ou Bingchang, Liang Yi, Chen Guangrong,
Li Fei, Liang Ningwang and Xiao Boyan.

Independent Non-
Executive Directors: Yu Lap Fai Joseph, Lee Ka Lun and
Lau Hon Chun Ambrose.



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越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Stock Code: 123)

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ANNOUNCEMENT

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 ("Company") makes the following disclosure pursuant to Rule 13.18 of the Listing Rules.

By a loan agreement dated 30th May, 2005 ("Loan Agreement") and entered into between the Company and a group of banks in Hong Kong ("Lenders"), a syndicated loan facility of up to HK\$3,800,000,000 ("Facility") is made available by the Lenders to the Company for a term of 63 months from 30th May, 2005 or 60 months from date of first drawing, whichever date is earlier, and subject to and in accordance with the terms and conditions therein contained. The Company has undertaken with the Lenders to procure Yue Xiu Enterprises (Holdings) Limited ("Yue Xiu"), the controlling shareholder of the Company who beneficially owns an aggregate of about 50.7 per cent of the issued share capital of the Company, to maintaining, throughout the continuance of the Facility and so long as any sum remains owing, (i) its status as the single largest beneficial shareholder of the Company, (ii) (whether directly or indirectly) not less than 35 per cent of the issued voting share capital of the Company and (iii) an effective management control over 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, 30th May, 2005

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

Executive Directors: Ou Bingchang, Liang Yi, Chen Guangsong, Li Fei,
Liang Ningguang and Xiao Boyan.

Independent Non- executive Directors: Yu Lup Fat Joseph, Lee Ka Lun and Lau Hon Chuen Ambrose.



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越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

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ANNOUNCEMENT

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

The Board would like to clarify certain information contained in various articles which appeared in various newspapers today.

Shareholders of the Company and other investors should note that the Company may or may not proceed with the options currently under consideration (as described below). Accordingly, shareholders of the Company and other investors are reminded to exercise caution when dealing in the securities of the Company.

The Directors refer to the articles in various newspapers today regarding the proposed listing of certain of the Group's properties in Guangzhou in the form of a real estate investment trust.

The Directors would like to advise that the Company is currently considering various options to strengthen the financial position of the Group and to enhance shareholders' value (including, but not limited to, the possibility of disposing certain investment properties of the Group in the PRC to a real estate investment trust and the possible listing of the units of the real estate investment trust). No firm decision has been made on any such options. Further announcements will be made as and when appropriate.

Shareholders of the Company and other investors should note that the Company may or may not proceed with the options currently under consideration (as described above). Accordingly, shareholders of the Company and other investors are reminded to exercise caution when dealing in the securities of the Company.

The Directors confirm that save as disclosed above, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules nor is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

This announcement is made by the order of the Board. The Directors individually and jointly accept responsibility for the accuracy of this announcement.

DEFINITIONS

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

"Board"	the board of Directors;
"Company"	Guangzhou Investment Company Limited;
"Directors"	directors of the Company;
"Group"	the Company and its subsidiaries;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange; and
"Stock Exchange"	The Stock Exchange of Hong Kong Limited.

By order of the Board
Yu Tat Fung
Company Secretary

Hong Kong, 21st June 2005

As at the date of this announcement, the Board comprises of:

Executive Directors: Ou Bingchang, Liang Yi, Chen Guangsong, Li Fei,
Liang Ningguang and Xiao Boyan.

Independent Non-executive Directors: Yu Lup Fat Joseph, Lee Ka Lun and Lau Hon Chuen Ambrose.



The Standard Thursday, August 11, 2005



越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

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Retirement of Director

The board of directors (the "Board") of Guangzhou Investment Company Limited (the "Company") announces that Mr. Xiao Boyan has retired as executive director of the Company with effect from 10th August 2005. Mr. Xiao confirmed that there are no matters relating to his retirement that need to be brought to the attention of the shareholders of the Company. The Board would take this opportunity to thank Mr. Xiao for his valuable contribution to the Company during his tenure of service.

By order of the Board
Ou Bingchang
Chairman

Hong Kong, 10th August 2005

As at the date of this announcement, the Board comprises of:

Executive Directors:	Ou Bingchang, Liang Yi, Chen Guangsong, Liang Ningguang and Li Fei.
Independent Non-executive Directors:	Yu Lup Fat Joseph, Lee Ka Lun and Lau Hon Chuen Ambrose.





越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

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2005 Interim Results Announcement

The directors of Guangzhou Investment Company Limited (the "Company") are pleased to announce the unaudited consolidated results of the Company, its subsidiaries, associated companies and jointly controlled entities (collectively "the Group") for the six months ended 30th June 2005 as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE SIX MONTHS ENDED 30TH JUNE 2005

	Note	Unaudited Six months ended 30th June 2005	Unaudited Six months ended 30th June 2004
		HK\$ '000	Restated HK\$ '000
Turnover	3	1,588,191	2,274,010
Cost of sales		<u>(1,237,618)</u>	<u>(1,734,213)</u>
Gross profit		350,573	539,797
Other revenues		6,839	9,795
Selling and distribution expenses		(55,125)	(63,168)
General and administrative expenses		(279,046)	(202,539)
Revaluation surplus on investment properties		<u>662,539</u>	<u>—</u>
Profit from operations	4	685,780	283,885
Finance costs		<u>(114,092)</u>	<u>(75,463)</u>
Share of profits less losses of Jointly controlled entities Associated companies		14,534	252
		<u>103,008</u>	<u>91,343</u>
Profit before taxation		689,230	300,017
Taxation	5	<u>(327,893)</u>	<u>(58,057)</u>

Unaudited Six months ended 30th June 2005	Unaudited Six months ended 30th June 2004
HK\$ '000	Restated HK\$ '000
361,337	241,960

Note

Profit for the period

Attributable to
Equity holders of the Company
Minority interests

132,434	111,506
228,903	130,454

Earnings per share for profit attributable to the
equity holders of the Company during the period

— Basic

— Diluted

Interim dividend

6

7

HK2.08 cents HK1.77 cents

HK2.05 cents HK1.73 cents

64,028 52,531

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30TH JUNE 2005 AND 31ST DECEMBER 2004

	As at		Note	As at	
	30th June 2005 Unaudited HK\$'000	31st December 2004 Restated HK\$'000		30th June 2005 Unaudited HK\$'000	31st December 2004 Restated HK\$'000
ASSETS					
Non-current assets					
Interests in toll highways and bridges	1,951,634	2,001,376			
Other intangible assets	45,365	(489,960)			
Fixed assets	1,375,794	1,351,358			
Investment properties	5,458,801	4,775,305			
Leasehold land and land use rights	3,124,223	3,291,022			
Interests in jointly controlled entities	739,254	643,437			
Interests in associated companies	1,775,477	1,760,348			
Deferred tax assets	56,538	56,199			
Other receivables-non current portion	104,900	104,900			
Available-for-sale financial assets	387,380	—			
Other investments	—	261,347			
	15,019,366	13,755,332			
Current assets					
Properties held for/under development	4,090,234	3,567,636			
Properties held for sale	1,079,953	1,235,566			
Leasehold land and land use rights	3,738,029	3,766,295			
Inventories	208,816	195,288			
Amount due from related companies	1,219	3,234			
Trade receivables	427,637	457,868			
Other receivables, prepayments and deposits	469,692	593,644			
Charged bank deposits	91,586	70,747			
Bank balances and cash	1,178,174	830,910			
	11,285,340	10,721,188			
	26,304,706	24,476,520			
LIABILITIES					
Current liabilities					
Trade payables	358,974	414,493			
Land premium payables	785,685	729,410			
Other payables and accrued charges	3,657,210	3,054,229			
Amounts due to jointly controlled entities	120,661	123,442			
Amounts due to associated companies	112,150	112,150			
Amounts due to minority shareholders	149,092	186,831			
Borrowings	1,607,449	2,046,850			
Derivative financial instruments	33,228	29,021			
Taxation payable	96,479	133,798			
	6,920,928	6,830,224			
Net current assets	4,364,412	3,890,964			
Total assets less current liabilities	19,383,778	17,646,296			

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30TH JUNE 2005**

	<u>As at</u>		Total
Note	30th	31st	Minority
	June	December	interests
	2005	2004	HK\$ '000
	<i>Unaudited</i>	<i>Restated</i>	Total
	HK\$ '000	HK\$ '000	HK\$ '000
Non-current liabilities			
Borrowings	4,590,722	4,038,412	—
Deferred tax liabilities	<u>3,469,419</u>	<u>3,159,380</u>	—
	8,060,141	7,197,792	—
Net assets	<u>11,323,637</u>	<u>10,448,504</u>	—
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	637,913	635,160	—
Other reserves	5,918,499	5,770,281	—
Retained earnings	64,028	57,266	—
— Proposed dividend	<u>1,118,357</u>	<u>527,661</u>	—
— Others	7,738,797	6,990,368	—
Minority interests	<u>3,584,840</u>	<u>3,458,136</u>	—
Total equity	<u>11,323,637</u>	<u>10,448,504</u>	—

	<u>Attributable to equity holders of the Company</u>		Minority interests	Total
	Share capital	Reserves	HK\$ '000	HK\$ '000
	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000
Balance at 1st January 2005, as previously reported as equity	635,160	6,599,141	—	7,234,301
Balance at 1st January 2005, as previously separately reported as minority interests	—	—	3,467,807	3,467,807
Amortisation of leasehold land and land use rights	10	(459,085)	(18,904)	(477,989)
Adjustment for deferred tax arising from the revaluation of investment properties	10	215,152	9,233	224,385
Balance at 1st January 2005, as restated	635,160	6,355,208	3,458,136	10,448,504
Opening adjustment on adoption of HKAS 39	—	134,387	6,066	140,453
Opening adjustment on adoption of HKFRS 3	—	529,685	5,640	535,325
Balance at 1st January 2005 after opening adjustment, as restated	<u>635,160</u>	<u>7,019,280</u>	<u>3,469,842</u>	<u>11,124,282</u>
Currency translation differences	10	2,695	1,062	3,757
Decrease in fair value of available-for-sales financial assets	10	(21,673)	(43,964)	(65,637)
Net expenses recognised directly in equity	—	(18,978)	(42,902)	(61,880)
Profit for the period	—	132,434	228,903	361,337
Total recognised income for the six months ended 30th June 2005	<u>—</u>	<u>113,456</u>	<u>186,001</u>	<u>299,457</u>
Employees share option scheme - value of employee services	10	15,126	—	15,126
Issue of share capital	10	2,753	—	13,103
Dividend relating to 2004	10	(57,328)	(71,003)	(128,331)
Balance at 30th June 2005	<u>637,913</u>	<u>7,100,884</u>	<u>3,584,840</u>	<u>11,323,637</u>
Balance at 1st January 2004, as previously reported as equity	634,872	6,344,488	—	6,909,360
Balance at 1st January 2004, as previously separately reported as minority interests	—	—	3,374,822	3,374,822
Amortisation of leasehold land and land use rights	10	(421,240)	(16,209)	(437,459)
Adjustment for deferred tax arising from the revaluation of investment properties	10	216,413	9,220	225,633
Balance at 1st January 2004, as restated	<u>634,872</u>	<u>6,139,671</u>	<u>3,367,833</u>	<u>10,122,376</u>
Currency translation differences	10	(496)	(170)	(666)
Release of reserve upon disposal of properties held for sales	10	—	(8,933)	(8,933)
Net expenses recognised directly in equity	—	(9,429)	(170)	(9,599)
Profit for the period	—	111,506	130,454	241,960

Note	Unaudited			Total HK\$'000
	Share capital HK\$'000	Reserves HK\$'000	Minority interests HK\$'000	
		102,077	130,284	232,361
		6,223	—	6,223
	7,369	22,536	—	29,905
	—	—	27,822	27,822
	—	(68,123)	(179,034)	(247,157)
	7,369	(19,364)	(151,212)	(162,907)
	632,241	6,202,384	3,348,905	10,183,530

Basis of preparation and accounting policies

This unaudited condensed consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

These condensed consolidated interim accounts should be read in conjunction with the 2004 annual financial statements.

The accounting policies and methods of computation used in the preparation of these condensed consolidated financial information are consistent with those used in the annual financial statements for the year ended 31st December 2004 except that the Group has changed certain of its accounting policies following its adoption of new/revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRS") which are effective for accounting periods commencing on or after 1st January 2005.

These interim financial information have been prepared in accordance with these HKFRS standards and interpretations issued and effective as at the time of preparing these accounts. The HKFRS standards and interpretations that will be applicable at 31st December 2005, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing these interim financial information.

The changes to the Group's accounting policies and the effect of adopting these new policies are set out in note 2 below.

2 Change in accounting policies

(a) Effect of adopting new HKFRS

In 2005, the Group adopted the new/revised HKFRS below, which are relevant to its operations. The 2004 comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The effects of Changes in Foreign Exchange Rates
HKAS 24	Related Party Disclosures
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 40	Investment Property
HKAS-Int 15	Operating Leases — Incentives
HKAS-Int 21	Income Taxes — Recovery of Revolved Non-Depreciable Assets
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations
HK-Int 3	Revenue — Pre-completion Contracts for the Sale of Development Properties
HK-Int 4	Leases — Determination of the Length of Lease Term in respect of Hong Kong Land Leases

The adoption of new/revised HKASs 1, 8, 16, 21, 24 and HKAS-Int 15 and HK-Int 4 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of minority interests, share of net after-tax results of associates and jointly controlled entities and other disclosures.
- HKASs 8, 16 and HKAS-Int 15 and HK-Int 4 had no material effect on the Group's policies.
- HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard. All the Group's entities have the same functional currency as the presentation currency for respective entity financial statements.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land from property, plant and equipment to operating leases. The up-front prepayments made for the leasehold land are expensed in the profit and loss account on a straight-line basis over the period of the lease for where there is impairment, the impairment is expensed in the profit and loss account. In prior years, the leasehold land was accounted for at cost less accumulated depreciation and accumulated impairment.

The adoption of HKASs 32 and 39 has resulted in a change in the accounting policy relating to the classification of financial assets at fair value through profit and loss and available-for-sale financial assets. It has also resulted in the recognition of derivative financial instruments at fair value and the change in the recognition and measurement of hedging activities.

The adoption of revised HKAS 40 has resulted in a change in the accounting policy of investment properties of which the changes in fair values are recorded in the profit and loss account as part of other income. In prior years, the increases in fair value were credited to the investment properties revaluation reserve. Decreases in fair value were first set off against increases on earlier valuations on a portfolio basis and thereafter expensed in the profit and loss account.

The adoption of revised HKAS-Int 21 has resulted in a change in the accounting policy relating to the measurement of deferred tax liabilities arising from the revaluation of investment properties. Such deferred tax liabilities are measured on the basis of tax consequences that would follow from recovery of the carrying amount of that asset through use or through sale and subsequent sale. In prior years, the carrying amount of that asset was expected to be recovered through sale.

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. Until 31st December 2004, the provision of share options to employees did not result in an expense in the profit and loss accounts. Effective on 1st January 2005, the Group expensed the cost of share options in the income statement. As a transitional provision, the cost of share options granted after 7 November 2002 and had not yet vested on 1st January 2005 was expensed retrospectively in the income statement of the respective periods.

The adoption of HKFRS 3, HKAS 36 and HKAS 38 has resulted in a change in the accounting policy for goodwill. Until 31st December 2004, goodwill was amortised on a straight-line basis over a maximum period of 20 years and assessed for an indication of impairment at each balance sheet date.

In accordance with the provisions of HKFRS 3, the Group ceased amortisation of goodwill from 1st January 2005 and the accumulated amortisation as at 31st December 2004 has been eliminated with a corresponding decrease in the cost of goodwill. From the year ending 31st December 2005 onwards, goodwill is tested annually for impairment, as well as when there is indication of impairment. The carrying amount of negative goodwill as at 1st January 2005 has been derecognised at 1st January 2005 with a corresponding adjustment to the opening balance of retained earnings.

The Group has reassessed the useful lives of its intangible assets in accordance with the provisions of HKAS 38. No adjustment has resulted from this reassessment.

The adoption of HK-Int 3 has resulted in a change in the accounting policy relating to revenue recognition arising from pre-completion contracts for the sale of properties under development for sale. Such revenue is recognised only upon completion of sale agreement, which refers to the time when properties are completed and delivered to the buyers. In prior years, the percentage of completion method was used as the policy to recognise revenue arising from pre-completion contracts for the sale of properties under development for sale.

All changes in the accounting policies have been made in accordance with the transition provisions in the respective standards. All standards adopted by the Group require retrospective application other than:

- HKAS 16 which the initial measurement of an item of property, plant and equipment acquired in an exchange of assets transaction is accounted at fair value prospectively only to future transactions;
- HKAS 21 which requires prospective application for accounting goodwill and fair value adjustments as part of foreign operations;
- HKAS 39 which does not permit to recognise, derecognise and measure financial assets and liabilities in accordance with this standard on a retrospective basis. The Group applied the previous Statement of Standard Accounting Practice ("SSAP") 24 "Accounting for investments in securities" to other investments for the 2004 comparative information. The adjustments required for the accounting differences between SSAP 24 and HKAS 39, if any, are determined and recognised at 1st January 2005;
- revised HKAS 40 since the Group has adopted the fair value model, there is no requirement for the Group to restate the comparative information, any adjustment should be made to the retained earnings as at 1st January 2005, including the reclassification of any amount held in revaluation surplus for investment property;
- HKAS-Int 15 which does not require the recognition of incentives for leases beginning before 1st January 2005;
- HKFRS 2 which only requires retrospective application for all equity instruments granted after 7th November 2002 and not vested at 1st January 2005; and
- HKFRS 3 which is applied prospectively after the adoption date.

(b) *The impact of changes in accounting policies to the Group*

The following is a summary of effect of the changes in the accounting policies described above on equity as at 1st January 2005 and results and earnings per share for the six months 30th June 2004:

	Increase/(decrease) As at 1st January 2005 HK\$'000
Equity	(477,989)
Amortisation of leasehold land and land use rights (note 1)	140,453
Revaluation surplus of financial assets (note 11)	224,385
Decrease in deferred tax on change of basis of recovery of revalued assets (note 11)	535,325
De-recognition of negative goodwill (note 1)	422,174
Results	For the six months ended 30th June 2004 HK\$'000
Amortisation of leasehold land and land use rights (note 1)	(15,682)
Expenses related to share options scheme (note 10)	(6,223)
	(21,905)
Attributable to:	
Equity holders of the Company	(19,699)
Minority interests	(2,206)
	(21,905)
Earnings per share	For the six months ended 30th June 2004 HKcents
Basic and diluted	(0.21)
Amortisation of leasehold land and land use rights (note 1)	(0.10)
Expenses related to share options scheme (note 10)	(0.31)

The following is effect of changes in the accounting policies described above on individual accounting caption:

	(note 1)	(note 11)	(note 11)	(note 11)	(note 11)	(note 11)	Total
	Effect on adoption of HKAS 17	Effect on adoption of HKAS 39	Effect on adoption of HKAS 21	Effect on adoption of HKFRS 2	Effect on adoption of HKFRS 3	Effect on adoption of HKFRS 3	HK\$'000
Profit and loss accounts items for the period ended 30 June 2004							
Cost of sales	23,901	—	—	—	—	—	23,901
Administrative expenses	3,527	—	—	6,223	—	—	9,750
Taxation	(11,746)	—	—	—	—	—	(11,746)
Minority interests	(2,306)	—	—	—	—	—	(2,306)
Earnings per share	(0.21)	—	—	(0.10)	—	—	(0.11)
— basic HKcents	(0.21)	—	—	(0.10)	—	—	(0.11)
— diluted (HK cents)	(0.21)	—	—	(0.10)	—	—	(0.11)
Balance sheet items as at 1 January 2005							
Fixed assets	(89,967)	—	—	—	—	—	(89,967)
Leasehold land and land use rights	3,291,022	—	—	—	—	—	3,291,022
— non-current portion	—	—	—	—	—	—	—
Other intangible assets	—	—	—	—	—	—	—
Interest in jointly controlled entities	(3,280)	—	—	—	—	—	(3,280)
Available-for-sale financial assets	—	456,231	—	—	—	—	456,231
Other investments	—	(261,347)	—	—	—	—	(261,347)
Properties held for sale	(6,734,381)	—	—	—	—	—	(6,734,381)
Properties held for sale	(954,192)	—	—	—	—	—	(954,192)
Leasehold land and land use rights	—	—	—	—	—	—	—
— current portion	3,766,295	—	—	—	—	—	3,766,295
Other receivables, prepayments and deposits	—	15,008	—	—	—	—	15,008
Total assets	(724,503)	209,892	—	—	—	—	30,314
Deferred tax liabilities	(246,514)	69,439	(224,385)	—	—	—	(401,460)
Total liabilities	(246,514)	69,439	(224,385)	—	—	—	(401,460)
Net assets	(477,989)	140,453	224,385	—	—	—	422,174
Reserves	(459,083)	134,387	215,152	—	—	—	420,119
Minority interests	(18,906)	6,066	9,233	—	—	—	2,015
Total equity	(477,989)	140,453	224,385	—	—	—	422,174

The adoption of HK-Int 3 has resulted in a change in the accounting policy relating to revenue recognition arising from pre-completion contracts for the sale of properties under development for sale and the effect for the consolidated balance sheet as at 30th June 2005 and consolidated profit and loss account for the period ended 30th June 2005 are as follows:

	As at 30th June 2005 HK'000
Increase in properties under development	394,476
For the six month ended	
30th June 2005	HK'000
Decrease in sales	543,030
Decrease in cost of sales	394,476
Decrease in taxation	49,023
Decrease in earnings per share (HK cents)	1.52
Decrease in diluted earnings per share (HK cents)	1.50

3 Segment information

The Group is principally engaged in development, operation and management of toll highways and bridges, development, selling and management of properties and holding of investment properties, manufacturing and trading of newspaper. Turnover and segment results for the period are as follows:

Primary reporting format — business segments

The Group operates mainly in Hong Kong and Mainland of China ("China") and in three main business segments:

- Properties - development, selling and management of properties and holding of investment properties
- Toll operations - development, operation and management of toll highways and bridges
- Paper - manufacturing and selling of newspaper

There are no significant sales between the business segments.

Secondary reporting format — geographical segments

The Group's three business segments are mainly managed in Hong Kong and China:

- Hong Kong — properties
- China — properties, paper and toll operations
- Others — properties

There are no significant sales between the geographical segments.

Primary reporting format — business segments

	Toll operations		Six months ended 30th June				Group
	Restated		Properties		Paper		
	2005	2004	2005	2004	2005	2004	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	204,006	191,002	767,512	1,520,151	616,673	562,857	2,274,010
Segment results	87,926	70,925	551,199	181,094	68,505	52,493	304,512
Increase in income							3,789
Unallocated operation costs							(25,839)
Finance costs							(114,092)
Share of profits less losses of:							
— Jointly controlled entities	20,008	252	(5,474)	—	—	—	252
— Associated companies	103,088	91,035	—	308	—	—	103,008
Profit before taxation							689,230
Taxation							(327,893)
Profit for the period							361,337
Capital expenditure	1,309	4,404	84,350	542	101,569	30,558	187,228
Depreciation and amortisation	52,057	56,883	29,094	66,807	57,964	61,332	189,115

	Toll operations		As at 30th June 2005 and 31st December 2004				Group
	Restated		Properties		Paper		
	30th June 2005	31st December 2004	30th June 2005	31st December 2004	30th June 2005	31st December 2004	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	2,120,293	2,229,404	18,684,506	17,331,255	1,592,434	1,495,642	22,992,203
Interests in jointly controlled entities	495,482	422,892	243,772	220,545	—	—	719,354
Interests in associated companies	1,686,656	1,671,842	88,821	88,506	—	—	1,775,477
Unallocated assets							1,392,372
Total assets							26,804,706
Segment liabilities	722,574	768,172	10,401,586	9,430,464	589,427	506,246	11,713,587
Unallocated liabilities							3,267,482
Total liabilities							14,981,069

Secondary reporting format — geographical segments

	For the six months ended 30th June			As at 30th June 2005	
	Turnover	Required	Capital expenditure	Total assets	Required
Hong Kong	HK\$'000	HK\$'000	HK\$'000	30 June 2005	December 2004
China	82,453	392,883	1,686	1,319,396	1,362,281
Overseas	1,504,457	1,856,258	183,533	23,358,495	22,051,223
	881	24,869	9	34,043	46,512
	<u>1,588,191</u>	<u>2,274,010</u>	<u>187,228</u>	<u>24,911,934</u>	<u>23,460,016</u>
Unallocated asset				1,392,772	1,016,414
Total assets				<u>26,304,706</u>	<u>24,476,520</u>

Profit from operations

Profit from operations is stated after charging the following:

	Six months ended 30th June	
	2005	2004
Cost of inventories sold	HK\$'000	HK\$'000
Depreciation and amortisation	966,073	1,520,737
Staff costs	189,115	185,022
Provision for doubtful debts	143,263	133,960
	49,272	2,891

Taxation

(a) Hong Kong profits tax has been provided at the rate of 17.5 per cent (2004: 17.5 per cent) on the estimated assessable profit for the period.

(b) China enterprise income taxation is provided on the profits of the Group's subsidiaries, associated companies and jointly controlled entities in Mainland China in accordance with the Income Tax Law of China for Enterprises with Foreign Investment and Foreign Enterprises ("China Tax Law") at 18 per cent to 33 per cent. Under the China Tax Law, certain of the Group's subsidiaries, associated companies and jointly controlled entities in China are entitled to an income tax holiday for two to five years from its first profit-making year followed by a 50 per cent reduction in income tax for the next three to five years.

(c) China land appreciation tax is levied at progressive rates ranging from 30 per cent to 60 per cent on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditure.

(d) The amount of taxation charged to the condensed consolidated profit and loss account represents:

	Six months ended 30th June	
	2005	2004
Current taxation	HK\$'000	HK\$'000
— Hong Kong profits tax	809	1,086
— Underprovision in prior years	5,545	—
— China enterprise income tax	33,821	48,785
— China land appreciation tax	2,210	8,695
Deferred taxation in relation to the origination and reversal of temporary differences	<u>285,508</u>	<u>(1,592)</u>
	<u>327,893</u>	<u>58,057</u>

Share of China enterprise income taxation attributable to the following are included in the profit and loss account as share of results of associated companies and a jointly controlled entity:

	Six months ended 30th June	
	2005	2004
Associated companies	HK\$'000	HK\$'000
— current taxation	8,521	7,138
— deferred taxation	5,648	5,794
Jointly controlled entities	602	—
— current taxation	1,668	1,748
— deferred taxation	—	—

Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30th June	
	2005	2004
Profit attributable to equity holders of the Company (HK\$'000)	<u>132,234</u>	<u>111,506</u>
Weighted average number of ordinary shares in issue ('000)	<u>6,362,643</u>	<u>6,300,121</u>
Basic earnings per share (HK cents)	<u>2.08</u>	<u>1.77</u>

Diluted

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options outstanding during the period which are dilutive potential ordinary shares. Calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average daily market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Six months ended 30th June
2005

Profit attributable to equity holders of the Company (HK\$ '000)

2005	2004
1,32,434	111,506
6,362,643	6,300,121
96,957	131,390
6,459,600	6,431,511
2,05	1,73

Weighted average number of ordinary shares in issue ('000)

6,362,643	6,300,121
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Adjustments for - share options ('000)

96,957	131,390
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Weighted average number of ordinary shares (or diluted earnings) per share ('000)

6,459,600	6,431,511
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Diluted earnings per share (HK cents)

2.05	1.73
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7 Dividend

Six months ended 30th June
2005

2005 interim, proposed of HK\$0.01 (2004: HK\$0.0083) per share

64,028	52,531
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8 Trade receivables

The Group has defined credit policies for different business segments and markets. The credit terms of the Group are generally within three to six months. The ageing analysis of the trade receivables is as follows:

	30th June 2005	31st December 2004
0 - 30 days	118,889	174,569
31 - 90 days	97,266	76,788
91 - 180 days	37,260	81,345
181 - 365 days	74,318	43,789
Over 1 year	99,904	81,377
	427,637	457,868

9 Trade payables

Trade payables include trade balances with creditors and retention money payable on construction contracts.

The ageing analysis of the trade payables is as follows:

	30th June 2005	31st December 2004
0 - 30 days	98,352	32,433
31 - 90 days	31,629	70,560
91 - 180 days	54,962	24,068
181 - 365 days	3,962	65,755
1 - 2 year	35,905	39,243
Over 2 years	134,164	182,494
	358,974	414,493

10 Reserves

(Unaudited)

	Share redemption premium reserve	Capital reserve	Statutory reserves	Exchange fluctuation reserve	Employee share-based compensation reserves	Retained profits	Total
	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000
Balance at 1st January 2004, as previously reported	5,707,378	1,815	62,606	(76,709)	—	649,398	6,344,488
Amortisation of leasehold land and land use rights	—	—	—	—	—	(421,230)	(421,230)
Adjustment for deferred tax arising from the revaluation of investment properties	—	—	—	—	—	216,413	216,413
Recognition of share-based options expenses	—	—	—	—	4,016	(4,016)	—
Balance at 1st January 2004, as restated	5,707,378	1,815	62,606	(76,709)	4,016	440,565	6,139,671
Currency translation differences, Group	—	—	—	(496)	—	—	(496)
Release of reserve upon disposal of properties held for sale	—	—	—	—	—	18,933	18,933
Profit attributable to equity holders of the Company	—	—	260	—	—	111,506	111,506
Transfers	—	—	—	—	—	(260)	—
Employee share option scheme expenses	—	—	—	—	6,223	—	6,223
Issue of shares net of issuing expenses	22,536	—	—	—	—	—	22,536
Dividend paid	—	—	—	—	—	(68,123)	(68,123)
Balance at 30th June 2004	5,729,914	1,815	62,866	(77,205)	10,239	474,755	6,202,384
Currency translation differences, Group	—	—	—	(1,092)	—	—	(1,092)
Provision for impairment of goodwill	—	—	—	—	—	43,533	43,533
Release of reserve upon disposal of properties held for sale	—	—	—	—	—	—	—
Release of reserve upon deemed disposal of certain interest in a subsidiary	—	—	(1)	—	—	—	(1)
Profit attributable to equity holders of the Company	—	—	16,532	—	—	157,582	157,582
Transfers	—	—	—	—	—	(16,532)	—
Employee share option scheme expenses	—	—	—	—	16,396	—	16,396
Issue of shares net of issuing expenses	10,819	—	—	—	—	—	10,819
Dividend paid	—	—	—	—	—	(52,669)	(52,669)
Balance at 31st December 2004	5,740,733	1,815	79,397	(78,299)	26,635	584,927	6,355,208
Representing:							
2004 Final dividend proposed						57,266	57,266
Others						584,927	584,927

	(Unaudited)									
	Share premium	Capital reserve	Statutory reserves	Exchange reserve	Available financial assets	Fair value	Employee share-based compensation reserves	Retained profits	Total	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at 1st January 2005, as previously reported as equity	5,740,733	1,815	79,397	(78,299)	—	—	—	855,495	6,499,331	
Amortisation of leasehold land and land use rights	—	—	—	—	—	—	—	(459,085)	(459,085)	
Adjustment for deferred tax arising from the revaluation of investment properties	—	—	—	—	—	—	—	215,152	215,152	
Recognition of share-based options	—	—	—	—	—	—	26,635	(26,635)	—	
Balance at 1st January 2005, as restated	5,740,733	1,815	79,397	(78,299)	—	—	26,635	584,927	6,355,208	
Operating adjustment on adoption of HKAS 39	—	—	—	—	—	—	—	134,387	134,387	
Operating adjustment on adoption of HKFRS 3	—	—	—	—	—	—	—	(529,685)	(529,685)	
Balance at 1st January 2005 after opening adjustments, as restated	5,740,733	1,815	79,397	(78,299)	—	—	26,635	1,248,999	7,019,280	
Currency translation differences, Group	—	—	—	2,695	—	—	—	—	2,695	
Change of fair value of financial assets	—	—	—	—	(21,038)	(6,351)	—	—	(21,038)	
Profit attributable to equity holders of the Company	—	—	—	—	—	—	—	132,434	132,434	
Transfers	—	—	2,333	—	—	—	(414,720)	—	—	
Employee share option scheme expenses	—	—	—	—	—	—	15,126	—	15,126	
Issue of shares net of issuing expenses	10,350	—	—	—	—	—	—	—	10,350	
Dividend relating to 2004	—	—	—	—	—	—	(57,328)	(57,328)	—	
At 30th June 2005	5,751,083	1,815	86,730	(75,604)	112,714	—	41,761	1,182,365	7,100,864	
Representing:										
2005 Interim Dividend proposed								64,028		
Others								1,118,337		
								1,182,365		

11 Event after balance sheet date

On 21st September 2005, the Group has been successful in the tender for the right to build the West Tower of Zhujiang New City Twin Towers in Guangzhou (the "Project"). The site area of the Project amounts to 31,085 square meters and the project is expected to commence this year and to be completed in 2009. As the Group has yet to enter into formal agreement in relation to the tender, the Company's directors consider it to be more appropriate to make an estimate of the financial effect at a later stage when detailed terms of development of West Tower are finalized.

BUSINESS REVIEW

Benefited from the increase in the valuation of rental properties and continuous growth in the toll road and newspaper manufacturing business, for the six months ended 30th June 2005, profits attributable to shareholders grew to HK\$132 million with an increase of 19 per cent. However, due to changes in the accounting policies on property business, during the period, the turnover of the Group dropped to HK\$1,588 million, representing a drop of 30 per cent as compared to the same period in 2004.

Property business

Influenced by the change in the accounting policy of revenue recognition from sale of properties under development, the amount recognized on property sales has drastically decreased. However, benefited from the continuous improvement on the commercial environment in Guangzhou, with continual increase in the level of rents and occupancy ratio for rental properties, the valuation of the Group's rental properties have increased.

During the period, the Group's revenue recognition of property sales on the books changed from the percentage completion method to recognition upon full completion of the project. The floor area of properties sold during the period dropped to 25,000 sq. m., with turnover of HK\$277 million, representing a fall of 83 per cent and 75 per cent respectively as compared with the same period last year.

Starting from last year, the Group has implemented the business strategy of "emphasis in both development of residential properties and operation of commercial properties". Through due expansion of the commercial property portfolio, riding on the synergy effect of commercial properties, the earnings from rental properties have achieved stable growth. The newly launched commercial properties, namely Fortune Plaza and Victory Plaza, being promoted with clear market positioning, appealed to a lot of multi-national companies and premium commercial tenants. For instance, among the major tenants of Fortune Plaza there are 2 top ten banks in the world and a famous local department store in Guangzhou has moved into Victory Plaza and set up a new branch store there. For the six months ended 30th

June 2005, the aggregate revenue from rental properties in Guangzhou and Hong Kong amounted to HK\$244 million, with an increase of 21 per cent as compared to the same period last year. Due to the increase in revenue, valuation of the Group's rental properties increased by HK\$66.3 million.

Other businesses: impressive growth in profitability of toll road business, steady increase in profit from newsprint production business

During the period, the Group's major toll road business recorded a turnover of HK\$204 million, with an increase of 7 per cent as compared to the same period last year. During the period, profits attributed to associated companies amounted to HK\$103 million, with an increase of 13 per cent as compared to the same period last year. The performance was particularly promising for the jointly controlled entity Northern Second Ring Expressway which benefited from the improvement of adjacent road networks. It boosted profit attributable to jointly controlled entities to HK\$14.53 million in the first half of 2005, with a very substantial increase of 57 times as compared with the same period last year.

In the first half of 2005, the domestic market showed strong demand for newsprint and the selling prices rose successively. The newsprint production business of the Group has fully leveraged on this opportunity and recorded after-tax profits of HK\$49.02 million, with an increase of 36 per cent as compared to the same period last year. Moreover, the Group has strengthened its internal management control, re-engineered its production processes and tremendously reduced the labour and management cost, resulting in rising corporate profits.

Future Strategies and Prospects

In the first half of 2005, the national GDP in Guangzhou has increased by approximately 11 per cent amounting to RMB 210.3 billion. The economic growth remains lucrative and was higher than the average growth rate of 9.5 per cent for China. Starting from the second half of 2004, the Central Government has implemented a range of economic control measures so as to avoid overheating in the property market. The Group believed that the macro economic revision policies of China will enhance the healthy development of the property market in Guangzhou. The Group has amassed ample business experience of over two decades in Guangzhou. Such experience would enable it to manage and avoid risks of potential policy changes. Based on the foundation built upon the well-established strategy of the year, the Group would, through appropriate adjustment of development and sales plans, further strengthening of our capability in mastering the short-term trend of the market and capitalizing on our competitive advantages, aim at delivering outstanding market performance. During the period, the Group's floor area under construction amounted to approximately 1.2 million sq. m. The Group's residential projects under construction

primarily include Jianguan New Mansion, Binjiang Yi Yuan, Spring Land Garden, Xinghui Ya Yuan and Xinghui Qing Xuan. All of them are located at locations with convenient transportation. With the innovative design, they would bring favourable benefits to the Group. Major commercial projects are discussed below. Yue Xiu City Plaza is located at Dong Feng Chong Road of Guangzhou, with a total construction area of approximately 100,000 sq. m. It has a podium housing financial services, niche retail mall and high end multi-functional business clubs, food and beverages and other commercial facilities. Asia Pacific Century Plaza is adjacent to Citic Plaza, a landmark of Guangzhou, with a total construction area of approximately 220,000 sq.m. It is a large scale integrated property development featuring a super five-star hotel, A-grade office building, shopping arcade and a cultural recreational centre. It is expected that the plaza may become the future super commercial flagship in the central Tianhe district. Two office towers will be constructed on the podium of Victory Plaza, with gross construction area of approximately 90,000 sq. m. This project will be equipped with high tech intelligent facilities which is expected to set new benchmarks for the future market of top grade office buildings in Guangzhou. Yue Xiu New Metropolis Plaza situated in the traditional golden commercial circle of Guangzhou with a total construction area of approximately 80,000 sq. m. is an integrated commercial property sitting on top of the exit of an underground station.

Going forward, Guangzhou tends to rapidly develop various modern service industries, namely logistics, exhibition and convention, finance, intermediary and cultural services so as to upgrade the status and function of Guangzhou as a regional economic centre in Southern China. In the first half of this year, Guangzhou has revised the boundaries of its administrative districts to provide effective room for spatial planning of its economic development. After the adjustment, the demarcation of district territories can be rationalized for the spatial diversification of its industries, whereby optimizing the overall economic layout of Guangzhou. In particular, Nansha, a new district with a real coast-line of Guangzhou, has primarily focused on developing port services, heavy and petro-chemical and mechanical industries. The near term targeted population size for Nansha is around 1 million. The benefits brought about by the establishment of this new district as a new economical belt in the southern part of Guangzhou would become more manifest over time. The Group has substantial land reserves in Nansha, and thus it would greatly benefit from the rapid development of Nansha. This is borne out by the positive sale volume recorded for Southern Le Sand Phase 1 and 2 developed by the Group. Our toll road and newsprint production business would also have room for further development. Overall, the business of our Group is closely aligned with the economic development of Guangzhou, and it would definitely become one of the key beneficiaries from such development. The Group will continuously strengthen its own competitive capability and will bring better returns to its shareholders.

The Board is pleased to announce that a consortium comprising the Company, Guangzhou City Construction & Development Co. Ltd. ("GCCD"), a company in which the Group has a 95% interest, and Guangzhou City Construction & Development Holdings Limited, the party that owns the remaining 5% interest in GCCD, has been successful in the tender for the right to build the West Tower of Zhujiang New City Twin Towers in Guangzhou (the "Project"), which is intended to integrate the various functions of a hotel, conference facilities, signposting, tourism and commerce. The Project is expected to be the highest building in Guangzhou. Construction of the Project is expected to commence this year and to be completed in 2009. Further announcement will be made by the Company in respect of the Project as and when appropriate.

FINANCIAL REVIEW

Analysis of results

The turnover of the Group for the six months ended 30th June 2005 was HK\$1,588,191,000, representing a decrease of 30 per cent as compared with the corresponding period of 2004. The decrease in turnover was mainly attributable to change of accounting policies in the recognition of revenue derived from sales of the properties under development. The turnover from the transportation and newspaper businesses have increased by 7 per cent and 10 per cent respectively by taking advantage of the continual economic growth in the PRC.

For the Group's property business, pursuant to the HK-Int 3: Revenue - Pre-completion Contracts for the Sale of Development Properties issued by Hong Kong Institute of Certified Public Accountant, the revenue from the sale of development properties is not recognised by using the percentage completion method. Instead, the revenue is recognised upon the completion of projects. Since the properties sales were focused mainly on presale projects and to a lesser extent on completed projects in the first half of 2005, the revenue recorded from sales of properties in the first half of 2005 were HK\$276,530,000 as compared to HK\$1,108,000,000 as recorded based on the percentage completion method for the corresponding period in 2004. Rental income of properties grew by 21 per cent to HK\$244,480,000 as compared with the corresponding period of 2004. The increase was mainly attributable to the rise in the level of rent and occupancy ratio of the Group's commercial properties located in the core regions of Guangzhou City. The Group's toll road business benefited from the gradual improvement of highway network and the natural growth of traffic capacity. The turnover for the first half of 2005 was HK\$204,006,000, up by 7 per cent compared with the same period of 2004. Due to strong domestic demand in the newspaper business, unit selling price had recorded an increase. The turnover for the first half of 2005 was HK\$616,670,000, representing an increase of 10 per cent compared with the corresponding period of 2004.

In line with the change of the accounting policies in the recognition of revenue derived from the properties sales, the gross profit of the Group declined by 35 per cent to HK\$350,573,000 in the first half of 2005 as compared with the same period of last year.

As the Group has adopted measures to tighten the control over cost and expenses, the selling and distribution expenses dropped 13 per cent to HK\$55,125,000 in the first half of 2005. Affected by the accounting treatment of share-based payment under the new accounting standard and the provision of bad debts for certain trade receivables, the general and administrative expenses of the Group increased by 38 per cent to HK\$279,046,000 in the first half of 2005. With the adoption of the new HKAS 40, a gain on revaluation of investment properties amounted to HK\$662,539,000 was recorded during the period.

Owing to the forgone of expenses to be amortised within a period of 5 year in respect of a syndicated loan facilities and the increase of interest rate in the first half of 2005 compared to that of last year, the financial expenses of the Group rose by 51 per cent to HK\$114,092,000 in the same period.

The Group's profit attributable to associated companies grew by 13 per cent to HK\$103,008,000 in the first half of 2005, which was mainly attributable to the toll road business of Humen Bridge and Northern Ring Road that benefited from the continual economic growth of the Pearl River Delta Region. The share of profit after tax and interest income recorded a growth of 24.1 per cent and 15 per cent respectively. Northern Second Ring Expressway being benefited from the opening of Jing Zhu Expressway, Guanghui Expressway and New Guangzhou Airport, the profit attributable to jointly controlled entities was HK\$14,534,000 in the first half of 2005, representing a substantial increase of 57 times compared with the corresponding period of last year.

For the six months ended 30th June 2005, the profit before tax of the Group was HK\$689,230,000, representing an increase of 130 per cent over the corresponding period as a result of the gain on revaluation of investment properties.

For the six months ended 30th June 2005, the taxation including deferred tax of the Group was HK\$327,893,000, representing an increase of 465 per cent over the corresponding period of last year.

For the six months ended 30th June 2005, the profit after tax of the Group was HK\$361,337,000, representing an increase of 49 per cent over the corresponding period of last year as a result of the benefits derived from the gain on revaluation of investment properties.

For the six months ended 30th June 2005, the minority interest was increased by 75 per cent to HK\$228,903,000 as a result of the substantial increase of profit after tax.

For the six months ended 30th June, 2005, the profit attributable to the equity holders of the Company was increased by 19 per cent to HK\$132,434,000. Basic earnings per share was HK2.08 cents, up by 18 per cent compared with the corresponding period of 2004.

Interim dividend

The board of directors of the Company has resolved to declare an interim dividend for 2005 of HK\$0.01 (2004: HK\$0.0083) per share payable on 8th November 2005 to shareholders whose names appear on the register of members on 28th October 2005. Interim dividend pay out ratio will be 48 per cent.

Earnings per share

	Six months ended 30th June 2005	30th June 2004 <i>Restated</i>
Weighted average number of shares in issue	6,362,643,190	6,300,120,794
Profit attributable to shareholders (HK\$)	132,434,000	111,506,000
Basic earnings per share (HK cents)	2.08	1.77
Fully diluted earnings per share (HK cents)	2.05	1.73

Total issued shares outstanding as at 30th June 2005 was 6,379,125,914 shares.

Liquidity and capital resources

As at 30th June 2005, the Group had bank deposits and cash including charged bank deposits amounted to HK\$1,270 million (2004: HK\$902 million), of which the majority was RMB dollars.

As at 30th June 2005, the Group had outstanding bank borrowings excluding bank overdrafts ("Bank Borrowings") of approximately HK\$5,341 million (2004: HK\$5,170 million), of which about 44 per cent of the Bank Borrowings was denominated in RMB with the remaining in HK dollars.

The following table shows the repayment schedule of the Bank Borrowings:

Repayable within

	HK\$'000
One year	1,597,302
One to two years	768,277
Two to five years	2,975,098
Total	5,340,677

Approximately 30 per cent of the Bank Borrowings are repayable within one year, of which 84 per cent is RMB loans.

Treasury policies

The Group continues to ensure that its businesses are financed from a variety of competitive sources and that committed facilities are available for refinancing and business growth. In addition, currency and interest rate are actively managed on a conservative basis.

On 30th May 2005, the Group secured a HK\$3.8 billion 5-year term loan facility to refinance existing bank borrowings with an appropriate level of working capital for business growth.

The Group's financing activities continue to be well received and fully supported by its bankers. The Group will consider new financing while maintaining an appropriate level of gearing in anticipation of new investments or maturity of bank loans.

It is the Group's treasury policy not to engage in speculative transactions. Foreign currency transaction exposure is managed in accordance with treasury guidelines, utilizing forward contracts and interest rate and currency swaps.

The Group's borrowings will be mostly in HK dollar and hence exposed to exchange rate risk associated with market movement against RMB income. Fluctuation in interest rate could also increase the cost of borrowings as they are currently exposed to floating LIBOR basis. Interest rate and currency swap facilities have been put in place for the Group to mitigate the interest and exchange rate risks, where appropriate and at times of interest rate and exchange rate uncertainty or volatile, the Group will consider utilizing plain vanilla hedging instrument to minimize the risks of underlying exposures.

Capital expenditures and investments

In the first half of 2005, the Group had a capital expenditure and investment amounting to approximately HK\$52.6 million for the equity capital contribution to a jointly controlled entity, the Guangzhou Western Second Ring Expressway Company Limited ("GWSR Expressway Company"). Capital expenditures incurred on the purchase of fixed assets and production facilities amounted to approximately HK\$187 million.

Capital and other commitments

As at 30th June 2005, the Group had an equity capital balance commitment to GWSR Expressway of RMB206.5 million (equivalent to approximately HK\$193.9 million). This balance would be paid in stages upon further approval by the board of directors of GWSR Expressway Company.

Contingent liabilities

As at 30th June 2005, the Group had arranged bank financing for certain purchasers of property units and provided guarantees to secure obligation for repayment of loans amounted to HK\$126 million (2004: HK\$250 million).

Capital structure

The following table summarises the components of the Group's capital structure:

	30th June 2005		31st December 2004	
	HK\$'000	%	(Restated) HK\$'000	%
Bank Borrowings/(floating rates)	2,360,677	18	2,382,496	20
Denominated in RMB	—	—	117,000	1
Denominated in US dollars	2,980,000	23	2,670,231	22
Denominated in HK dollars	5,340,677	41	5,169,727	43
Total Borrowings	2,738,797	59	6,990,368	57
Shareholders' funds	13,079,474	100	12,160,095	100
Total capitalization				
Gearing Ratio	41%		43%	

Interest Coverage

Interest coverage was 3.7 times (2004 Restated: 7.4 times) for the first half of 2005 measuring on the operating profit after share of profit less losses of associated companies and jointly controlled entities and adjusted for non-cash items. The drop in interest coverage was mainly caused by the increase of interest expenses during the period.

Employees

As at 30th June 2005, the Group had approximately 7,250 employees, of whom approximately 7,120 employees were primarily engaging in the properties, toll roads and newsprint businesses.

The Group remunerates its employees largely based on industry practice, including contributory provident funds and other staff benefits. The Group has also adopted share option schemes which award its employees according to performance of the Group and individual employees.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Code on Corporate Governance Practices ("Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") throughout the six months ended 30th June 2005, except for the following deviations:

Code Provision A.2.1

The code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Ou Bingchang is the Chairman and General Manager of the Company. The Chairman is responsible for overseeing the operation of the board of directors of the Company ("Board") and providing leadership and direction towards achieving the Company's objectives. In contrast the General Manager of the Company is responsible for the operation of the business under the direction of the Board and the implementation of the policies and strategies set by the Board. The combination of the roles of the Chairman and the General Manager in one person is intended to ensure that the Board is in full control of the affairs of the Company and that the policies and strategies set by the Board would be efficiently and effectively implemented.

Code Provisions A.4.1 and A.4.2

The code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

The code provision A.4.2 (last sentence) stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

None of the non-executive directors of the Company is appointed for a specific term. However, all the non-executive directors of the Company are subject to retirement by rotation at the annual general meeting of the Company in accordance with the Company's Articles of Association. All the non-executive directors of the Company had retired by rotation during the past 3 years. They have been re-elected.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules as rules governing securities transactions by the directors of the Company. All Directors have confirmed, following specific enquiry by the Company, that they have complied with required standards set out in the Model Code throughout the six months ended 30th June 2005.

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the six months ended 30th June 2005.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its shares during the six months ended 30th June 2005. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 26th October 2005 to Friday, 28th October 2005, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong Branch Share Registrar, Abacus Share Registrars Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:00 p.m. on Tuesday, 25th October 2005.

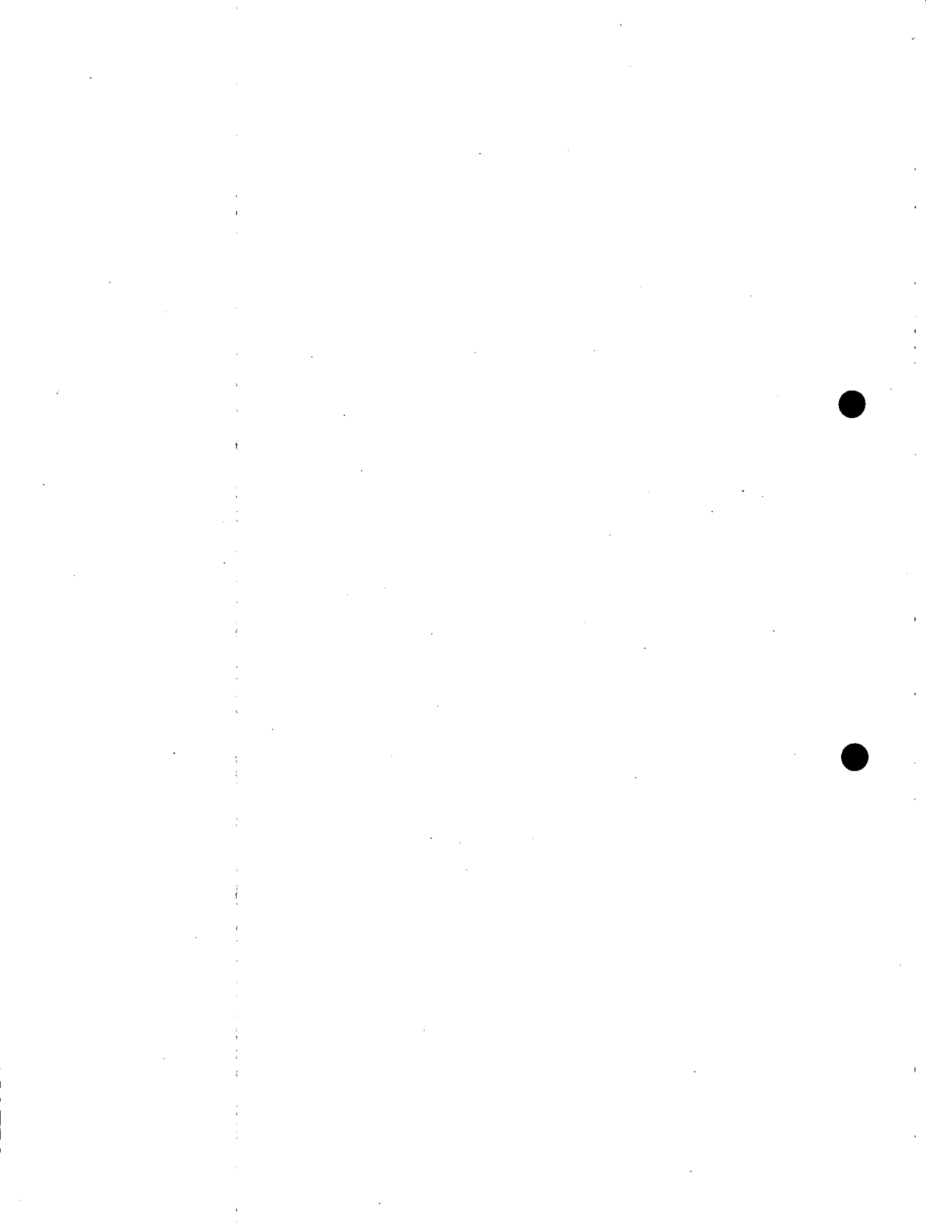
By order of the Board
Ou Bingchang
Chairman

Hong Kong, 23rd September 2005

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

Executive Directors: Ou Bingchang, Liang Yi, Chen Geangsong, Liang Ningguang and Li Fei.

Independent Non-executive Directors: Yu Lap Fat Joseph, Lee Ka Lun and Lau Itan Chuen Ambrose.



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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)

**MAJOR TRANSACTION IN RELATION TO
THE SEPARATE LISTING OF**

**GZI REAL ESTATE INVESTMENT TRUST
ON THE MAIN BOARD OF**

**THE STOCK EXCHANGE OF HONG KONG LIMITED
AND**

RESUMPTION OF TRADING IN SHARES

Financial adviser to Guangzhou Investment Company Limited

富 強

Goldbond Capital (Asia) Limited

The Board wishes to announce that the Company intends to transfer the Properties from the GZI Group to GZI REIT as part of an internal restructuring and, subject to attainment of Shareholders' approval at the EGM, the Authorisation and the requirements under PN15 and other relevant provisions of the Listing Rules, to effect the Proposed Spin-off of GZI REIT on the Main Board. The GZI Group's interest in the Properties will be transferred by way of the transfer of its interest in the BVI Companies, which in turn hold the GZI Group's interest in the Properties. The amount of consideration receivable by the GZI Group will be adjusted by reference to (among others) the final Offer Price.

Immediately following the Global Offering and after the Distribution, the Company will retain an interest of between approximately 30% (assuming that the Over-allocation Option is exercised in full) to 40% (assuming that the Over-allocation Option is not exercised) in GZI REIT.

GZI REIT will be a Hong Kong-based unit trust to be formed to invest initially in real estate in Guangdong Province.

An application will be made to the SFC for the Authorisation and a formal application will be made to the Stock Exchange for the proposed listing of the Units on the Main Board. There is proposed to be a Global Offering of Units by GZI REIT in Hong Kong, comprising an offer for subscription by way of public offer in Hong Kong and an international placement to professional, institutional and other investors.

There is also proposed to be a Distribution and, in addition, an Option given to the Qualifying Shareholders. The Directors propose to distribute, by way of a distribution in specie, Units to the Qualifying Shareholders on the basis of 1 Unit for every 400 Shares held as at the close of business on the Record Date. Furthermore, in order to allow each of the Qualifying Shareholders to have a choice as to whether to receive all of the Units to which he/she is entitled pursuant to the Distribution or to receive a Cash Payment in the alternative, it is proposed that each of them will be given an Option. "Qualifying Shareholders" are the holders of the Shares (other than the Ineligible Overseas Shareholders) whose names appear on the register of members of the Company as at the close of business on the Record Date.

Based on the expected timetable, the register of members of the Company will be closed on 9 December 2005 and will be re-opened on 12 December 2005 for the purpose of determining the entitlements of the Shareholders to the Units under the Distribution.

As a result of the issue of the new Units and assuming that the Over-allocation Option is exercised in full, the GZI Group's interest in GZI REIT will be reduced from 100% to approximately 30% immediately following completion of the Global Offering and after the Distribution. Such issue of new Units will give rise to a deemed disposal by the Company under Rule 14.29 of the Listing Rules. It is presently estimated that the consideration ratio under Rule 14.32 of the Listing Rules will exceed 25% but will be less than 75% and thus, the transaction will constitute a major transaction for the Company under Rule 14.06 of the Listing Rules, which will be subject to the approval of the Shareholders under Rule 14.40 of the Listing Rules.

A circular including, among other information, (1) a letter from the Board containing further details of the Proposed Spin-off (together with such other information relating to the Separate Listing as is required by the Listing Rules for a major transaction of the Company) and information on the Reorganisation, the Distribution, the Option and other matters related to the Separate Listing; (2) recommendations of the Independent Board Committee to the Shareholders; (3) a letter from an independent financial adviser containing its advice in connection with the Reorganisation Deed, the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing; the Independent Board Committee and the Shareholders; and (4) a notice of the EGM, will be despatched to the Shareholders as soon as practicable.

The Proposed Spin-off and the Global Offering are subject to, among other things, the Listing Approval being granted by the Listing Committee. Accordingly, Shareholders should note that the Proposed Spin-off and the proposed Global Offering are, inter alia, dependent on a number of factors and subject to a number of conditions, which may or may not be satisfied. Thus, there can be no assurance that such transactions will proceed. Accordingly, Shareholders or other persons contemplating buying or selling Shares are reminded to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisers if they are in any doubt about their positions.

At the request of the Company, the Shares were suspended from trading on the Stock Exchange from 9:30 a.m. on 24 November 2005 pending release of this announcement. The Company has made an application to the Stock Exchange to resume trading of its shares on the Stock Exchange with effect from 9:30 a.m. on 25 November 2005.

INTRODUCTION

The Board wishes to announce that it is currently considering the Proposed Spin-off. The Proposed Spin-off will be effected in compliance with PN15 and the relevant provisions of the Listing Rules.

GZI REIT will be a Hong Kong-based unit trust to be formed to invest initially in real estate in Guangdong Province in the PRC.

An application will be made to the SFC for the Authorisation and a formal application will be made to the Stock Exchange for the proposed listing of the Units on the Main Board. There is proposed to be a Global Offering of Units by GZI REIT in Hong Kong, comprising an offer for subscription by way of public offer in Hong Kong and an international placement to professional, institutional and other investors. There is also proposed to be a Distribution and, in addition, an Option given to the Qualifying Shareholders. "Qualifying Shareholders" are the holders of the Shares (other than the Ineligible Overseas Shareholders) whose names appear on the register of members of the Company as at the close of business on the Record Date.

INFORMATION ON THE PROPERTIES

The Properties proposed to be transferred to Holdco are as follows:-

- (i) the City Development Plaza Units, at City Development Plaza, a 28-storey Grade A commercial building, located at Nos. 185, 187 and 189 Tiyu Road West, Tian He District, Guangzhou's prime business area;
- (ii) the Fortune Plaza Units, at Fortune Plaza, a Grade A commercial complex, is located at Nos. 114, 116 and 118 Tiyu Road East, Tian He District, Guangzhou's prime business area;
- (iii) the Victory Plaza Units, at Victory Plaza, a prime shopping centre, is located at No. 101 Tiyu Road West, Tian He District, Guangzhou's prime business area; and

- (iv) the White Horse Units, at White Horse Building, a 10-storey commercial wholesale centre for garment, is located at Nos. 14, 16 and 18 Zhannan Road, Yue Xiu District, Guangzhou City.

The Properties have been appraised by an independent property valuer. The abovementioned Properties have a total gross floor area of approximately 160,651 sq.m. and are used for office, retail and other commercial purposes. As at 30 September 2005, the aggregate appraised value of the Properties amounted to approximately HK\$4,005 million. Based on the management accounts of the relevant Properties, the aggregate carrying value of the Properties as at 30 June 2005 amounted to approximately HK\$3,204 million (which amount has been translated into HK\$ at an exchange rate of RMB1.04 = HK\$1 for illustration purpose only).

REORGANISATION

GZI REIT will be a real estate investment trust to be established as part of an internal reorganisation of the GZI Group of part of its real estate portfolio. The reorganisation will be effected in the manner described below.

GZI REIT will be constituted when GZI REIT Asset Management Limited as the manager of GZI REIT and HSBC Institutional Trust Services (Asia) Limited as the trustee of GZI REIT enter into the Trust Deed.

Holdco will be incorporated and will be wholly-owned by the Trustee (acting in its capacity as the trustee of GZI REIT).

Reorganisation Deed

GZI and GCCD BVI will reorganise the interests in the Properties for the purposes of the establishment of GZI REIT with HSBC Institutional Trust Services (Asia) Limited as the trustee and with the Manager as the manager.

The reorganisation deed will be entered into by, among others, GCCD BVI (as vendor and the beneficial owner of the Issued Shares comprising the FE Issued Share, the KO Issued Share, the MK Issued Share and the PI Issued Share) and GZI (as the guarantor of GCCD BVI's obligations under the Reorganisation Deed) to transfer the Issued Shares to Holdco, Full Estates, Keen Ocean, Moon King and Parat are the respective registered owners of the City Development Plaza Units, the Victory Plaza Units, the Fortune Plaza Units and the White Horse Units.

Consideration

The Initial Consideration payable by Holdco under the Reorganisation Deed for the Issued Shares will be determined with reference to, among other things, the Combined Net Assets as at 31 October 2005 that is subject to Adjustment as described below.

The Initial Consideration shall be satisfied in the following manner:

- (a) by the issue of such Units in GZI REIT as will represent approximately 41.7% of the total Units to be issued immediately following the Global Offering to GCCD BVI or its nominee; and
- (b) as to the balance by the execution and delivery of a promissory note by Holdco to GZI which will be settled on or shortly after the Listing Date.

As at the Latest Practicable Date, the Initial Consideration is expected to be approximately HK\$4.014 million.

In accordance with its rights under the Reorganisation Deed, GCCD BVI intends to nominate Dragon Yield as the company to which the Units forming part of the Initial Consideration are to be issued.

The Adjustment shall, in the event that the Listing Date taking place on or before a date to be agreed between GCCD BVI, Holdco, the Manager, GZI REIT and GZI, be calculated and settled in accordance with the Reorganisation Deed.

Adjustment

Initial Adjustment

The Initial Adjustment shall be calculated as the sum of:

- (a) the IPO proceeds (i.e., the gross proceeds of the issue of the Units under the Global Offering being equal to the number of Units issued under the Global Offering multiplied by the Offer Price);
- (b) such portion of the Initial Consideration as is represented by the issue of Units by GZI REIT to Dragon Yield under the Reorganisation Deed; and
- (c) the Loan Proceeds less any costs relating to the Facility Agreement agreed between GCCD BVI and Holdco

less the sum of:

- (a) the Initial Consideration;
- (b) the IPO Transaction Costs;
- (c) the gross amount collected by White Horse Property Management Company from the tenants of the White Horse Units under their tenancies attributable to Parat in respect of the period from the Listing Date to 31 December 2005 (both dates inclusive) (Note: Rents under the current lease agreements in the White Horse Units are paid by tenants to White Horse Property Management Company together

with their property management fees. After the Listing Date, the rents rightfully belong to GZI REIT and its Unitholders while the property management fees have to be retained by White Horse Property Management Company to meet property management expenses); and

- (d) HK\$26,700,000, being an amount agreed to be borne by GCCD BVI for proposed renovation works at the White Horse Units.

The amount of the Initial Adjustment shall be paid:

- (a) by Holdco to GCCD BVI or its nominee on the Listing Date, if the Initial Adjustment is a positive figure; and
- (b) by GCCD BVI to Holdco on the Listing Date, if the Initial Adjustment is a negative figure. Payment by GCCD BVI of the amount of the Initial Adjustment to Holdco shall be effected by way of setting off the relevant amount against the principal amount of the promissory note so that the amount payable by Holdco to the Company pursuant to the terms of the promissory note shall be the amount representing the difference between the principal amount of the promissory note and the Initial Adjustment.

Combined Net Assets Adjustment

The Combined Net Assets Adjustment shall be the increase or reduction in the Combined Net Assets in the interval from the date of the Reorganisation Deed until the day immediately preceding the Listing Date, excluding (i) any fluctuations in the value of the Properties; (ii) any costs incurred in connection with the Global Offering and the Facility Agreement; and (iii) any other matter already taken into consideration in calculating the Initial Adjustment, and adopting the same accounting policies, principles, standards and practices.

If there is an increase in the Combined Net Assets, the amount of the increase shall be paid by Holdco to GCCD BVI or its nominee within four months after the Listing Date. If there is a decrease in the Combined Net Assets, the amount of the decrease shall be paid by GCCD BVI to Holdco within four months after the Listing Date.

The main purpose of the Initial Adjustment is to ensure that the Initial Consideration reflects the value of the Properties implied by the Offer Price attributable to GCCD BVI.

Final consideration

The final consideration shall be the Initial Consideration plus the Adjustment (if a positive number) or less the Adjustment (if a negative number). The Manager will announce the Adjustment and the final consideration upon determination thereof.

Shareholders should note that the implementation of the Reorganisation described above is not conditional upon the Separate Listing or the proposed Global Offering.

STRUCTURE OF THE PROPOSED SPIN-OFF AND DISTRIBUTION

Structure of the Proposed Spin-off

There is proposed to be a Global Offering of the Units by GZ1 REIT, comprising an offer for subscription by way of public offer in Hong Kong and an international placement to professional, institutional and other investors.

Distribution

In order to satisfy the assured entitlement requirement under PNI 5, on 23 November 2005, the Board conditionally declared a special dividend of a sum to be determined by the Directors, being part of the amount standing to the credit of the Company's reserves, and which shall represent the value of such number of Units as will represent approximately 2.5% (assuming that the Over-allocation Option is exercised in full) to 2.9% (assuming that the Over-allocation Option is not exercised) of the Global Offering and approximately 1.7% of the total number of Units of GZ1 REIT immediately upon the Separate Listing to the Shareholders whose names appear on the register of members of GZ1 as at the close of business on the Record Date.

The Directors propose to distribute, by way of a distribution in specie, Units to the Qualifying Shareholders on the basis of 1 Unit for every 400 Shares held as at the close of business on the Record Date. The Units will be credited as fully paid and will rank *pari passu* in all respects with the Units in issue at the time of the Global Offering. Fractional entitlements to the Units will not be transferred under the Distribution but will be retained by the Company for sale in the market upon commencement of dealings in the Units on the Stock Exchange. The net proceeds derived therefrom after deduction of expenses will be retained for the benefit of the Company.

In order to alleviate the difficulties arising from the existence of odd lots of the Units, the Company has agreed to make arrangements for a broker to stand in the market to purchase and sell odd lots of Units held by the Qualifying Shareholders at the relevant market price per Unit. HSBC Securities (Asia) Limited will be appointed as the broker and will open a securities trading account for this purpose. Holders of odd lots of the Units who wish to take advantage of this facility should contact HSBC Securities (Asia) Limited during a period of three weeks, dates of which will be separately announced in due course. Qualifying Shareholders should note that successful matching of the sale and purchase of odd lots of Units is not guaranteed. Further details of the arrangement will be announced in due course.

For Ineligible Overseas Shareholders, if any, who will not be transferred any Units under the Distribution, the Units which such Shareholders would have been otherwise entitled to receive will be offered for sale by the Joint Global Coordinators under the International Offering. The net proceeds of the sale of such Units, after deducting applicable taxes, stamp duty, SFC transaction levy, Stock Exchange trading fee and investor compensation levy, if any, will be used to fund Cash Payments to the Ineligible Overseas Shareholders on the basis of the number of Units which the relevant Ineligible Overseas Shareholders would otherwise have been entitled to receive under the Distribution and the Offer Price.

The Distribution is subject to the satisfaction of the conditions of the proposed Separate Listing as set out in the paragraph headed "Conditions" below.

Option

To allow each of the Qualifying Shareholders to have a choice as to whether to receive all of the Units to which he/she is entitled pursuant to the Distribution or to receive a Cash Payment in the alternative, it is proposed that each of them will be given an Option. Each Qualifying Shareholder may only exercise the Option in respect of the whole of (but not part) (save in the case of HKSCC Nominees Limited, which may exercise the Option in respect of the whole or part of) his/her Units proposed to be transferred to him/her pursuant to the Distribution in consideration of a Cash Payment. A form of election in respect of the Option (the "Form of Election") will be despatched to each Qualifying Shareholders on or after the date of the EGM.

Any Qualifying Shareholder who holds the Shares as a nominee, trustee or registered holder in any other capacity will not be treated differently from any other registered holder. Any beneficial owner of the Shares whose Shares are registered in the name of a nominee, trustee or registered holder in any other capacity should make arrangements with such nominee, trustee or registered holder in relation to the Distribution. Any such person may consider whether it wishes to arrange for the registration of the relevant Shares in the name of the beneficial owner prior to the Record Date.

The Qualifying Shareholders should also note the instructions and terms printed on the Form of Election.

1. Indicative price range

The indicative price range per Unit will be determined at a time closer to the Listing Date and will be made available by way of announcement (the "Announcement") around the despatch date of the Offering Circular. The calculation of the Cash Payment and any material changes, if any, to the information set out in this announcement will also be set out in the Announcement. You are advised to make your election only at a time when you are fully aware of the indicative price range and other information, if any, set out in the Announcement and/or the Offering Circular. If you choose to return the Form of Election prior to the Announcement and choose to make the election without the benefit of the indicative price range and other information, if any, it will nonetheless be valid and binding on you. You are also reminded to read through the Offering Circular before making any decision in relation to the election. For the avoidance of doubt, the final price that you will receive per Unit, as a result of exercising the Option, will not be determined until after you have exercised your Option. Cheques for the Cash Payment (after deducting applicable taxes, stamp duty, SFC transaction levy, Stock Exchange trading fee and investor compensation levy, if any) are expected to be despatched within approximately 1 week following the commencement of trading in Units.

2. Conditions of the exercise of the Option

The exercise of the Option is conditional upon: (a) the Distribution becoming unconditional; (b) the due execution and return of the Form of Election by the Qualifying Shareholders strictly in accordance with the instructions set out herein and on the Form of Election; and (c) the terms and conditions contained in the Form of Election.

The Option is not granted to the Shareholders in relation to whom the Directors, after reasonable enquiries, consider that the exclusion of such Shareholder is necessary or expedient either due to the legal restrictions under the laws of the relevant places or requirements of the relevant body or stock exchange in those places in granting the Option. The exercise of the Option is therefore also conditional upon GZJ being satisfied that the Shareholder(s) do not fall within the above-mentioned category.

It is the responsibility of anyone outside Hong Kong wishing to exercise the Option to satisfy himself/herself, before so exercising the Option, 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. GZJ reserves the right to refuse to accept a Form of Election if it believes that the exercise of the Option by the relevant Shareholder would violate the applicable securities or other laws or regulations of any jurisdiction.

GZJ's decision in relation to whether all of the conditions of the exercise of the Option have been fulfilled will be conclusive. If, in the sole discretion of GZJ, a Form of Election does not satisfy all of the conditions of the exercise of the Option, then the return of a Form of Election and, the Form of Election, will be treated as null and void and the relevant Shareholders will be deemed not to have elected to receive a Cash Payment instead of the Units proposed to be transferred to him/her pursuant to the Distribution. GZJ will use its reasonable endeavours to inform the Shareholders if he/she falls within the above-mentioned category.

3. Procedure of the exercise of the Option

If you are a Qualifying Shareholder and you wish to exercise the Option and receive a Cash Payment instead of the Units proposed to be transferred to you pursuant to the Distribution, please sign the Form of Election to be despatched on or after the date of the EGM and return it at the address and before the date and time set out in the Form of Election. If you wish to receive and retain such Units, please ignore the Form of Election and take no further action with them.

If the Registrar does not receive the Form of Election from you by the aforesaid 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 not to have elected to receive a Cash Payment instead of the Units proposed to be transferred to you pursuant to the Distribution and hence not to receive a Cash Payment.

The Joint Global Coordinators will allocate any Units not taken up by Qualifying Shareholders and the Units which the Ineligible Overseas Shareholders would otherwise have been entitled to receive under the Distribution to the International Offering.

4. Ineligible Overseas Shareholders

The Offering Circular and the accompanying application forms will not be registered or filed under the securities or equivalent legislation of any jurisdiction other than Hong Kong. The Directors are of the view that it may, in the absence of compliance with registration or other special formalities in other jurisdictions, be unlawful or impracticable for GZJ to distribute the Units to Ineligible Overseas Shareholders and/or to offer them the Option and/or to make the Cash Payment thereto, in each case pursuant to the Distribution.

GZJ has used its reasonable endeavours to identify the Ineligible Overseas Shareholders in an effort to ensure that the Form of Election will only be despatched to the Qualifying Shareholders. However, no assurance is and can be given by GZJ that by virtue of receiving the Form of Election, you are a Qualifying Shareholder.

If you are an Ineligible Overseas Shareholder and return a Form of Election, your Form of Election will be treated as null and void. GZJ will use its reasonable endeavours to inform you should this arise.

Please note that arrangements will be made for the Units which the Ineligible Overseas Shareholders would otherwise have been entitled to receive under the Distribution, if any, to be offered for sale under the International Offering. The net proceeds of the sale, after deducting applicable taxes, stamp duty, SFC transaction levy, Stock Exchange trading fee and investor compensation levy, if any, will be used to fund the Cash Payments.

Conditions

The Separate Listing will be conditional on, among other things, the following:

- (a) Shareholders passing an ordinary resolution by way of poll at the EGM to approve the Separate Listing and other matters relating to the Separate Listing;
- (b) the Listing Committee granting the Listing Approval;
- (c) the obligations of the underwriters under the underwriting agreements to be entered into between, among other things, the Company and the underwriters in respect of the Global Offering becoming and remaining unconditional and neither underwriting agreement being terminated in accordance with its terms or otherwise, on or before the dates and times to be specified therein, details of which will be set out in the Offering Circular;
- (d) the condition precedents to draw down of the Facility Agreement^{(b)(vii)} being fulfilled or waived; and
- (e) the receipt of the Authorisation.

Note: It is expected that the BVI Companies will fully draw down on the Loan Facility on the Listing Date and onward lend the funds to Holdco to fund the payment of the promissory note.

If the foregoing and any other applicable conditions are not fulfilled or waived prior to the dates and times to be specified in the Offering Circular, the Global Offering will lapse and a notice will be published by the Company and/or GZI REIT as soon as practicable following such lapse.

The Separate Listing pursuant to the Proposed Spin-off and the Global Offering are subject to the foregoing conditions and are dependent on a number of factors (including, but without limitation, the entering into of definitive underwriting agreements and other legal documentation in respect of the Global Offering as well as market conditions at the relevant time). Shareholders should note in particular that, as of the date of this announcement, no underwriting agreement has been signed. It is further expected that such underwriting agreements, if signed, will be subject to, inter alia, customary conditions precedent. There is, therefore, no assurance that the Separate Listing and the proposed Global Offering will proceed.

BUSINESS OF THE GZI GROUP

The principal businesses of the GZI Group are property development, management and investment, newspaper manufacturing and operation of toll roads and bridges.

Based on the audited accounts of the GZI Group for the three years ended 31 December 2004 and the unaudited accounts for the six months ended 30 June 2005, the profit and loss of the GZI Group is as follows:-

Six months ended	Financial year ended 31 December		
30 June 2005	2004	2003	2002
(unaudited)	(audited)	(audited)	(audited)
	(HK\$ million)		

Profit/(loss) attributable to shareholders 132.4 330.8 300.7 (960.2)
INTENDED USE OF PROCEEDS

It is the present intention of the Directors to use all the anticipated net cash proceeds (subject to the Offer Price and relevant expenses) to be received by GZI from the Separate Listing for reducing gearing level and interest expenses of the GZI Group, thereby improving the liquidity and financial position of the GZI Group. Based on the estimation of the Directors and with reference to the valuation of the Properties, the net cash proceeds (subject to the Offer Price and relevant expenses) to be received by GZI from the Separate Listing is expected to be approximately HK\$2,400 million to HK\$3,200 million.

Should the final net cash proceeds from the Separate Listing be more than the aforementioned amount, such excess will also be applied for reducing gearing level and interest expense of the GZI Group.

REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF

The Directors consider that the Proposed Spin-off will be beneficial for both the Company and GZI REIT based on the following reasons:

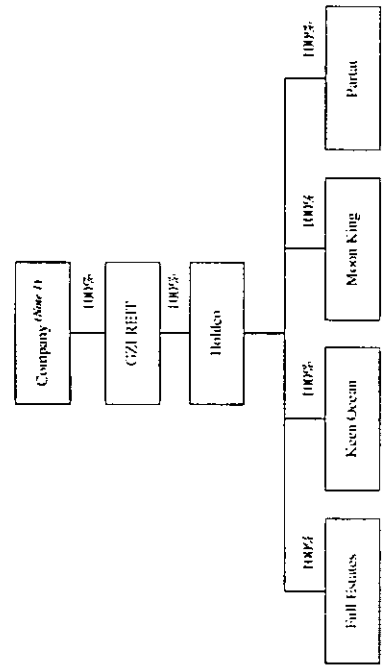
- (a) the Separate Listing will increase the operational and financial transparency of GZI REIT and provide the investors, the investment market and rating agencies with greater clarity on the businesses and financial status of the Company and GZI REIT;
- (b) the Separate Listing will substantially reduce the gearing and enhance the financial conditions of the Company;
- (c) the Separate Listing will provide additional and diversified funding sources (and maybe on better terms as a result of the greater clarity referred to above) for GZI REIT to finance its future expansion. The Directors believe this will provide financial resources for GZI REIT's continuing expansion, thereby avoiding the Company having to increase their gearing to fund the expansion;
- (d) the Separate Listing will also allow GZI REIT to establish a higher profile as a separate listed entity with the ability to access the debt and equity capital markets to fund future investments; and
- (e) the Separate Listing will allow GZI REIT to achieve its valuation potential which in turn will be beneficial to the Shareholders as a whole.

Following the Separate Listing and assuming the Over-allocation Option is not exercised, the Company will retain an interest of approximately 40% of the total Units after the Distribution while continuing to receive diversified mix of income flow from its existing business (property development, management and investment, newspaper manufacturing and the operation of toll roads and bridges).

EFFECT OF THE SEPARATE LISTING

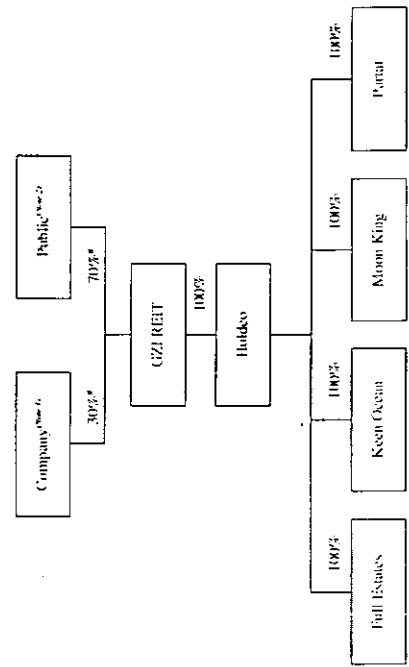
(i) *Unitholding structure of GZI REIT prior to the Separate Listing*

The simplified unitholding structure of GZI REIT immediately after the Reorganisation but prior to the Separate Listing will be as follows:



(ii) *Proposed unitholding structure of GZI REIT upon completion of the Separate Listing*

A simplified unitholding structure of GZI REIT immediately following completion of the Separate Listing and after the Distribution (assuming that the Over-allocation Option is exercised in full) will be as follows:



* approximate figures

Notes:

1. The Company's interest in GZI REIT is held via its wholly owned subsidiary.
2. Public includes Qualifying Shareholders who receive the Units pursuant to the Distribution.

(iii) Financial effects of the Separate Listing

As mentioned in the paragraph headed "Intended use of proceeds" above, net cash proceeds (subject to the Offer Price and relevant expenses) to be received by GZI is expected to be approximately HK\$3,400 million to HK\$3,200 million. It is the present intention of the Directors to use such net cash proceeds from the Separate Listing for repayment of bank borrowings, thereby reducing gearing level and interest expenses of GZI Group and improving the liquidity and financial position of GZI.

As at 30 September 2005, the aggregate appraised value of the Properties amounted to approximately HK\$4,005 million. The aggregate carrying value of the Properties as at 30 June 2005 amounted to approximately HK\$3,204 million (which amount has been translated into HK\$ at an exchange rate of RMB1.04 = HK\$1 for illustration purpose only).

Immediately upon completion of the Separate Listing, GZI will be able to recognise a gain on disposal of the Properties determined upon, among other things, the final Offer Price of the Units, of approximately HK\$1,500 million to HK\$2,100 million. Such gain will be derived mainly from the fair value gain from the revaluation of the Properties (as at 30 September 2005) with reference to the aggregate carrying value of the Properties prior to the Proposed Spin-off and the release of deferred taxation on the Properties upon completion of the Separate Listing.

Upon completion of the Separate Listing, the GZI Group's interest in GZI REIT will be equity accounted for in the GZI Group's accounts. The results of the BVI Companies will no longer be consolidated into those of the GZI Group.

RIGHT OF FIRST REFUSAL

Since the GZI Group and GZI REIT are both engaged in businesses in the real estate industry, therefore, potential business conflicts may arise when, due to certain market conditions, the GZI Group has no other feasible options but to hold certain properties that are of similar nature and quality to those of GZI REIT for investment purposes. As mentioned above, the principal businesses of the GZI Group are, among other things, property development, management and investment while GZI REIT will engage in investments in income-producing real estate assets.

Having balanced the interests of the Shareholders and those of the Unitholders, in order to address the potential business conflicts which may arise and to provide support to GZI REIT in its initial years of establishment, GZI proposes to grant to GZI REIT, conditional on the Proposed Spin-off, a right of first refusal to acquire certain properties from the GZI Group which fall under certain pre-agreed circumstances. Details of the Right of First Refusal will be set out in the circular to be despatched to the Shareholders and the Offering Circular.

In the event that GZI REIT elects to exercise such Right of First Refusal to acquire any property from the Company, the Company will comply with the requirements of Chapter 14 and other applicable requirements of the Listing Rules at the relevant time and will issue a separate announcement to disclose details of such a disposal at the relevant time (if so required by the Listing Rules).

BUSINESS OF GZI REIT

GZI REIT will be formed to invest in real estate initially in Guangdong Province that meet its investment criteria, with a view to generating a yield for its Unitholders in the process.

MANAGEMENT OF GZI REIT

The Manager has responsibility for managing the assets of GZI REIT for the benefit of the Unitholders. The Manager will set the strategic direction and risk management policies of GZI REIT and manage such assets in accordance with the stated investment strategy of GZI REIT and in accordance with compliance procedures set forth therein. The Manager will seek to be licensed by the SFC to conduct the regulated activity of asset management, as required by the SFC.

The Manager is a wholly-owned subsidiary of GZI. GZI is listed on both the Stock Exchange and Singapore Exchange Securities Trading Limited. It is actively engaged in the development of commercial and residential properties primarily in Guangzhou and is also engaged in the provision of property management, lease management and marketing services to properties developed by the GZI Group or properties in which it has an interest.

SUMMARY OF INCOME AND EXPENSES FOR THE PROPERTIES (UNAUDITED)

The table below sets out the unaudited financial information of the Properties for the two years ended 31 December 2004 and the six months ended 30 June 2005:

	For the year ended 31 December 2004		City		Victory		Total
	White Horse Plaza HK\$'000	Fortune Development Plaza HK\$'000	Plaza HK\$'000	Plaza HK\$'000	Plaza HK\$'000	Plaza HK\$'000	
Turnover — rental income and management fee income	88,263	—	6,754	7,580	102,597		
— Retail	1,491	150	25,157	—	26,798		
— Office	89,754	150	31,911	7,580	129,395		
Other gains - net	11,154	10	476	91	11,731		
Direct outgoings	(31,796)	(1,205)	(3,194)	(3,881)	(40,076)		
Other operating expenses	—	(608)	(1,065)	(1,254)	(2,927)		
Fair value gains/(losses) on investment properties	(3,154)	205,914	(27,103)	70,684	246,341		
Profit before taxation	65,958	204,261	1,025	73,220	344,464		
Income tax expenses	—	—	—	—	(109,608)		
Profit for the year	—	—	—	—	234,856		

The BVI Companies only became the beneficial owners of the Properties (for accounting purposes) in September and October 2005 and none of the BVI Companies commenced operation before then, accordingly, financial information on the Properties for the two years ended 31 December 2004 and the six months ended 30 June 2005 is included in this announcement and the circular to be issued by the Company to the Shareholders in respect of, among other things, the Proposed Spin-off.

LISTING AND DEALINGS

The Shares will continue to be listed on the Stock Exchange after the implementation of the Separate Listing.

An application will be made to the SFC for the Authorisation and a formal application will be made to the Stock Exchange for the listing of, and permission to deal in, the Units to be issued pursuant to the Reorganisation Deed and to be issued in connection with the Global Offering.

CLOSURE OF REGISTER OF MEMBERS

Based on the expected timetable, the register of members of the Company will be closed on 9 December 2005 and will be re-opened on 12 December 2005 for the purpose of determining the entitlements of the Shareholders to the Units under the Distribution. No transfer for the Shares may be registered during such book close period. In order to qualify for the Distribution, all transfers must be lodged with the Registrar by no later than 4:00 p.m. on 8 December 2005. However, if the Separate Listing is postponed, the Board may then determine another date(s) for closure of the register of members of the Company for the purpose of determining the entitlement to the Distribution and further announcement(s) will be made to inform the Shareholders and other investors in due course.

Shareholders should note that the implementation of the Distribution and Option shall be conditional upon the satisfaction of the conditions set out in the paragraph headed "Conditions" above. If any of such conditions is not fulfilled by such time as is set out therein, the whole of the special dividend will lapse absolutely and unconditionally.

Shareholders should further note that the actual number of the Units distributed which are subject to the Distribution will vary depending on the actual number of issued Shares as at the Record Date.

GENERAL INFORMATION

As a result of the issue of the new Units and assuming the Over-allocation Option is exercised in full, the GZI Group's interest in GZI REIT will be reduced from 100% to approximately 30% immediately following the Global Offering and after the Distribution. Such issue of new Units will give rise to a deemed disposal by the Company under Rule 14.29 of the Listing Rules. It is presently estimated that the consideration ratio under Rule

	White Horse Plaza HK\$'000	Fortune Plaza HK\$'000	Development Plaza HK\$'000	City Plaza HK\$'000	Victory Plaza HK\$'000	Total HK\$'000
<i>For the year ended 31 December 2004</i>						
Turnover — rental income and management fee income	103,175	979	6,977	24,397	135,528	
— Retail	1,562	8,063	26,927	—	36,552	
— Office	104,737	9,042	33,904	24,397	172,080	
Other gains - net	8,072	255	648	506	9,481	
Direct outgoings	(35,309)	(6,623)	(4,187)	(4,891)	(51,010)	
Other operating expenses	—	(705)	(730)	(1,364)	(2,799)	
Fair value gains/(losses) on investment properties	53,705	8,411	(119,626)	62,617	5,107	
Profit before taxation	131,205	10,380	(89,991)	81,265	132,859	
Income tax expenses					(44,273)	
Profit for the year					88,586	

	White Horse Plaza HK\$'000	Fortune Plaza HK\$'000	Development Plaza HK\$'000	City Plaza HK\$'000	Victory Plaza HK\$'000	Total HK\$'000
<i>For the six months ended 30 June 2005</i>						
Turnover — rental income and management fee income	65,105	4,145	2,471	3,363	75,084	
— Retail	811	6,175	10,574	—	17,560	
— Office	65,916	10,320	13,045	3,363	92,644	
Other gains - net	5,385	127	163	188	5,863	
Direct outgoings	(16,050)	(4,546)	(2,787)	(3,664)	(27,047)	
Other operating expenses	—	(1,026)	(748)	(672)	(2,446)	
Fair value gains on investment properties	437,944	143,899	12,444	—	594,287	
Profit before taxation	493,195	148,774	22,117	(785)	663,301	
Income tax expenses					(209,083)	
Profit for the period					454,218	

14.32 of the Listing Rules will exceed 25% but will be less than 75% and thus, the transaction will constitute a major transaction for the Company under Rule 14.06 of the Listing Rules, which will be subject to the approval by the Shareholders under Rule 14.40 of the Listing Rules.

Yue Xiu, the controlling shareholder (as defined in the Listing Rules) of the Company, which through intermediate holding companies holds approximately 50.2% of the issued share capital of the Company, has no material interest in the proposed transactions (for the purpose of Rule 2.16 of the Listing Rules) and thus, is entitled to vote on, and has given irrevocable undertaking to vote for such resolution in connection with the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing.

A circular including, among other information, (1) a letter from the Board containing further details of the Proposed Spin-off (together with such other information relating to the Separate Listing as is required by the Listing Rules for a major transaction of the Company) and information on the Reorganisation, the Distribution, the Option and other matters related to the Separate Listing; (2) recommendations of the Independent Board Committee to the Shareholders; (3) a letter from an independent financial adviser containing its advice in connection with the Reorganisation Deed, the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing to the Independent Board Committee and the Shareholders; and (4) a notice of the EGM, will be despatched to the Shareholders as soon as practicable.

The Proposed Spin-off and the Global Offering are subject to, among other things, the Listing Approval being granted by the Listing Committee. Accordingly, Shareholders should note that the Proposed Spin-off and the proposed Global Offering, are, inter alia, dependent on a number of factors and subject to a number of conditions, which may or may not be satisfied. Thus, there can be no assurance that such transactions will proceed. Accordingly, Shareholders or other persons contemplating buying or selling the Shares are reminded to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisers if they are in any doubt about their position.

RESUMPTION OF TRADING IN SHARES

At the request of the Company, the Shares were suspended from trading on the Stock Exchange from 9:30 a.m. on 24 November 2005 pending release of this announcement. The Company has made an application to the Stock Exchange to resume trading of its shares on the Stock Exchange with effect from 9:30 a.m. on 25 November 2005.

DEFINITIONS

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

- “Adjustment” the Initial Adjustment and the Combined Net Assets Adjustment
- “Authorisation” the authorisation of GZI REIT by the SFC under section 104 of the SFC
- “Board” the board of Directors
- “BVI” British Virgin Islands
- “BVI Companies” Bant, Moon King, Full Estates and Keen Ocean, being the respective owners of the White Horse Units, the Fortune Plaza Units, the City Development Plaza Units and the Victory Plaza Units, and “BVI Company” means any one of them
- “Cash Payment” a cash payment in an amount to be determined by reference to the Offer Price (after deducting applicable taxes, stamp duty, SFC transaction levy, Stock Exchange trading fee and investor compensation levy, if any), which is to be paid to (i) the Qualifying Shareholders who elect to exercise the Option and (ii) the Ineligible Overseas Shareholders
- “City Development Plaza Units” total of 165 strata units in City Development Plaza (城發廣場) (located at Nos. 185, 187 and 189, Ti Yu Xi Road, Tian He District, Guangzhou, the PRC)
- “Combined Net Assets” the combined net assets of the BVI Companies
- “Combined Net Assets Adjustment” the adjustment to the Initial Consideration due to an increase or reduction (as the case may be) in the Combined Net Assets in the interval from the date of the Reorganisation Deed until the day immediately preceding the Listing Date, calculated and made in accordance with the Reorganisation Deed
- “Company” or “GZI” Gūngzhōu Investment Company Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board and Singapore Exchange Securities Trading Limited
- “Director(s)” the director(s) of the Company

"Distribution"	the conditional payment of a special dividend by the Company to the Shareholders to be satisfied:	Guangzhou Construction & Development Holdings (China) Limited, a company incorporated in the BVI and is the beneficial owner of the entire issued shares of Full Estates,
(a)	by way of a distribution in specie of the Units to the Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date (other than the Ineligible Overseas Shareholders); and	Keen Ocean, Moon King and Partat, which are the respective registered owners of the City Development Plaza Units, the Victory Plaza Units, the Fortune Plaza Units and the White Horse Units. GCCD BVI is a wholly-owned subsidiary of the Company.
(b)	by way of cash payment (after deducting applicable taxes, stamp duty, SFC transaction levy, Stock Exchange trading fee and investor compensation (if any)) to the Ineligible Overseas Shareholders.	the Hong Kong Public Offering and the International Offering
in either case, on the terms and conditions contained herein in this announcement	Dragon Yield Holding Limited, a company incorporated in the BVI and is a wholly-owned subsidiary of the Company	GZI and its subsidiaries
"Dragon Yield"	the extraordinary general meeting of the Company to be held at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong on 10 December 2005 at 9:30 a.m. for the purpose of approving the resolution in relation to, among others, the Separate Listing	GZI Real Estate Investment Trust, a collective investment scheme which will be constituted as a unit trust and which will be subject to authorisation by the SFC under section 104 of the SFO
"EGM"	the facility agreement to be entered into between the BVI Companies, Holdco and the Lending Banks in respect of the Loan Facility	GZI REIT (Holding) 2005 Company Limited, a company to be incorporated in Hong Kong and will be wholly-owned by the Trustee in trust for GZI REIT upon completion of the Reorganisation
"Facility Agreement"	the one Full Estates share in issue, representing the entire issued share capital of Full Estates	the Hong Kong Special Administrative Region of the PRC
"FE Issued Share"	total of 83 strata units in Fortune Plaza (新禧廣場) (located at Nos. 114, 116, 118, Ti Yu Dong Road, Tian He District, Guangzhou, the PRC)	the proposed public offer of the Units in Hong Kong for cash at the Offer Price, on and subject to the terms and conditions to be further described in the Offering Circular and the application forms relating thereto
"Fortune Plaza Units"	Full Estates Investment Limited, a company incorporated in the BVI and is a wholly-owned subsidiary of the Company	Messrs. Yu Lap Fat, Joseph, Lee Ka Lun and Lau Hon Chuen, Ambrose, all independent non-executive Directors, have been appointed as the members of the independent board committee of the Company to advise the Shareholders on how to vote on the resolution to approve the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing
"Full Estates"	Guangzhou City Construction & Development Co. Ltd. (廣州城市建設開發有限公司), a company incorporated in the PRC and is 95% indirectly owned by the Company	Shareholders whose addresses on the register of members of GZI were outside Hong Kong on the Record Date and have to be excluded from the Distribution and Option on the account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place which the Directors, after reasonable enquiries, consider such exclusion to be necessary or expedient
"GCCD"		

"Initial Adjustment"	the initial adjustment to the Initial Consideration calculated and made in accordance with terms as stated in the Reorganisation Deed
"Initial Consideration"	the initial consideration payable by Holder for the Issued Shares under the Reorganisation Deed, as detailed in the paragraph headed "Reorganisation" in this announcement
"International Offering"	the proposed offering of the Units (including the Units proposed to be transferred to the Qualifying Shareholders, who elect to the exercise the Option and the Units which the Ineligible Overseas Shareholders would otherwise have been entitled to receive under the Distribution) outside of Hong Kong Public Offering of Units for cash at the Offer Price to institutional, professional and other investors to be further described in the Offering Circular
"IPO Transaction Costs"	all the costs and expenses incurred by the Manager of the Trustee for the account of GZI REIT in connection with the Global Offering
"Issued Shares"	the FJ Issued Share, the KO Issued Share, the MK Issued Share and the PI Issued Share, representing the entire issued share capital of the BVI Companies
"Joint Global Coordinators"	The Hongkong and Shanghai Banking Corporation Limited, Citigroup Global Markets Asia Limited and DBS Bank Ltd., Hong Kong Branch
"Keen Ocean"	Keen Ocean Limited (前稱(前稱)), a company incorporated in the BVI and is a wholly-owned subsidiary of the Company
"KO Issued Share"	the one Keen Ocean share in issue, representing the entire issued share capital of Keen Ocean
"Latest Practicable Date"	21 November 2005, being the latest practicable date for the purposes of ascertaining certain information contained in this announcement
"Lending Banks"	Citibank, N.A., Hong Kong Branch, The Hongkong and Shanghai Banking Corporation Limited and DBS Bank Ltd., Hong Kong Branch
"Listing Approval"	the approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, all the Units to be issued pursuant to the Reorganisation Deed and to be issued in connection with the Global Offering
"Listing Committee"	listing committee of the Stock Exchange
"Listing Date"	the date on which the Units are first listed and from which dealings are permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Loan Facility"	the US\$165.0 million (equivalent to approximately HK\$1,287.0 million) three-year floating rate term loan facility to be granted to the BVI Companies by the Lending Banks
"Loan Proceeds"	the gross amount borrowed under the Loan Facility
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market operated by the Stock Exchange
"Manager"	GZI REIT Asset Management Limited
"MK Issued Share"	the one Moon King share in issue, representing the entire issued share capital of Moon King
"Moon King"	Moon King Limited, a company incorporated in the BVI and is a wholly-owned subsidiary of the Company
"Offer Price"	the final Hong Kong dollar price per Unit (exclusive of brokerage of 1.0%, Hong Kong Stock Exchange trading fee of 0.005%, SFC transaction levy of 0.005% and investor compensation levy of 0.002% (if any)) at which the Units are to be issued and allocated pursuant to the Global Offering to be further described in the Offering Circular
"Offering Circular"	the offering circular proposed to be issued by GZI REIT in relation to the Global Offering
"Option"	an option to be granted to and exercisable by each of the Qualifying Shareholders to elect to receive the Cash Payment in lieu of the whole of (in the case of HKSSCC, Nominees Limited, the whole or part of) the Units proposed to be transferred to him/her pursuant to the Distribution on and subject to the terms and conditions herein and in the forms of election for exercising the Option which will be despatched to Qualifying Shareholders on or after the date of the EGM

"Over-allocation Option"	the option proposed to be granted by GZI to the Joint Global Coordinators to make available up to a certain number of Units solely to cover over-allocation of Units (if any), to be offered to investors as part of the International Offering	"Reorganisation Deed"	the reorganisation deed to be entered into between GCCD BVI, GZI, Holdco, the Manager and the Trustee, which is more particularly described in the paragraph headed "Reorganisation" in this announcement
"Partial"	Partial Investment Limited, a company incorporated in the BVI and is a wholly-owned subsidiary of the Company	"Right of First Refusal"	right of first refusal proposed to be granted by the Company to GZI REIT
"PI Issued Share"	the one Partial share in issue, representing the entire issued share capital of Partial	"Separate Listing"	the proposed separate listing of the Units on the Main Board
"PIF"	practice note 15 of the Listing Rules	"SFC"	the Securities and Futures Commission of Hong Kong
"PRC" or "China"	the People's Republic of China; except where the context requires, references in this announcement to the PRC or China do not apply to Hong Kong, the Macau Special Administrative Region of the PRC or Taiwan	"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified for the time being
"Properties"	the White Horse Units, the Fortune Plaza Units, the City Development Plaza Units and the Victory Plaza Units, and "Property" means any one of them	"Shares"	shares of HK\$0.10 each in the share capital of the Company
"Proposed Spin-off"	the proposed spin-off of GZI REIT and Separate Listing	"Shareholders"	shareholders of the Company
"Qualifying Shareholders"	holders of the Shares (other than Ineligible Overseas Shareholders), whose names appear on the register of members of GZI as at the close of business on the Record Date	"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Record Date"	9 December 2005 (or such other date as the Board may determine), being the record date for determining entitlements of Shareholders to participate in the Distribution	"Subsidiary"	has the meaning ascribed thereto in section 2 of the Companies Ordinance
"Registrar"	the share registrar of the Company, Abacus Share Registrars Limited of Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong	"Units"	units of GZI REIT
"REIT Code"	Code on Real Estate Investment Trusts published by the SFC as amended, supplemented or otherwise modified for the time being	"Unitholders"	the registered holder for the time being of a Unit including persons so registered as joint holders
"Reorganisation"	the internal reorganisation involving the transfer of the Issued Shares from GCCD BVI to Holdco	"Victory Plaza Units"	total of 9 strata units in Victory Plaza (胜利广场) (located at No. 101 Ti Yu Xi Road, Tian He District, Guangzhou, the PRC)
		"White Horse Property Management Company"	Guangzhou White Horse Property Management Co., Ltd. (广州白马物业管理公司), a company incorporated in the PRC and is 96.8% owned by the Company
		"White Horse Units"	total of 9 strata units in White Horse Building (白马大厦) (located at Nos. 14, 16 and 18 Zhan Nan Road, Yue Xiu District, Guangzhou, the PRC)
		"Yue Xiu"	Yue Xiu Enterprises (Holdings) Limited, a company incorporated in Hong Kong
		"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
		"RMB" or "Renminbi"	Renminbi, being the lawful currency of the PRC

"US\$" United States dollars, the lawful currency of the United States of America

"%" per cent.

By order of the Board
Guangzhou Investment Company Limited
Ou Bingchang
Chairman

Hong Kong, 24 November 2005

In this announcement, unless otherwise stated, certain amounts denominated in HK\$ have been translated into US\$ at an exchange rate of HK\$7.80 = US\$1.00 and certain amounts relating to periods on or before 30 June 2005 denominated in RMB have been translated into HK\$ at an exchange rate of RMB1.07 = HK\$1 and certain amounts relating to periods after 30 June 2005 denominated in RMB have been translated into HK\$ at an exchange rate of RMB1.04 = HK\$1 for illustration purpose only. Such conversions shall not be construed as representations that amounts in HK\$ were or may have been converted into US\$, or that amounts in RMB were or may have been converted in HK\$, at such rates or any other exchange rates.

Unless otherwise stated, the unaudited figures contained in this announcement are prepared under accounting principles generally accepted in Hong Kong.

As at the date of this announcement, the Board comprises:

Executive Directors: Ou Bingchang, Liang Yi, Chen Guangsong, Liang Ningguang and Li Fei.

Independent non-executive Directors: Yu Lap Fat Joseph, Lee Ka Lun and Lau Hon Chuen Ambrose.



越秀投資有限公司 GUANGZHOU INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 123)

RECEIVED
2005 NOV 25 19 P 1:00
OFFICE OF INTERNATIONAL
CORPORATE FINANCE

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting ("EGM") of the Guangzhou Investment Company Limited ("Company") will be held at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong on Saturday, 10 December 2005 at 9:30 a.m. for the following purpose:

ORDINARY RESOLUTION

THAT subject to and conditional upon (among other things) (i) the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting approval for the listing of, and permission to deal in, all the units of GZI Real Estate Investment Trust ("Units") to be issued pursuant to the reorganisation deed to be entered into between, among others, the Company and GZI REIT (Holding) 2005 Company Limited and in connection with the Global Offering (as defined below); and (ii) the obligations of the underwriters under the underwriting agreements in respect of the Separate Listing (as defined below) becoming and remaining unconditional (including, if relevant, as a result of the waiver of any condition(s) by the joint global coordinators for and on behalf of, the underwriters) and not being terminated in accordance with the terms of such agreements or otherwise:

- (a) the Separate Listing, which constitutes a major transaction (for the purposes of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) for the Company, and the documents or agreements in connection therewith or contemplated thereunder, be and is hereby approved by way of poll and the board of directors of the Company be and is hereby authorised on behalf of the Company to approve and implement the Separate Listing and all incidental matters and to take all actions in connection therewith or arising therefrom relating to the Separate Listing as it shall think fit;
- (b) a distribution (the "Distribution") by the Company of a sum to be determined by the directors of the Company, being part of the amount standing to the credit of the Company's reserves, by way of special dividend to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company as at the close of business on 9 December 2005 (or such other date as the board of directors of the Company may determine) (the "Record Date") on the condition that the distribution is to be satisfied by:
 - (i) procuring the transfer to the Shareholders (other than the Relevant Overseas Shareholders (as defined below)) of such number of Units in the proportion of one Unit for every whole multiple of 400 Shares held by them as at the close of business on the Record Date, provided that fractional entitlements will be disregarded and not be transferred to such Shareholders and provided further that all costs due in respect of the transfer of such Units to the Shareholders (other than the Relevant Overseas Shareholders) shall be borne by the Company; or
 - (ii) cash payment (after deducting applicable taxes, stamp duty, Securities and Futures Commission of Hong Kong ("SFC") transaction levy, Stock Exchange trading fee and investor compensation levy, if any) to the Relevant Overseas Shareholders on the basis of the number of Units which the Relevant Overseas Shareholders would otherwise have been entitled to receive under the Distribution and the offer price of the Units (the "Cash Payment");
- (c) the Company be and is hereby authorised to request the joint global coordinators to sell, as part of the international offering, the Units proposed to be transferred to the Shareholders (other than the Relevant Overseas Shareholders) pursuant to the Distribution and who elect to receive a Cash Payment in lieu of the whole of the Units proposed to be transferred to them on the terms of the option referred to in the circular to which this notice forms part ("Option") and that the Company be and is hereby authorised to pay to such Shareholders, in cash, the aggregate amount of such Cash Payments;
- (d) the deed of right of first refusal (a copy of the final draft of which is tabled at the meeting, marked "A" and signed by the chairman of the meeting for the purpose of identification) be and is hereby approved and the board of directors of the Company be and is hereby authorised to take such steps as it may consider necessary or desirable to effect the deed of right of first refusal;
- (e) the deed of indemnity (a copy of which is tabled at the meeting marked "B" and signed by the chairman of the meeting for the purpose of identification) be and is hereby approved and the board of directors of the Company be and is hereby authorised to take such steps as it may consider necessary or desirable to effect the deed of indemnity;

- (f) the deed of undertaking to be given by the Company relating to certain tenancy services arrangements (a copy of which is tabled at the meeting marked "C" and signed by the chairman of the meeting for the purpose of identification) be and is hereby approved and the board of directors of the Company be and is hereby authorised to take such steps as it may consider necessary or desirable to effect the deed of undertaking; and
- (g) the directors of the Company be and are hereby authorised to exercise all such powers and do all such acts as they consider necessary or desirable to give effect to the Separate Listing, the Distribution and the Option including, but without limitation, the grant of right of first refusal to GZI REIT."

"Global Offering" means the proposed offering of Units to the public in Hong Kong for subscription and the proposed offering of Units to certain professional, institutional and other investors (including Units proposed to be transferred to the Shareholders (other than the Relevant Overseas Shareholders) pursuant to the Distribution and who elect to exercise the Option and the Units to which the Relevant Overseas Shareholders would otherwise have been entitled to receive under the Distribution) for sale or subscription, as more particularly described in the circular dated 25 November 2005, subject to any variations or changes which are considered by the Company's directors not to be material.

"Relevant Overseas Shareholders" means shareholders of the Company whose addresses on the register of members of the Company were outside Hong Kong on the Record Date and have to be excluded from the Distribution and the Option on the account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place which the directors of the Company after reasonable enquiries consider such exclusion to be necessary or expedient.

"Separate Listing" means the separate listing of the Units to be issued pursuant to the reorganisation deed and to be issued in connection with the Global Offering on the main board of the Stock Exchange.

By order of the Board
Yu Tat Fung
Company Secretary

Hong Kong, 25 November 2005

Registered office:
24th Floor, Yue Xiu Building
160-174 Lockhart Road
Wanchai
Hong Kong

Notes:

- (1) The register of members of the Company will be closed on 9 December 2005 and will be re-opened on 12 December 2005. In order to determine the entitlement to attend and vote at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Abacus Share Registrars Limited of Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong no later than 4:00 p.m. on 8 December 2005.
- (2) Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- (3) Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders is present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company shall, in respect of such share, be entitled alone to vote in respect thereof.
- (4) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited with the Company's share registrar, Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting thereof.
- (5) Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting. If such member attends the meeting, however, his form of proxy will be deemed to have been revoked.
- (6) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this announcement, the Board comprises:

Executive Directors:	Ou Bingchang, Liang Yi, Chen Guangsong, Liang Ningguang and Li Fei.
Independent non-executive Directors:	Yu Lup Fat Joseph, Lee Ka Lun and Lau Hon Chuen Ambrose.





越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 123)

DISPOSABLE TRANSACTION DISPOSAL OF PROPERTIES

The Board wishes to announce that on 9 December 2005, Raybeach Investment Limited and Front Riches Limited, both being wholly-owned subsidiaries of the Company, separately entered into the Tsuen Wan International Centre Agreement and the Lung Wah International Godown Agreement for the sale of the Tsuen Wan Property and the Lung Wah Property to Independent Third Parties for a total consideration of HK\$545 million.

The Disposals contemplated under the Tsuen Wan International Centre Agreement and the Lung Wah International Godown Agreement together constitute a disposable transaction of the Company under the Listing Rules. A circular containing details of the Disposals will be sent to shareholders of the Company as soon as possible.

THE AGREEMENTS

1. Tsuen Wan International Centre Agreement

Date: 9 December 2005
Vendor: Raybeach Investment Limited, an investment holding company, and a wholly-owned subsidiary of the Company.
Purchaser: MG Tsuen Wan A, a corporation which, the Directors confirm that to the best of their knowledge, information and belief, after having made all reasonable enquiry, is and its ultimate beneficial owner is an Independent Third Party.
Asset: Tsuen Wan Property, being Unit on G/F, Unit A on M/F, Unit A, B, C & D on 4/F, 6/F, 7/F, 8/F, 10/F, and 11/F, Unit E on 11/F, Units A, B, C, D and E on 12/F, 13/F, 17/F, 18/F, 23/F, 25/F, 26/F, 27/F, 28/F and 30/F, Units A and B on 19/F, all roofs, container parking spaces Nos. C1, C2, C3, C4, C5, C6 and C7 on 1/F, private parking spaces Nos. P2, P3, P4, P5, P6, P7, P8, P9, P10, P11, P12, P13, P14, P15, P16, P17 and P18 on 1/F, lorry parking spaces Nos. L1, L3, L4 and L5 on 1/F, private parking spaces P19, P20, P21, P22, and P23 on 2/F, and lorry parking spaces Nos. L7, L8, L9, L10, L11, L12, L13, L14, L15 and L16 on 2/F of Tsuen Wan International Centre.
The Tsuen Wan Property is currently leased out to various tenants. Total area of the Tsuen Wan Property is 394,251 sq. feet.
Consideration: HK\$365 million which was agreed after arm's length negotiations between Raybeach and MG Tsuen Wan A by reference to the general market value of similar properties and shall be payable in cash as follows:
(i) HK\$36.5 million upon the signing of the Tsuen Wan International Centre Agreement; and
(ii) HK\$328.5 million on completion, which is expected to be two months from the date of the Tsuen Wan International Centre Agreement, or as agreed between Raybeach and MG Tsuen Wan A in writing.
According to the audited balance sheet of Raybeach as at 31 December 2004, the book value of the Tsuen Wan Property was HK\$260 million. A valuation of the Tsuen Wan Property was carried out on 30 June 2005 and the value of the Tsuen Wan Property remained at HK\$260 million. The carrying value of the Tsuen Wan Property as at 30 November 2005 was HK\$260 million. The expected gain to the Group from the Disposal with reference to the consideration to be received and the book value of the Tsuen Wan Property is approximately HK\$105 million.
For the two financial years ended 31 December 2003 and 2004, the net profit before taxation in relation to the Tsuen Wan Property was HK\$8,645,211 and HK\$7,970,907 respectively.

Terms:

- Raybeach shall show and give a good and marketable title to the Tsuen Wan Property and MG Tsuen Wan A shall be deemed to have accepted Raybeach's title to the Tsuen Wan Property upon the signing of the Tsuen Wan International Centre Agreement.
- The Tsuen Wan Property is sold to MG Tsuen Wan A on an "as is" basis in its present state and condition and MG Tsuen Wan A declares and confirms that it has inspected and accepts and purchase with full knowledge of the existing user, physical state, condition and finishes of the Tsuen Wan Property.
- The Tsuen Wan Property is sold to and with the benefit of the existing lettings, tenancies and licences.
- Completion of the Tsuen Wan International Centre Agreement is conditional upon the Lung Wah International Godown Agreement being completed simultaneously.
- Raybeach and MG Tsuen Wan A shall enter into a formal sale and purchase agreement on or before 8 January 2006, if for any reason a formal sale and purchase agreement shall not be signed by the parties, the Tsuen Wan International Centre Agreement shall become the formal sale and purchase agreement and shall be binding on the parties in all respects fully and effectively.

2. Lung Wah International Godown Agreement

Date: 9 December 2005
Vendor: Front Riches Limited, an investment holding company, and a wholly-owned subsidiary of the Company.
Purchaser: MG Tsuen Wan B, a corporation which, the Directors confirm that to the best of their knowledge, information and belief, after having made all reasonable enquiry, is and its ultimate beneficial owner is an Independent Third Party.
Assets: Lung Wah Property, being all that piece or parcel of ground registered in the Land Registry as The Remaining Portion of Tsuen Wan Town Lot No.135 together with the messuages, erections and buildings thereon now known as Nos. 72-76 Wang Lung Street, Tsuen Wan, New Territories, Hong Kong and All That piece or parcel of land registered in the Land Registry as Section A of Tsuen Wan Town lot No.135.
The Lung Wah Property is currently leased out to various tenants. Total area of the Lung Wah Property is 235,599 sq. feet.
Consideration: HK\$180 million which was agreed after arm's length negotiations between Front Riches and MG Tsuen Wan B by reference to the general market value of similar properties and shall be payable in cash as follows:
(i) HK\$18 million on the signing of the Lung Wah International Godown Agreement; and
(ii) HK\$162 million on completion, which is expected to be two months from the date of the Lung Wah International Godown Agreement, or as agreed between Front Riches and MG Tsuen Wan B in writing.
According to the audited balance sheet of Front Riches, as at 31 December 2004, the book value of the Lung Wah Property was HK\$125 million. A valuation of the Lung Wah Property was carried out on 30 June 2005 and the value of the Lung Wah Property remained at HK\$125 million. The carrying value of the Lung Wah Property as at 30 November 2005 was also HK\$125 million. The expected gain to the Group from the Disposal with reference to the consideration to be received and the book value of the Lung Wah Property is approximately HK\$55 million.
For the two financial years ended 31 December 2003 and 2004, the net profit before taxation in relation to the Lung Wah Property was HK\$3,403,558 and HK\$3,366,887 respectively.

Terms:

- Front Riches shall show and give a good and marketable title to the Lung Wah Property and MG Tsuen Wan B shall be deemed to have accepted Front Riches' title to the Lung Wah Property upon the signing of the Lung Wah International Godown Agreement.
- The Lung Wah Property is sold to MG Tsuen Wan B on an "as is" basis in its present state and condition and MG Tsuen Wan B declares and confirms that it has inspected and accepts and purchase with full knowledge of the existing user, physical state, condition and finishes of the Lung Wah Property.
- The Lung Wah Property is sold to and with the benefit of the existing lettings, tenancies and licences.
- Completion of this Lung Wah International Godown Agreement is conditional upon the Tsuen Wan International Centre Agreement being completed simultaneously.
- Front Riches and MG Tsuen Wan B shall enter into a formal sale and purchase agreement on or before 8 January 2006, if for any reason a formal sale and purchase agreement shall not be signed by the parties, the Lung Wah International Godown Agreement shall become the formal sale and purchase agreement and shall be binding on the parties in all respects fully and effectively.

BUSINESS OF THE GROUP

The principal businesses of the Group are property development, management and investment, newsprint manufacturing and operation of toll roads and bridges.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board considers that the Disposals will enable the Group to free up capital for the Group's operations, any potential new investment opportunities that might arise in the future, and improve the Group's gearing. Approximately HK\$205 million of the proceeds will be reserved for the Group's operations and any potential new investment opportunities, and HK\$340 million will be used to repay bank loans. The amount of outstanding mortgage loans for the Tsuen Wan Property and Lung Wah Property are HK\$160 million and HK\$180 million respectively.

The Board, including the Independent Non-executive Directors of the Company, consider the Disposals to be on normal commercial terms, and that the terms are fair and reasonable and the Disposals are in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION

MG Tsuen Wan A and MG Tsuen Wan B are both investment holding companies under the Macquarie Goodman Group, which the Directors confirm that to the best of their knowledge, information and belief, after having made all reasonable enquiry, is an Independent Third Party. The Macquarie Goodman Group is involved in property investment, funds management, property development and property services.

The Disposals together constitute a disposable transaction for the Company under the Listing Rules. A circular containing details of the Disposals will be sent to the shareholders of the Company as soon as possible.

DEFINITIONS

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

- "Board" the board of Directors of the Company
- "Company" Guangzhou Investment Company Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange
- "Directors" the directors of the Company
- "Disposal" the disposal of the Properties pursuant to the Tsuen Wan International Centre Agreement and Lung Wah International Godown Agreement
- "Front Riches" Front Riches Limited, a wholly-owned subsidiary of the Company
- "Group" the Company and its subsidiaries
- "Hong Kong" The Hong Kong Special Administrative Region of the People's Republic of China
- "Independent Third Party" a party and its ultimate beneficial owner are third parties which are independent of the Company and connected persons of the Company
- "Listing Rules" the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
- "Lung Wah International Godown Agreement" the sale and purchase agreement dated 9 December 2005, entered into between Front Riches Limited as the vendor, and MG Tsuen Wan B as the purchaser for the disposal of the Properties.
- "Lung Wah Property" The property being the subject matter of the Lung Wah International Godown Agreement, which is more particularly set out in the paragraph headed "The Agreements — 2. Lung Wah International Godown Agreement — Assets" in this Announcement
- "Raybeach" Raybeach Investment Limited, a wholly owned subsidiary of the Company
- "Shareholders" shareholders of the Company
- "Stock Exchange" The Stock Exchange of Hong Kong Limited
- "Tsuen Wan International Centre Agreement" the provisional sale and purchase agreement dated 9 December 2005, entered into between Raybeach Investment Limited as the vendor, and MG Tsuen Wan A as the purchaser for the disposal of the Properties.
- "Tsuen Wan Property" the property being the subject matter of the Tsuen Wan International Centre Agreement, which is more particularly set out in the paragraph headed "The Agreements — 1. Tsuen Wan International Centre Agreement — Assets" in this Announcement
- "HK\$" Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board
Guangzhou Investment Company Limited
Ou Bingchang
Chairman

Hong Kong, 9 December 2005
As at the date of this announcement, the Board comprises of:
Executive Directors: Ou Bingchang, Liang Yi, Chen Guangsong and Li Fei
Independent Non-executive Directors: Yu Lap Fat Joseph, Lee Ka Lun and Lau Hon Chuen Ambrose.



The Stock Exchange of Hong Kong Limited takes no responsibility for the content of this announcement, makes no representation as to its accuracy and expressly disclaims any liability whatsoever for any losses howsoever arising from or in reliance upon the whole or any part of the content of this announcement. This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities nor is it calculated to invite any such offer or invitation.

This announcement is not an offer, nor is it calculated to invite offers, for securities of GZI or GZI REIT or any other body.



越秀投資有限公司
GUANGZHOU INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 123)

**PROPOSED DESPATCH OF
THE OFFERING CIRCULAR IN ELECTRONIC FORMAT
AND
AMENDMENT TO THE ARRANGEMENT OF THE EXERCISE OF OPTION
IN RELATION TO THE SEPARATE LISTING OF
GZI REAL ESTATE INVESTMENT TRUST
ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

The Board wishes to notify the Qualifying Shareholders that the Company has obtained a waiver from the Stock Exchange from strict compliance with the requirement to obtain prior express and positive confirmation in writing from Qualifying Shareholders in relation to the proposed despatch of a CD-ROM containing the electronic format of the Offering Circular to such Qualifying Shareholders pursuant to Rule 2.07A(2) of the Listing Rules. A CD-ROM containing an electronic format of the Offering Circular together with the Form of Election in relation to the Option will be despatched to each of the Qualifying Shareholders pursuant to the Distribution and the Option, subject to, among other things, the receipt of the Authorisation. In addition, a further announcement will be published in due course to inform the Shareholders about, among other things, details on the proposed despatch of the Offering Circular and the Form of Election.

After further discussion with the Registrar, the Manager and the Joint Global Coordinators, the Board proposes to offer to all Qualifying Shareholders (and not just HKSCC Nominees Limited) the additional flexibility to exercise the Option either in whole or in part. Each of the Qualifying Shareholders may now exercise the Option, either in whole or in part, to elect to receive Cash Payment in lieu of part or whole of the Units that are proposed to be transferred to the relevant Qualifying Shareholders pursuant to the Distribution.

The Directors wish to draw the attention of the Shareholders and the public to the fact that the Proposed Spin-off and the proposed listing of the Units on the Main Board of the Stock Exchange may or may not proceed, depending on whether the conditions as more particularly described in the Circular are satisfied in full. In the event that any of the conditions specified therein is not satisfied, the Distribution and the Option will lapse absolutely and unconditionally. In this connection, Shareholders and the public are reminded to exercise caution when dealing in Shares.

Reference is made to the announcement dated 24 November 2005 (the "Announcement"), and the shareholders' circular dated 25 November 2005 issued by the Company (the "Circular"). Terms used in this announcement shall have the same meanings as terms used in the Circular unless otherwise defined.

**PROPOSED DESPATCH OF THE OFFERING
CIRCULAR IN ELECTRONIC FORMAT**

The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement to obtain prior express and positive confirmation in writing from Qualifying Shareholders in relation to the proposed despatch of a CD-ROM containing the electronic format of the Offering Circular to such Qualifying Shareholders pursuant to Rule 2.07A(2) of the Listing Rules (the "Waiver"). The Waiver has been granted subject to, among other things, the following arrangements have been or will be made by the Company:

1. the Company shall make an announcement notifying the Qualifying Shareholders that they will receive the Offering Circular in electronic format on CD-ROM (instead of Offering Circular in printed form);
2. the Company shall make a hotline available to the Qualifying Shareholders (the "Hotline");
3. upon request by the Qualifying Shareholders, the Company will deliver printed Offering Circular to them promptly;
4. the Company shall maintain a log of complaints to be received via the Hotline and the Company may be required to submit the said information to the Listing Division of the Stock Exchange;
5. reasonable care will be exercised by the Company that the CD-ROMs proposed to be despatched to the Qualifying Shareholders will be in a readable format; and
6. the communication to the Qualifying Shareholders will include: (a) a warning statement to remind the Qualifying Shareholders to read carefully the content of the Offering Circular before making an application; and (b) that soft copy of the Offering Circular is available on the Stock Exchange's website and/or other websites.

Details on the proposed despatch of the Offering Circular in electronic format will be published in due course and will be set out in the Form of Election to be despatched to the Qualifying Shareholders, subject to, among other things, the receipt of the Authorisation.

**AMENDMENT TO THE ARRANGEMENT OF THE
EXERCISE OF OPTION**

In order to facilitate and afford all Qualifying Shareholders greater flexibility in respect of the exercise of the Option, the Board, after further discussion with the Registrar, the Manager and the Joint Global Coordinators, proposes to offer to all Qualifying Shareholders (and not just HKSCC Nominees Limited) the additional flexibility to exercise the Option either in whole or in part. Each of the Qualifying Shareholders may now exercise the Option, either in whole or in part, to elect to receive Cash Payment in lieu of part or whole of the Units that are proposed to be transferred to the relevant Qualifying Shareholders pursuant to the Distribution.

All Qualifying Shareholders are also reminded to read through the Offering Circular before making any decision in relation to the election.

The Directors wish to draw the attention of the Shareholders and the public to the fact that the Proposed Spin-off and the proposed listing of the Units on the Main Board of the Stock Exchange may or may not proceed, depending on whether the conditions as more particularly described in the Circular are satisfied in full. In the event that any of the conditions specified therein is not satisfied, the Distribution and the Option will lapse absolutely and unconditionally. In this connection, Shareholders and the public are reminded to exercise caution when dealing in Shares.

A further announcement will be published in due course to inform the Shareholders, among other things, further details on the proposed despatch of the Offering Circular and the Form of Election.

By order of the Board of
Guangzhou Investment Company Limited
Ou Bingchang
Chairman

Hong Kong, 8 December 2005

As at the date of this announcement, the Board comprises of:

Executive Directors:	Ou Bingchang, Liang Yi, Chen Guangsong, Liang Ningguang and Li Fei.
Independent non-executive Directors:	Yu Lup Fat Joseph, Lee Ka Lun and Lau Hon Chuen Ambrose.



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This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities in Hong Kong or elsewhere nor is it calculated to invite any such offer or invitation. Any public offering of securities would be made by means of an offering circular that may be obtained from the issuer or selling security holder and that would contain detailed information about the company and management, as well as financial statements.



越 香 投 資 有 限 公 司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 123)

ANNOUNCEMENT

1. POLL RESULT OF EGM

2. DESPATCH OF CD-ROM CONTAINING AN ELECTRONIC FORMAT OF THE OFFERING CIRCULAR AND FORM OF ELECTION

3. ARRANGEMENT OF ODD LOT UNITS

4. INDICATIVE PRICE RANGE OF UNITS

5. RESIGNATION OF DIRECTOR

AND

6. RESUMPTION OF TRADING IN SHARES

The Board is pleased to announce that the Resolution (as defined below) relating to, the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing was duly passed by the Shareholders by way of a poll at the EGM held on 10 December 2005. The Directors have been advised by the Manager that GZI REIT has obtained the Authorisation from SFC on 8 December 2005 and that GZI REIT will launch its Global Offering on 12 December 2005.

The Directors wish to notify the Qualifying Shareholders that a CD-ROM containing an electronic format of the Offering Circular issued by GZI REIT in relation to the Global Offering together with the Form of Election in relation to the Option will be despatched on 12 December 2005 to each of the Qualifying Shareholders pursuant to the Distribution and the Option. Qualifying Shareholders may also obtain printed copies of the Offering Circular from any of the locations listed in this announcement or by making a telephone or written request to the Registrar.

The Directors also wish to remind the Qualifying Shareholders that the latest time for receipt of the Form of Election by the Registrar is at 12:00 noon on 15 December 2005.

For the purpose of alleviating difficulties that may arise from the existence of odd lots of the Units, the Company has appointed HSBC Securities (Asia) Limited to provide a "matching service" to those Qualifying Shareholders who wish to top-up or sell their holdings of odd lots of Units. HSBC Securities (Asia) Limited will provide a service matching the sale and purchase of odd lots of Units during the period of three weeks from the Listing Date. Further details of the matching facility are set out below.

The Offer Price is expected to be determined by agreement between the Company, the Joint Global Coordinators (on behalf of the underwriters) and the Manager, following the completion of the bookbuilding process for the International Offering and after assessment of the level of market demand for the Global Offering. The Company has been advised by the Manager (acting on behalf of GZI REIT) that the indicative range of the proposed Offer Price per Unit will be not less than HK\$2.850 and not more than HK\$3.075 (in each case, exclusive of brokerage of 1.0%, Hong Kong Stock Exchange trading fee of 0.005% and SFC transaction levy of 0.005%). The final Offer Price is expected to be determined on Thursday, 15 December 2005 and, in any event, not later than Monday, 19 December 2005. The final Offer Price is expected to be announced on or about 20 December 2005.

The Directors wish to draw the attention of the Shareholders and the public to the fact that the Proposed Spin-off and the proposed Separate Listing may or may not proceed, depending on whether the conditions as more particularly described in the Circular are satisfied in full. In the event that any of the conditions specified therein is not satisfied, the Distribution and the Option will lapse absolutely and unconditionally. In this connection, Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisers if they are in any doubt about their positions.

The Board also wishes to announce that Mr. Liang Ningguang has resigned as an executive Director with effect from 9 December 2005. As mentioned in the Circular, Mr. Liang will resign from the Company before the Separate Listing in order to dedicate more time to the Manager.

At the request of the Company, the Shares were suspended from trading on the Stock Exchange from 9:30 a.m. on Friday, 9 December 2005 pending the release of this announcement. The Company has made an application to the Stock Exchange to resume trading of its Shares on the Stock Exchange with effect from 9:30 a.m. on Monday, 12 December 2005.

Reference is made to the announcements dated 24 November 2005 and 8 December 2005, and the shareholders' circular dated 25 November 2005 issued by the Company (the "Circular"). Terms used in this announcement shall have the same meanings as terms used in the Circular unless otherwise defined.

1. RESULT OF THE EGM

The Board is pleased to announce that the ordinary resolution (the "Resolution") relating to the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing was duly passed by the Shareholders by way of a poll at the EGM held on 10 December 2005 (the "EGM Date"). The result of the Resolution in respect of the poll taken at the EGM is as follows:

Ordinary Resolution	Number of votes (%)	
	For	Against
To approve the Separate Listing (including the approval of the Distribution, the Option, the deed of first refusal, the deed of indemnity and the deed of undertaking) and to authorise the directors of the Company to effect the foregoing	3,879,270,201 (100%)	0 (0%)

The Resolution was duly passed as an ordinary resolution.

As at the EGM Date, the issued share capital of the Company was 6,507,805,914 Shares. As stated in the Circular, no shareholder is required to be abstained from voting on the resolution at the EGM and the total number of Shares entitling the Shareholders to attend and vote for or against the resolution was 6,507,805,914.

The Registrar acted as the scrutineer for the poll at the EGM.

2. DESPATCH OF CD-ROM CONTAINING AN ELECTRONIC FORMAT OF THE OFFERING CIRCULAR AND FORM OF ELECTION

The Directors have been advised by the Manager that GZI REIT has obtained the Authorisation from SFC on 8 December 2005 and that GZI REIT will launch its Global Offering on 12 December 2005. In connection with the Distribution and the Option, the Company will despatch to each of the Qualifying Shareholders a printed personalised Form of Election containing details of the number of Units which such Qualifying Shareholder is entitled to receive pursuant to the Distribution (representing the maximum number of Units in respect of which the Option may be exercised by such Qualifying Shareholder) and a CD-ROM containing an electronic format of:

- (i) the Offering Circular of GZI REIT dated 12 December 2005 in English; and
- (ii) the Offering Circular of GZI REIT dated 12 December 2005 in Chinese.

The contents of the Offering Circular in electronic format on the CD-ROM are identical in all respects with the contents of the Offering Circular in printed form.

The electronic format of the Offering Circular will also be available on the Stock Exchange's website at www.hkex.com.hk from 12 December 2005

If Qualifying Shareholders do not have access to a personal computer and so are unable to view the electronic format of the Offering Circular or would rather have a printed copy of

the Offering Circular, they may make a telephone request to the Registrar on telephone number (+852) 2980 1333 or send a written request to the offices of the Registrar, at Abacus Share Registrars Limited of Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong during normal business hours from 9:00a.m. on Monday, 12 December 2005 to 12:00 noon on Thursday, 15 December 2005, and the Registrar will arrange for a printed copy of the Offering Circular to be delivered to the relevant Qualifying Shareholder at its address as shown in the register of members of the Company by ordinary post as soon as practicable. However, Qualifying Shareholders should note that should such a request be made, they may not be able to receive the printed copy of the Offering Circular before 12:00 noon on 15 December 2005 (i.e., the date and time before which the Form of Election should be returned, if Qualifying Shareholders elect to exercise the Option).

Qualifying Shareholders may also obtain printed copies of the Offering Circular from the offices of the Registrar and any of the following locations listed below:

1. The following designated branches of receiving banks during normal business hours from 9:00 a.m. on Monday, 12 December 2005 to 4:30 p.m. on Wednesday, 14 December 2005 and from 9:00 a.m. until 12:00 noon on Thursday, 15 December 2005:

The Hongkong and Shanghai Banking Corporation Limited

Hong Kong Island:	Aberdeen Centre Branch	Shop 2 G/F Site I, Aberdeen Centre, Aberdeen, Hong Kong
	Cityplaza Branch	Unit 065, Cityplaza I, Taikoo Shing, Hong Kong
	Des Voeux Road West Branch	Western Centre, 40-50 Des Voeux Road West, Hong Kong
	Happy Valley Branch	G/F, Sun & Moon Building, 45 Sing Woo Road, Happy Valley, Hong Kong
	Hopewell Centre Branch	Shop No.1-2, G/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
	Pacific Place Branch	Shop 401, Pacific Place, 88 Queensway, Hong Kong
Kowloon:	Festival Walk Branch	Shop LG1-37, Festival Walk, 80 Tat Chee Avenue, Kowloon Tong, Kowloon
	Kwun Tong Branch	1 Yue Man Square, Kwun Tong, Kowloon

Peninsula Centre Branch

Peninsula Centre, 67 Mody Road,
Tsim Sha Tsui East, Kowloon

Pioneer Centre Branch

Shop 115, 1/F, Pioneer Centre, 750
Nathan Road, Kowloon

Citylink Plaza Branch

Shops 38-46, Citylink Plaza, Shatin
Station Circuit, Shatin, New
Territories

New Territories:

**Tuen Mun Town Plaza
Branch**

Shop 1, UG/F, Shopping Arcade
Phase II, Tuen Mun Town Plaza, New
Territories

Bank of China (Hong Kong) Limited

**Hong Kong
Island:**

**Bank of China Tower
Branch**

3/F, 1 Garden Road, Central, Hong
Kong

**Central District (Wing
On House) Branch**

71 Des Voeux Road, Central, Hong
Kong

Shek Tong Tsui Branch

534 Queen's Road West, Shek Tong
Tsui, Hong Kong

Taikoo Shing Branch

Shop G1006-7, Hoi Sing Mansion,
Taikoo Shing, Hong Kong

**North Point (Kiu Fai
Mansion) Branch**

413-415 King's Road, North Point,
Hong Kong

Kowloon:

Kwun Tong Branch

20-24 Yue Man Square, Kwun Tong,
Kowloon

**Mong Kok (President
Commercial Centre)
Branch**

608 Nathan Road, Mong Kok,
Kowloon

**Mei Foo Mount Sterling
Mall Branch**

Shop N47-49 Mount Sterling Mall,
Mei Foo Sun Chuen, Kowloon

Diamond Hill Branch

G107, Plaza Hollywood, Diamond
Hill, Kowloon

**Tsim Sha Tsui East
Branch**

Shop G02-03, Inter-Continental
Plaza, 94 Granville Road, Tsim Sha
Tsui, Kowloon

New Territories:

**Castle Peak Road (Tsuen
Wan) Wealth
Management Centre**

167 Castle Peak Road, Tsuen Wan,
New Territories

Lucky Plaza Branch

Lucky Plaza, Wang Pok Street,
Shatin, New Territories

Bank of Communications Co., Ltd., Hong Kong Branch

**Hong Kong
Island:**

Hong Kong Branch

20 Pedder Street, Central, Hong
Kong

**Central District
Sub-Branch**

125A Des Voeux Road, Central, Hong
Kong

King's Road Sub-Branch

67-71 King's Road, North Point,
Hong Kong

Kowloon:

Kowloon Sub-Branch

563 Nathan Road, Kowloon

**Cheung Sha Wan Plaza
Sub-Branch**

Unit G04, Cheung Sha Wan Plaza,
833 Cheung Sha Wan Road, Kowloon

Hungtom Sub-Branch

1-3A Tak Man Street, Whampoa
Estate, Hungtom, Kowloon

**Ngau Tau Kok Sub-
Branch**

Shop G1, G/F, Phase I, Amoy Plaza,
77 Ngau Tau Kok Road, Kowloon

**Wong Tai Sin Sub-
Branch**

Shops 127-129, 1/F Lung Cheung
Mall, 136 Lung Cheung Road, Wong
Tai Sin, Kowloon

New Territories:

**Tseung Kwan O
Sub-Branch**

Shops 253-255, Metro City Shopping
Arcade, Phase 1, Tseung Kwan O,
New Territories

Tsuen Wan Sub-Branch

Shop G10-11, Pacific Commercial
Plaza, Bo Shek Mansion, 328 Sha
Tsui Road, Tsuen Wan, New
Territories

Shatin Sub-Branch

Shop No. 193, Level 3, Lucky Plaza,
1-15 Wang Pok Street, Shatin, New
Territories

Sheung Shui Sub-Branch

Shops 10-14, G/F, Sheung Shui
Centre Shopping Arcade, Sheung
Shui, New Territories

2. The following offices of the Joint Global Coordinators during normal business hours from 9:00 a.m. on Monday, 12 December 2005 to 12:00 noon on Thursday, 15 December 2005:

The Hongkong and Shanghai Banking Corporation Limited

1 Queen's Road Central, Central, Hong Kong

Citigroup Global Markets Asia Limited

50th Floor, Citibank Tower, Citibank Plaza, 3 Garden Road, Central, Hong Kong

DBS Bank Ltd.

22nd Floor, The Center, 99 Queen's Road Central, Central, Hong Kong

3. The following two locations designated by Goldbond Capital (Asia) Limited during normal business hours from 9:00 a.m. on Monday, 12 December 2005 to 12:00 noon on Thursday, 15 December 2005:

Hong Kong: 3902B, 39th Floor, Tower 1, Lippo Centre, 89 Queensway, Hong Kong

New Territories: Units 2305-06, 23rd Floor, City Landmark 1, 68 Chung On Street, Tuen Wan, New Territories, Hong Kong

4. The registered office of the Company located at 24th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong during normal business hours from 9:00 a.m. on Monday, 12 December 2005 to 12:00 noon on Thursday, 15 December 2005.

Qualifying Shareholders who wish to exercise the Option (either in whole or part) will be required to complete the Form of Election in accordance with the terms and conditions set out therein and in the letter from the Board and the board of directors of the Manager (in its capacity as manager of GZI REIT) to the Qualifying Shareholders, which will be despatched to Qualifying Shareholders together with their personalised Forms of Election. Please note that investment involves risk. The price and yield of Units may fall as well as rise. The Offering Circular (in particular, the section headed "Risk Factor" which contains detailed discussion of the risk factors associated with investing in GZI REIT) which Shareholders and potential investors should read carefully before making an investment decision in respect of the Distribution or the public offering in Hong Kong. Authorization of GZI REIT as a collective investment scheme under Section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) by the Securities and Futures Commission of Hong Kong does not signify its official recommendation of investment in GZI REIT.

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 or by post, to either of the offices of the Registrar, Abacus Share Registrars Limited of Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong or Tricor Group Processing Centre of Workshop 14, 10th Floor, Honour Industrial Centre, 6 Sun Yip Street, Chai Wan, Hong Kong so as to arrive no later than 12:00 noon on 15 December 2005. No acknowledgement of receipt of the Form of Election will be issued.

If the Registrar does not receive the Form of Election from the Qualifying Shareholders who wish to exercise the Option by the aforesaid date and time or if the Form of Election is not completed in accordance with the instructions therein, the relevant Qualifying Shareholders will be deemed not to have elected to receive a Cash Payment instead of the Units proposed to be transferred to such Qualifying Shareholders pursuant to the Distribution and hence not to receive a Cash Payment.

If Qualifying Shareholders choose to return the Form of Election and make the election without the benefit of the information set out in the Offering Circular, the returned and completed Form of Election will nonetheless be valid and binding on such Qualifying Shareholders.

3. ARRANGEMENT OF ODD LOT UNITS

The Units proposed to be transferred to the Qualifying Shareholders pursuant to the Distribution may not represent a multiple of a board lot of 1,000 Units, and dealings in odd lot Units may be at a price below their prevailing market price. Entitlements to Units pursuant to the Special Dividend are not transferable and there will be no trading in nil-paid entitlements on the Stock Exchange.

For the purpose of alleviating difficulties that may arise from the existence of odd lots of the Units, the Company has appointed HSBC Securities (Asia) Limited to provide a "matching service" to those Qualifying Shareholders who wish to top-up or sell their holdings of odd lots of Units. HSBC Securities (Asia) Limited will provide a service for matching the sale and purchase of odd lots of Units during the period of three weeks from the Listing Date. Holders of Units in odd lots who wish to take advantage of this facility either to dispose of or top-up their odd lots to a board lot of 1,000 Units should directly, or through their brokers, contact Mr. Thomas Ngai of HSBC Securities (Asia) Limited, 1 Queen's Road Central, Hong Kong, at telephone number (+852) 2996 6992 or at fax number (+852) 2810 7673 during the period from 21 December 2005 to 10 January 2006. 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 Units is not guaranteed and will depend on there being adequate amounts of odd lots of Units available for such matching. If Qualifying Shareholders do not elect to take advantage of the "matching service" provided by HSBC Securities (Asia) Limited (as described above), they may also make their own arrangements to top-up or sell their holdings of odd lots of Units (if any), if they so wish.

Qualifying Shareholders are recommended to consult their stockbroker, other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser if they are in any doubt about the matching facility described above.

4. INDICATIVE PRICE RANGE OF UNITS

The Offer Price is expected to be determined by agreement between the Company, the Joint Global Coordinators (on behalf of the underwriters) and the Manager, following the completion of the bookbuilding process for the International Offering and after assessment of the level of market demand for the Global Offering. The Company has been advised by the Manager (acting on behalf of GZI REIT) that the indicative price range of the Units per Unit will be not less than HK\$2.850 and not more than HK\$3.075 (in each case, exclusive of brokerage of 1.0%, Stock Exchange trading fee of 0.005% and SFC transaction levy of 0.005%).

As discussed in the Circular, the amount of Cash Payment in respect of each Unit shall be calculated by deducting applicable taxes (if any) and applicable stamp duty payable on the Offer Price (being 0.1% of the Offer Price representing half of the amount of Hong Kong stamp duty payable by a Qualifying Shareholder who elects to exercise the Option on the transfer of the Units that would otherwise have been transferred to the relevant Qualifying Shareholder pursuant to the Special Dividend). The Company will bear the other half of the applicable stamp duty being 0.1% of the Offer Price.

On the basis of the current timetable, the final Offer Price for the Global Offering is expected to be determined on or about 15 December 2005 and published in South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) on or about 20 December 2005. Cheques for the Cash Payment are expected to be despatched to those Qualifying Shareholders who file valid Forms of Election by ordinary post to the address specified in their respective personalised Forms of Election on or about 29 December 2005 at their own risk.

The Directors wish to draw the attention of the Shareholders and the public to the fact that the Proposed Spin-off and the proposed Separate Listing may or may not proceed, depending on whether the conditions as more particularly described in the Circular are satisfied in full. In the event that any of the conditions specified therein is not satisfied, the Distribution and the Option will lapse absolutely and unconditionally. In this connection, Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisers if they are in any doubt about their positions.

5. RESIGNATION OF A DIRECTOR

The Board also wishes to announce that Mr. Liang Ningguang has resigned as an executive Director with effect from 9 December 2005. As mentioned in the Circular, Mr. Liang will resign from the Company before the proposed Separate Listing in order to dedicate more time to the Manager.

Mr. Liang has become the chairman and executive director of the Manager, which is wholly-owned by the Company and is the manager of GZI REIT.

Mr. Liang confirmed that there are no other matters relating to his resignation that need to be brought to the attention of the Shareholders. Further, the Board and Mr. Liang confirmed that they have no disagreements with each other. The Board would take this opportunity to express its gratitude to Mr. Liang for his valuable contribution to the GZI Group during his tenure of service.

6. RESUMPTION OF TRADING IN SHARES

At the request of the Company, the Shares were suspended from trading on the Stock Exchange from 9:30 a.m. on Friday, 9 December 2005 pending the release of this announcement. The Company has made an application to the Stock Exchange to resume trading of its Shares on the Stock Exchange with effect from 9:30 a.m. on Monday, 12 December 2005.

By order of the Board of
Guangzhou Investment Company Limited
Ou Bingchang
Chairman

Hong Kong, 10 December 2005

As at the date of this announcement, the Board comprises of:

Executive Directors:

Ou Bingchang, Liang Yi, Chen Guangsong and
Li Fei

Independent non-executive Directors:

Yu Lup Fat Joseph, Lee Ka Lun and Lau Hon
Chuen Ambrose.



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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)

FINAL OFFER PRICE OF THE UNITS

The Directors wish to announce that the final Offer Price has been determined by agreement between GZI, the Manager and the Joint Global Coordinators (on behalf of the underwriters) at HK\$3.075 per Unit.

As at 12:00 noon on 15 December 2005, the Registrar has received 333 validly completed Forms of Election from the Qualifying Shareholders who have elected to exercise the Option to receive Cash Payment in lieu of the whole of or part of the Units which would have been transferred to them pursuant to the Distribution, totalling 2,599,368 Units. These Units and the Units which the Ineligible Overseas Shareholders would have been entitled to receive pursuant to the Distribution amounted to a total of 2,600,678 Units.

In addition, the Directors wish to draw the attention of the Shareholders and the public the fact that the Proposed Spin-off and the Separate Listing, which are subject to the terms and conditions as more particularly described in the Circular, may or may not proceed, and that the approval of the Stock Exchange for the listing of and permission to deal in the Units may or may not be obtained. In the event that any of the conditions specified therein is not satisfied, the Distribution and the Option will lapse absolutely and unconditionally. In this connection, Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisers if they are in any doubt about their positions.

Reference is made to the announcements dated 24 November 2005, 8 December 2005 and 10 December 2005, and to the shareholders' circular dated 25 November 2005 issued by the Company (the "Circular") and the Offering Circular dated 12 December 2005 issued by GZI REIT. Terms used in this announcement shall have the same meanings as terms used in the Circular unless otherwise defined.

The Directors wish to announce that the final Offer Price has been determined by agreement between GZI, the Manager and the Joint Global Coordinators (on behalf of the underwriters) at HK\$3.075 per Unit. In determining the Cash Payment in respect of each Unit, deduction will be made from the aforesaid Offer Price per Unit of an amount equal to the aggregate of applicable stamp duty payable on the Offer Price (being 0.1% of the Offer Price representing half of the amount of Hong Kong stamp duty payable by a Qualifying Shareholder who elected to exercise the Option on the transfer of the Units that would otherwise have been transferred to the relevant Qualifying Shareholders pursuant to the Distribution (the Company will bear the other half of the applicable stamp duty being 0.1% of the Offer Price) HK\$1.0 will be charged for every HK\$1,000 of consideration or part thereof).

As at 12:00 noon on 15 December 2005, the Registrar has received 333 validly completed Forms of Election from the Qualifying Shareholders who have elected to exercise the Option to receive Cash Payment in lieu of the whole of or part of the Units which would have been transferred to them pursuant to the Distribution, totalling 2,599,368 Units. These Units and the Units which the Ineligible Overseas Shareholders would have been entitled to receive pursuant to the Distribution amounted to a total of 2,600,678 Units. There were a total of 4,424 Qualifying Shareholders as at the Record Date who were entitled to receive a total of 16,268,195 Units pursuant to the Distribution.

Unit certificates will be despatched to those Qualifying Shareholders who have elected to retain all or part of the Units conditionally distributed to them pursuant to the Distribution on or about Tuesday, 20 December 2005 by ordinary post to the addresses specified in their respective personalised Form of Election at their own risk. Cheques for the Cash Payment are expected to be despatched to those Qualifying Shareholders who file validly completed Forms of Election by ordinary post to the address specified in their respective personalised Form of Election on or about Thursday, 29 December 2005 at their own risk.

In addition, the Directors wish to draw the attention of the Shareholders and the public the fact that the Proposed Spin-off and the Separate Listing, which are subject to the terms and conditions as more particularly described in the Circular, may or may not proceed, and that the approval of the Stock Exchange for the listing of and permission to deal in the Units may or may not be obtained. In the event that any of the conditions specified therein is not satisfied, the Distribution and the Option will lapse absolutely and unconditionally. In this connection, Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisers if they are in any doubt about their positions.

By Order of the Board
Guangzhou Investment Company Limited
Ou Bingchang
Chairman

Hong Kong, 19 December 2005

As at the date of this announcement, the Board comprised:

Executive Directors: Ou Bingchang, Liang Yi, Chen Guangsong and Li Fei.
Independent non-executive Directors: Yu Lup Fat Joseph, Lee Ka Lun and Lau Hon Chuen Ambrose.



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越奇投资有限公司
GUANGZHOU INVESTMENT COMPANY LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 123)



越奇交通有限公司
GZI Transport Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 1052)

JOINT ANNOUNCEMENT CONNECTED TRANSACTION

SUMMARY

The GZI Board and GZI Board are pleased to announce that on 29th December 2005, Bentfield, an indirect wholly owned subsidiary of GZI, entered into a Sale and Purchase Agreement with GHDC, pursuant to which, Bentfield agreed to sell and GHDC agreed to purchase a six per cent. interest in Guangzhou Northern Second Ring Expressway Co., Ltd. for a total consideration of RMB66,100,000 (equivalent to approximately HK\$63,557,692) in cash. The only asset of Guangzhou Northern Second Ring Expressway Co., Ltd. is the entire interests in Guangzhou Northern Second Ring Expressway.

GHDC is a connected person of GZI and GZI because GHDC is a substantial shareholder of five subsidiaries of GZI which in turn is a subsidiary of GZI. The entering into the Sale and Purchase Agreement between Bentfield and GHDC therefore constitutes a connected transaction of each of GZI and GZI under Rule 14A.13(1)(a) of the Listing Rules.

In the case of GZI, based on the applicable size tests set forth in Rule 14.07 of the Listing Rules, the entering into the Sale and Purchase Agreement between Bentfield and GHDC constitutes a connected transaction which is only subject to the reporting and announcement requirements and exempt from independent shareholders' approval requirement under Rule 14A.32 of the Listing Rules.

In the case of GZI, based on the applicable size tests set forth in Rule 14.07 of the Listing Rules, the entering into the Sale and Purchase Agreement between Bentfield and GHDC constitutes a connected transaction for GZI which requires GZI's independent shareholders' approval under Rule 14A.17 of the Listing Rules.

No shareholder of GZI is interested in the Sale and Purchase Agreement or should abstain from voting at GZI's shareholders' meeting. GZI will obtain written confirmation under Rule 14A.43 of the Listing Rules from GZI which controls approximately 67.25 per cent. of the issued share capital of GZI giving the right to attend and vote at the general meeting to approve the Sale and Purchase Agreement if one were to be held. Accordingly, GZI will apply to the Stock Exchange for a shareholders' meeting waiver of its obligation to convene a general meeting pursuant to Rule 14A.43 of the Listing Rules on the basis that an independent shareholders' approval will be obtained by way of the written approval by the independent shareholders. If the waiver mentioned above is not granted, GZI will convene a special general meeting for the approval of the Sale and Purchase Agreement.

GZI will send a circular containing, among other things, the details of the Sale and Purchase Agreement, a recommendation letter from the GZI Independent Board Committee and a letter from an independent financial adviser to the GZI Independent Board Committee as soon as practicable and in accordance with the provisions of the Listing Rules.

SALE AND PURCHASE AGREEMENT

Date

29th December 2005

Parties

Vendor:

Bentfield, an indirect wholly owned subsidiary of GZI, the principal business of which is holding of a 46 per cent. interest in Guangzhou Northern Second Ring Expressway Co., Ltd.

Purchaser:

GHDC, a PRC state-owned enterprise, the principal business of which is the holding interests in, and the development of, toll highways, expressways and bridges mainly Guangdong Province, the PRC. GHDC holds a 24 per cent. interest in Guangzhou Northern Second Ring Expressway Co., Ltd.

The Disposal

Pursuant to the Sale and Purchase Agreement, Bentfield agreed to sell and GHDC agreed to buy a six per cent. interest in Guangzhou Northern Second Ring Expressway Co., Ltd., which is owned as to 46 per cent. by Bentfield, as to 24 per cent. by GHDC, and as to 30 per cent. by independent third parties prior to completion of the Sale and Purchase Agreement.

Subsequent to the completion of the Sale and Purchase Agreement, Guangzhou Northern Second Ring Expressway Co., Ltd. will be owned as to 40 per cent. by Bentfield, as to 30 per cent. by GHDC, and as to 30 per cent. by independent third parties. There is no restriction on any subsequent sale of the six per cent. interest in Guangzhou Northern Second Ring Expressway Co., Ltd.

The composition of the board of directors and the management of Guangzhou Northern Second Ring Expressway Co., Ltd. are not expected to change as a result of the Disposal.

Consideration

The consideration for the Disposal, which has been arrived at after arm's length negotiations between Bentfield and GHDC with reference to the adjusted unaudited net assets value of Guangzhou Northern Second Ring Expressway Co., Ltd. as at 31st October 2005 is RMB66,100,000 (equivalent to approximately HK\$63,557,692) which represents a premium of approximately 28 per cent. and is acceptable to Bentfield and GHDC. The GZI Directors and GZI Directors believe that the consideration for the Disposal is fair and reasonable. The consideration will be settled by GHDC in cash within 10 days after completion of the conditions precedent as stipulated in the Sale and Purchase Agreement.

Disputes

In the unlikely event of any dispute between the two contracting parties concerning the terms and conditions of the Sale and Purchase Agreement, China International Economic and Trade Arbitration Commission will be appointed as the arbitrator, the decision of which shall be deemed final and legally binding on both contracting parties.

Conditions precedent

The Disposal is conditional on the completion of the following unless with the written waiver from both contracting parties:

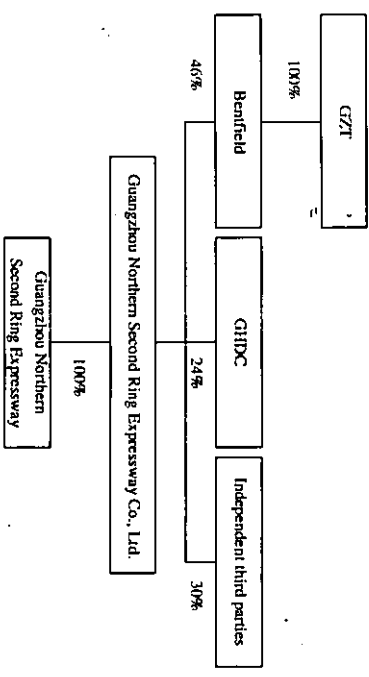
- (a) the delivery of the Sale and Purchase Agreement duly executed by the authorized representatives of contracting parties;

approval of the Sale and Purchase Agreement by the respective board of directors of the contracting parties;
 approval of the Sale and Purchase Agreement by GZT Shareholders by way of an ordinary resolution; and
 approval of the Disposal by the Department of Foreign Trade and Economic Cooperation of Guangdong Province in the PRC.

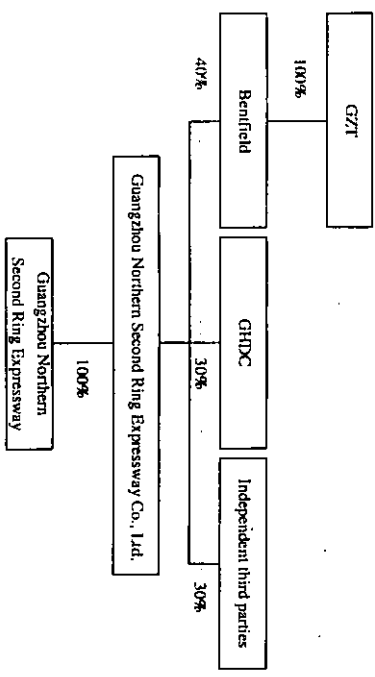
Retaining structures before and after completion of the Disposal

Following charts depict the shareholding structures of Guangzhou Northern Second Ring Expressway Ltd. before and after completion of the Disposal:

Before completion of the Disposal



After completion of the Disposal



INFORMATION ON GUANGZHOU NORTHERN SECOND RING EXPRESSWAY CO., LTD.

Guangzhou Northern Second Ring Expressway Co., Ltd. is a sino-foreign joint venture company incorporated in the PRC, which is owned as to 46 per cent. by Benfield, as to 24 per cent. by GHDC and as to 30 per cent. by independent third parties. Dividends of Guangzhou Northern Second Ring Expressway Co., Ltd. is shared among shareholders in proportion of their respective equity interests.

As at the date of this announcement, the only asset of Guangzhou Northern Second Ring Expressway Co., Ltd. is Guangzhou Northern Second Ring Expressway. The adjusted net assets value (which is adjusted from the PRC generally accepted accounting principles to Hong Kong generally accepted accounting principles) of Guangzhou Northern Second Ring Expressway Co., Ltd. was HK\$730,830,000 as at 31st December 2004, according to the latest annual report of GZT.

Based on the extract of the adjusted financial information as disclosed in the 2004 annual report and unaudited management accounts for the ten months ended 31st October 2005 of GZT, the turnover, net profit before and after taxation and extraordinary items of Guangzhou Northern Second Ring Expressway Co., Ltd. for the two financial years ended 31st December 2003 and 2004 and for the ten months ended 31st October 2005, all prepared in accordance with the Hong Kong generally accepted accounting principles are as follows:

	For the financial year ended		(unaudited) For the ten	
	31st December 2003	2004	months ended 31st October 2005	2005
	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000
Turnover	97,813	186,447	210,790	
Profit / (loss) before taxation and extraordinary items	(44,390)	29,939	85,573	
Profit / (loss) after taxation and extraordinary items	(57,167)	22,337	79,011	
Long term assets	2,314,881	2,279,181	2,286,588	
Current assets	49,979	18,426	35,083	
Current liabilities	(137,800)	(106,336)	(105,252)	
Long term liabilities	(1,518,566)	(1,460,441)	(1,391,017)	
Shareholders' fund	708,494	730,830	825,402	
46% share of net assets	325,907	336,182	379,685	
Goodwill	4,714	4,551	4,551	
Carrying Value of 46% interest	330,621	340,733	384,236	
Value attributable to the 6% interest:				
Profit/(loss) before taxation and extraordinary items	(2,663)	1,796	5,134	
Profit/(loss) after taxation and extraordinary items	(3,430)	1,340	4,741	
Net assets	42,510	43,850	49,524	

Note: The accounting method applied by GZT and GZT to account for the investment in Guangzhou Northern Second Ring Expressway Co., Ltd. is equity accounting method which will remain unchanged upon completion of the Disposal.

INFORMATION ON Guangzhou Northern second Ring EXPRESSWAY

Guangzhou Northern Second Ring Expressway is a six-lane 42.4 km expressway with nine toll stations. It provides connection to 11 provincial, national highways and expressways to the north of Guangzhou City. Guangzhou Northern Second Ring Expressway was completed and commenced toll collection in January 2002.

REASONS FOR THE DISPOSAL

GZT and its group companies are principally engaged in investment in and development, operation and management of toll highways, expressways and bridges mainly in Guangdong Province. To alleviate the situation associated with non-controlling equity interests in a joint venture company, that is GZT may not be able to exercise control over the policies and decisions in respect of the operations and management of such joint venture company, GZT intends to adjust its investment strategy in projects where less than a 50 per cent. equity interest is held or expects that no controlling interest could reasonably be obtained to either reduce the current equity interest level to 40 per cent. or to limit the future acquisition to not more than 40 per cent. equity interest level. But each project will be evaluated on a case by case basis. Where applicable, GZT will also strive to be the single largest shareholder in these projects.

The Disposal would enable GZT to implement its new investment strategy.

FINANCIAL EFFECTS ARISING FROM THE DISPOSAL

Upon completion of the Disposal, an estimated gain on disposal (before deduction of relevant expenses) of approximately HK\$13,439,961 will be accrued to GZl and GZT, the breakdown of which is as follows:

	HK\$
Consideration receivable	63,557,692
Decrease in carrying value (includes goodwill) as at 31st October 2005 from the disposal of a 6.0 per cent. interest in Guangzhou Northern Second Ring Expressway Co., Ltd.	(50,117,731)
Gain on disposal before deduction of relevant expenses	13,439,961

The GZT Directors intend to apply the net proceeds from the Disposal for the investment in Guangzhou Western Second Ring Expressway which is currently under construction, and for other toll expressway investment opportunities as they might arise.

The GZl Directors and GZT Directors (including the respective independent non-executive directors) believe that the terms of the Sale and Purchase Agreement are fair and reasonable as far as the GZl Shareholders and GZT Shareholders are respectively concerned, and the Sale and Purchase Agreement is in the interests of GZl and the GZl Shareholders, and GZT and the GZT Shareholders respectively taken as a whole.

CONNECTED TRANSACTION

GHDC is a connected person of GZl and GZT because GHDC is a substantial shareholder holding 20 per cent., 49 per cent., 20 per cent., 45 per cent. and 20 per cent. interests in five subsidiaries of GZT (namely Guangzhou Taihe, Guangzhou Tailong, Guangzhou Weitan, Guangzhou Xinguang and Guangzhou Nanxin respectively) which in turn is a subsidiary of GZl. The entering into the Sale and Purchase Agreement between Benfield and GHDC therefore constitutes a connected transaction of each of GZl and GZT under Rule 14A.13(1)(a) of the Listing Rules.

In the case of GZl, based on the applicable size tests set forth in Rule 14.07 of the Listing Rules, the entire into the Sale and Purchase Agreement between Benfield and GHDC constitutes a connected transaction which is only subject to the reporting and announcement requirements and exempt from independent shareholders' approval requirement under Rule 14A.32 of the Listing Rules.

In the case of GZT, based on the applicable size tests set forth in Rule 14.07 of the Listing Rules, entering into the Sale and Purchase Agreement between Benfield and GHDC constitutes a connected transaction for GZT which requires GZT's independent shareholders' approval under Rule 14A.17 of Listing Rules.

The GZT Directors confirm that other than those interests in the five subsidiaries of GZT, GHDC is a connected person of GZT by virtue of any other connection with GZT. Therefore, no GZT Shareholders required to abstain from voting if GZT was to convene a general meeting for the approval of the Sale and Purchase Agreement in accordance with the Listing Rules.

GZT will obtain written confirmation under Rule 14A.43 of the Listing Rules from GZl which, as at the of this announcement, controls 750,134,000 GZT Shares, representing approximately 67.25 per cent. of issued share capital of GZT giving the right to attend and vote at the general meeting to approve the Sale and Purchase Agreement if one were to be held. Accordingly, GZT will apply to the Stock Exchange for shareholders' meeting waiver of its obligation to convene a general meeting pursuant to Rule 14A.43 of Listing Rules on the basis that an independent shareholders' approval will be obtained by way of the written approval by the independent shareholders. If the waiver mentioned above is not granted, GZT will convene a special general meeting for the approval of the Sale and Purchase Agreement.

PRINCIPAL BUSINESS OF GZl, GZT AND GHDC

GZl and its group companies are principally engaged in property development, management and investment newsprint manufacturing and the operation of toll roads and bridges.

GZT and its group companies are principally engaged in investment in, and development, operation management of toll highways, expressways and bridges mainly in Guangdong Province.

GHDC, a PRC state-owned enterprise, is principally engaged in the holding of interests in, and development of, toll highways, expressways and bridges mainly in Guangdong Province. GHDC is a connected person of GZl and GZT.

GENERAL

A circular containing, among other things, details of the Sale and Purchase Agreement, a recommendation letter from the GZT Independent Board Committee and a letter from an independent financial adviser to GZT Independent Board Committee will be despatched to the GZT Shareholders as soon as practicable in accordance with the provisions of the Listing Rules.

DEFINITIONS

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

"Benfield"

means Benfield Limited, incorporated in the British Virgin Islands with limited liability, an indirect wholly owned subsidiary of GZT, the principal business of which is the holding of 46 per cent. interest in Guangzhou Northern Second Ring Expressway Co. Ltd.

"connected person"

has the meaning ascribed to it under the Listing Rules

posai"	the transaction contemplated in the Sale and Purchase Agreement
DC"	means " 神州高速公路有限公司 " (for identification purposes, in English, Guangzhou Highways Development Company), a PRC state-owned enterprise and a substantial shareholder of five subsidiaries of GZI. Hence, GHDC is a connected person of GZI and GZI
Guangzhou Nanxin"	means Guangzhou Nanxin Highways Development Company Limited, a cooperative joint venture established in the PRC, the interest of which is held as to 80 per cent. by Superfield Limited, an indirect wholly owned subsidiary of GZI and as to 20 per cent. by GHDC
Guangzhou Taihe"	means Guangzhou Taihe Highways Development Company Limited, a cooperative joint venture established in the PRC, the interest of which is held as to 80 per cent. by Teckstar Limited, an indirect wholly owned subsidiary of GZI and as to 20 per cent. by GHDC
Guangzhou Tailong"	means Guangzhou Tailong Highways Development Company Limited, a cooperative joint venture established in the PRC, the interest of which is held as to 51 per cent. by Fortune Success Group Ltd., an indirect wholly owned subsidiary of GZI and as to 49 per cent. by GHDC
Guangzhou Weian"	means Guangzhou Weian Highways Development Company Limited, a cooperative joint venture established in the PRC, the interest of which is held as to 80 per cent. by Teckstar Limited, an indirect wholly owned subsidiary of GZI and as to 20 per cent. by GHDC
Guangzhou Xinguang"	means Guangzhou Xinguang Highways Development Company Limited, a cooperative joint venture established in the PRC, the interest of which is held as to 55 per cent. by Top Global Holdings Ltd., an indirect wholly owned subsidiary of GZI and as to 45 per cent. by GHDC
Board"	means Guangzhou Investment Company Limited (廣發投資有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board and on the stock exchange operated by Singapore Exchange Securities Trading Limited
Directors"	the board of directors of GZI
shareholders"	the directors of GZI
	shareholders of GZI
	means GZI Transport Limited (廣發交通運輸有限公司), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board
T Board"	the board of directors of GZI
T Directors"	the directors of GZI
T Independent Board Committee"	means an independent committee of the GZI Board appointed to advise the independent shareholders of GZI in respect of the Sale and Purchase Agreement, comprising the independent non-executive directors of GZI

"GZI Shares"	shares of HK\$ 0.10 each in the share capital of GZI
"GZI Shareholders"	shareholders of GZI
"Hong Kong"	means The Hong Kong Special Administrative Region of the PRC
"Independent third parties"	a party and its ultimate beneficial owner are third parties which are independent of GZI and GZI and connected persons of GZI and GZI
"Listing Rules"	means the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	means the securities market (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
"per cent."	means percentage
"PRC"	means the People's Republic of China
"Sale and Purchase Agreement"	the sale and purchase agreement dated 29th December 2005 entered into between Benfield and GHDC in respect of the disposal of a six per cent. interest in Guangzhou Northern Second Ring Expressway Co., Ltd. for a consideration of RMB66,100,000
"Stock Exchange"	means The Stock Exchange of Hong Kong Limited
"subsidiary"	has the same meanings as in section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as at the date hereof and "subsidiaries" shall be construed accordingly
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"HK\$" / "RMB"	Hong Kong dollars, the legal currency in Hong Kong / Renminbi, the legal currency in the PRC
<i>An exchange rate of HK\$ 1.00 = RMB 1.04 is used in this announcement.</i>	
<p style="text-align: center;">By order of the board of Guangzhou Investment Company Limited OU Bingchang <i>Chairman</i></p> <p style="text-align: center;">By order of the board of GZI Transport Limited OU Bingchang <i>Chairman</i></p>	
Hong Kong, 29th December 2005	
<i>As at the date of this announcement, the GZI Board comprises: Mr. OU Bingchang as Chairman, Mr. LIANG Yi, Mr. CHEN Guangsong and Mr. LI Fei as executive directors; Mr. YU Lujing, Mr. Joseph, Mr. LEE Ka Lun and Mr. LAU Hon Chuen Ambrose as independent non-executive directors.</i>	
<i>As at the date of this announcement, the GZI Board comprises: Mr. OU Bingchang as Chairman, Mr. LI Ximin, Mr. LI Zhua, Mr. CHEX Guangsong, Mr. LIANG Xinguang, Mr. LIANG Yi, Mr. DU Xirang, Mr. HE Zhi, Mr. ZHANG Sijuan, Mr. TAN Huade, Mr. He Ruiqing and Mr. ZHANG Huiqing as executive directors; Mr. POON Jing as non-executive director; Mr. FUNG Ka Pui, Mr. LAU Hun Chuen Ambrose and Mr. CHEUNG Doi Shu as independent non-executive directors.</i>	



越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 123)

Appointment of Directors Change of Registered Office

The board of directors (the "Board") of Guangzhou Investment Company Limited (the "Company") is pleased to announce that Mr Tang Shouchun and Mr Wang Hongtao have been appointed as executive directors of the Company with effect from 28 February 2006.

Mr Tang Shouchun, aged 43, a graduate of Nanjing Agricultural University (南京農業大學), is a senior accountant, senior economist and registered asset appraiser in China, and has a Doctor degree in Agricultural Economics and Management. Prior to joining Yue Xiu Enterprises (Holdings) Limited ("Yue Xiu") in 2002, he taught at Southwestern University of Finance and Economics (西南財經大學) in Chengdu and was a vice professor of South China Normal University (華南師範大學) in Guangzhou. He had been a director and chief accountant of Guangzhou City Construction & Development Group Co. Ltd., responsible for overseeing financial accounting, financial management and capital operation of the company. He also participated in the planning and operation management of various large real estate projects. After joining Yue Xiu, Mr Tang has held the positions of Group financial controller and deputy general manager, overseeing the Group's financial and treasury affairs. He has extensive experience in the financial management and capital operation of large enterprises.

He did not hold any directorship in any other listed public companies in the last three years. He is a director of Bosworth International Limited, a controlling shareholder of the Company. Save as disclosed, Mr Tang does not have any relationships with any other directors, senior management or substantial or controlling shareholders of the Company. He has a personal interest of 3,900,000 underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no director's service contract between the Company and Mr Tang and he will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. The director's fee payable to Mr Tang will be determined by the Board with reference to job responsibilities and the Group's performance and profitability.

Mr Wang Hongtao, aged 55, graduated from the Huadong Institute of Hydraulic (華東水利學院) with a major in port engineering. He joined Guangzhou City Construction & Development Group Co. Ltd. in 1985, and had taken up various leading positions in the planning and development department, Guangzhou Grandcity Development Ltd. and Guangzhou Investment Property Holdings Limited. He has nearly 30 years' experience in infrastructure and real estate development, specializing in real estate investment, project planning, development and construction as well as property operation and management.

Mr Wang has participated in and has been in charge of various large real estate development projects such as Guangzhou Jiang Nan Estate, Er Sha Island and Tianhe Construction Zone, and more than ten residential districts and commercial buildings such as Guangzhou Ming Ya Mansion, Galaxy City, Jiang Nan New Mansion, City Development Plaza and China Mayors Plaza. Among them, City Development Plaza and China Mayors Plaza were awarded the Luban Prize, the highest accolade awarded by the Ministry of Construction of China, while Lingnan Garden won the Zhan Tian You Civil Engineering Award. Mr Wang himself was awarded the Ministerial Award from the Ministry of Construction of China.

Mr Wang is a senior economist, engineer and registered land valuer in China, and is a member of the Expert Committee of the Guangzhou Real Estate Industry Association. He is also the vice chairman of the Guangzhou Real Estate Industry Association, the Guangzhou Construction Industry Association and the Leasing Association of Guangzhou.

He did not hold any directorship in any other listed public companies in the last three years. He is a director of Novena Pacific Limited and Morrison Pacific Limited. Save as disclosed, Mr Wang does not have any relationships with any other directors, senior management or substantial or controlling shareholders of the Company. He has a personal interest of 320,000 underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no director's service contract between the Company and Mr Wang and he will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. The director's fee payable to Mr Wang will be determined by the Board with reference to job responsibilities and the Group's performance and profitability.

The Board would like to welcome Mr Tang and Mr Wang to join the Board.

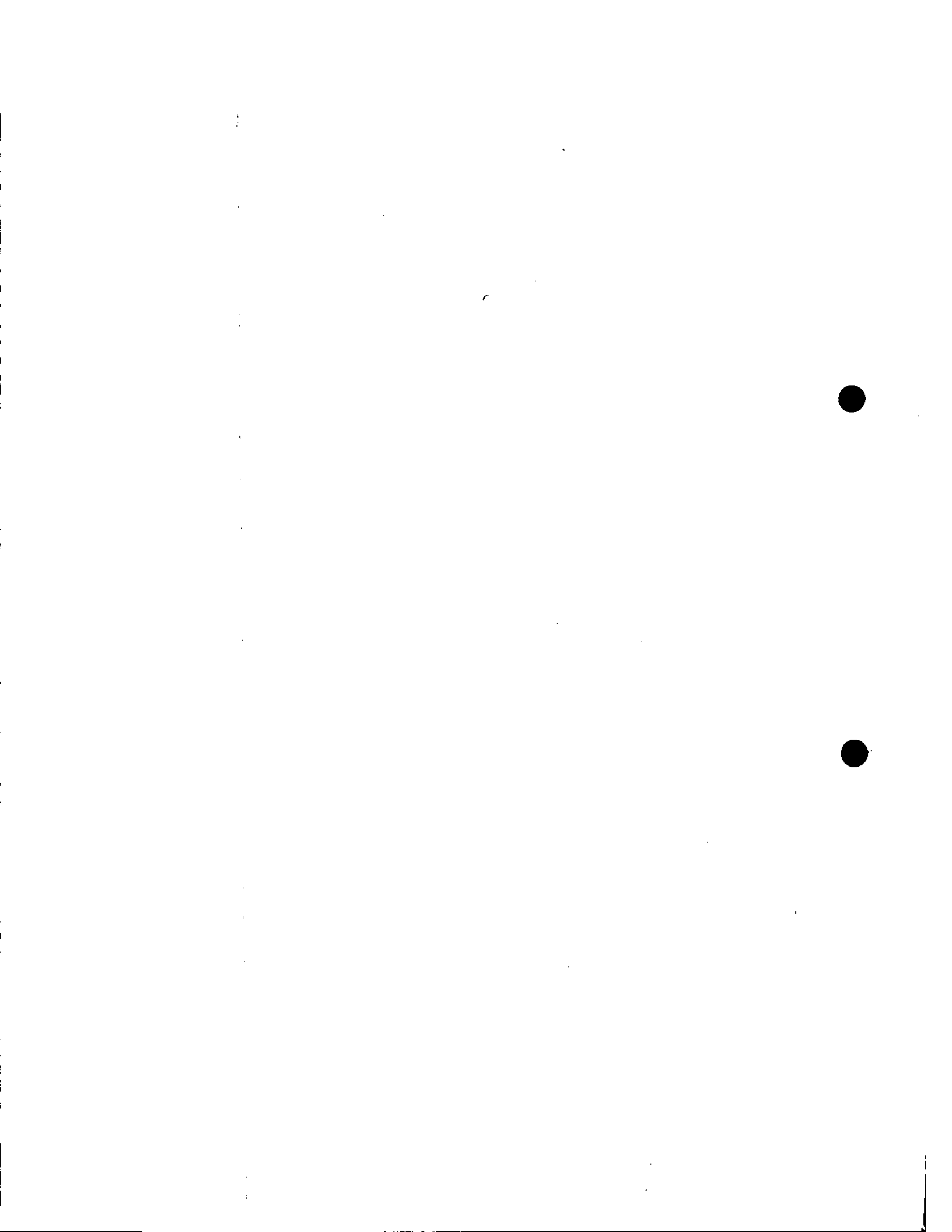
The Board further announces that the registered office of the Company has been changed to 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong with effect from 28 February 2006.

By Order of the Board
Guangzhou Investment Company Limited
Ou Bingchang
Chairman

Hong Kong, 28 February 2006

As at the date of this announcement, the Board comprised:

Executive Directors:	Ou Bingchang, Liang Yi, Li Fei, Chen Guangsong, Tang Shouchun and Wang Hongtao.
Independent non-executive Directors:	Yu Lup Fat Joseph, Lee Ka Lun and Lau Hon Chuen Ambrose.





越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Stock Code: 123)

(Incorporated in Hong Kong with limited liability)

Announcement of 2005 Results

Chairman's Statement

The Group's major business operations are centered around the Guangzhou Municipality and its vicinity. In 2005, the Group benefited from the sustaining growth in Guangzhou's economy, and achieved satisfactory results in various business operations. Attributable profit to shareholders increased to HK\$2,528 billion, representing an increase of 827% compared to 2004. Earnings per share is approximately HK\$0.39, an increase of approximately 676% compared to 2004. The Board recommends a dividend of HK\$0.08 per share for the year.

On December 21st 2005, the Group obtained approval from The Securities and Futures Commission and The Stock Exchange of Hong Kong Limited to spin-off a portfolio of 4 grade A office and prime commercial investment properties including White Horse Building for an aggregate area of approximately 160,000 in the form of a real estate investment trust. The spin-off of GZI REIT (stock code:405) brought HK\$3.3 billion cash to the Group and a HK\$2 billion profit, resulting in significant contribution to the Group in terms of cash flow, capital structure, net asset value as well as profit, and realised the market value of the Group's investment properties.

As a result of the changes in Hong Kong accounting standards which requires the change of profit recognition from percentage completion method to recognition upon full completion of the project, the Group's book sales of GFA decreased to approximately 129,200 square meters, and book sales revenue also decreased to HK\$1,247 billion; representing a reduction of 58.52% and 37% respectively. However, with the improvement in rental revenue in both Hong Kong and Guangzhou (approximately HK\$520 million, an increase of 20% compared to 2004), a revaluation gain of HK\$790 million was recorded for the Group's properties.

During the period, profit attributable to shareholders from toll road operations amounted to HK\$306 million, representing an increase of 10.4% compared to 2004. Attributable profit to shareholders from Newsprint operation recorded an amount of HK\$33.0 million, an increase of 3.09% compared to 2004.

Looking into the future, Guangzhou Municipality in which the Group's major businesses are located, is expected to accelerate the development of various industries such as automobile manufacturing, heavy industry and logistics, exhibitions and conventions, financial and intermediaries, cultural and other services, etc; the object of which is to position Guangzhou Municipality as the economic hub of Southern China. Economic developments take business development opportunities in its stride. In light, the Group's future development strategy will be:

To proactively consider and, when the right opportunity arises, to prepare for the spin-off of the newsprint operation in Hong Kong, rationalizing the Group's segment structure and improving transparency of its business operations, and also providing a platform for the development of the newsprint business.

Focusing on Property business, maximize the advantage in the abundance of land reserve - planned development for 2006 shall increase to 2.6 million square meters, and in response to the keen demand for residential units in the old town area, more high quality residence units shall be delivered. Anticipated supply of GFA available for sale in 2006 would be approximately 550,000 square meters.

Strengthen the operations of commercial properties — with a full understanding on the implications of the Central Government's series of macro economic policies targeting to prevent overheating in the property market, the Group shall accordingly implement a consistent policy to expand its investment property portfolio in line with the market conditions, but fully aware of the operating risks, and take appropriate expansion in commercial property operation, achieving flexibility for sale or lease. After the spin-off of GZI REIT, the Group still maintains a portfolio of approximately 450,000 square meters of investment properties mainly in commercial properties and offices. Commercial properties under development in 2006 shall increase to about 1.1 million square meters, all located in business centers or prosperous districts in Guangzhou. Also, the Group had successfully secured the development right for the West Tower of the Mega Twin Towers in Pearl River New City, the GFA deliverable is approximately 400,000 square meters. The project is expected to become the tallest building of Guangzhou, and is currently under preliminary preparatory work. Over the next few years, the Group is expected to gradually increase its portfolio to approximately 2 million square meters of investment properties. The Group has granted a first right of refusal to GZI REIT when it was listed. We would make full use of the various properties that fits the description of this first right of refusal in interaction with the GZI REIT. We would offer these properties the GZI REIT on a first refusal basis on the same terms and conditions offered to the Group and in compliance with applicable law and regulations, achieving a win/win situation for both parties.

Appropriately develop other downstream operations, maintaining long term stable development and return.

Guangdong Province shall continue to expand its highway network over the coming years, and as long as the appropriate rate of return can be achieved, the Group shall actively participate in investments.

The Group shall execute the above series of business development measures, and strive to improve its competitive capabilities, increase operating efficiency, compress costs, seize market opportunities, and thereby bringing better return to shareholders.

I take this opportunity to express our gratitude to all Directors, Senior Management, and all staff members for their contribution to the Group. And I cordially thank all Shareholders and friends in the banking and business community for their support and assistance to the Group.

Ou Bingchang
Chairman

Hong Kong, 25th April 2006

RESULTS
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2005

	Note	2005 HK\$'000	2004 Restated HK\$'000
Turnover	2	3,954,998	4,544,209
Cost of sales		(2,901,608)	(3,585,893)
Gross profit		1,053,390	958,316
Gain on disposal of subsidiaries		2,028,993	—
Revaluation surplus on investment properties		798,919	76,750
Other gains		281,718	164,392
Selling and distribution expenses		(190,019)	(178,451)
General and administrative expenses		(809,484)	(406,996)
Operating profit	4	3,163,517	614,011
Interest income		52,107	35,970
Finance costs	5	(301,746)	(112,512)
Share of profits less losses of		38,210	(29,228)
- jointly controlled entities		202,062	151,942
- associated companies		—	—
Profit before taxation		3,154,150	660,183
Taxation	6	(270,477)	(109,605)
Profit for the year		2,883,673	550,578
Attributable to			
Equity holders of the Company		2,527,765	272,736
Minority interests		355,908	277,842
		2,883,673	550,578
Earnings per share for profit attributable to the equity holders of the Company (expressed in HK cents per share)			
- Basic	7	39.54 cents	4.32 cents
- Diluted		38.94 cents	4.25 cents
Dividend	8	575,430	109,797

CONSOLIDATED BALANCE SHEET
AS AT 31ST DECEMBER 2005

	Note	2005 HK\$'000	2004 Restated HK\$'000
ASSETS			
Non-current assets			
Interests in toll highways and bridges		1,980,017	2,040,020
Other intangible assets		—	(526,739)
Property, plant and equipment		1,217,567	1,351,352
Investment properties		3,698,437	4,775,305
Leasehold land and land use rights		4,372,994	4,778,439
Interests in jointly controlled entities		685,729	643,435
Interests in associated companies		3,089,126	1,757,991
Deferred tax assets		67,980	56,199
Trade receivables, non-current portion		108,201	104,900
Available-for-sale financial assets		354,912	—
Other investments		—	261,347
		<u>15,574,963</u>	<u>15,242,249</u>
Current assets			
Properties under development		2,668,674	2,343,360
Properties held for sale		682,448	1,304,257
Leasehold land and land use rights		3,190,945	3,429,014
Other assets held for sale		397,000	—
Inventories		319,105	195,288
Amounts due from related companies		1,510	3,234
Trade receivables	9	431,675	457,868
Other receivables, prepayments and deposits		415,744	594,136
Tax recoverable		22,447	—
Charged bank deposits		164,892	70,747
Bank balances and cash		<u>3,226,238</u>	<u>830,910</u>
		<u>11,520,678</u>	<u>9,228,814</u>

	Note	2005 HK\$'000	2004 Restated HK\$'000
LIABILITIES			
Current liabilities			
Trade payables		374,190	414,493
Land premium payable		617,319	729,410
Other payables and accrued charges		3,947,608	3,054,229
Amount due to ultimate holding company		148,626	—
Amounts due to related companies		45,333	—
Amounts due to jointly controlled entities		83,559	123,442
Amounts due to associated companies		119,938	112,150
Amounts due to minority shareholders		47,146	186,831
Borrowings		1,535,099	2,046,850
Derivative financial instruments		—	29,021
Taxation payable		<u>78,589</u>	<u>133,798</u>
		<u>6,997,407</u>	<u>6,830,224</u>

	Note	2005 HK\$'000	2004 Restated HK\$'000
Net current assets			
Total assets less current liabilities			
Non-current liabilities			
Borrowings		3,933,321	4,038,412
Deferred tax liabilities		2,225,426	3,130,532
		<u>6,158,747</u>	<u>7,168,944</u>
Net assets		<u>13,939,487</u>	<u>10,471,895</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		651,894	635,160
Other reserves		5,813,273	5,770,281
Retained earnings		467,041	57,266
- Proposed dividend		<u>3,456,553</u>	<u>557,999</u>
- Others		10,388,761	7,020,706
		<u>3,550,726</u>	<u>3,451,189</u>
Minority interests		—	—
Total equity		<u>13,939,487</u>	<u>10,471,895</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Change of accounting policies

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 31	Interests in Joint Ventures
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings Per Share
HKAS 36	Impairment of Assets

HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 (Amendment)	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKAS 40	Investment Property
HKAS-Int 15	Operating Leases — Incentives
HKAS-Int 21	Income Taxes — Recovery of Revalued Non-Depreciable Assets
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations
HKFRS 5	Non-current Assets Held for Sale and Discontinued Operations
HK-Int 1	Revenue - Pre-completion Contracts for the Sale of Development Properties
HK-Int 4	Leases - Determination of the Length of Lease Term in respect of Hong Kong Land Leases

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 21, 23, 24, 27, 28, 31, 33, HKAS-Int 15, HKFRS 5 and HK-Int 4 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of minority interests, share of net after-tax results of associates and jointly controlled entities and other disclosures.
- HKASs 2, 7, 8, 10, 23, 27, 28, 31, 33 and HKAS-Int 15 and HK-Int 4 had no material effect on the Group's policies.
- HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.
- HKFRS 5 has affected the classification and valuation of non-current assets.

The adoption of HKAS 16 has resulted in a change in the accounting policy relating to the rental income from incidental operations occur before or during the construction of properties. Rental income from incidental operations occur before or during construction were recognised in the income statement. The Group applied this new policy retrospectively and accordingly the 2004 comparative figures had reflected the retrospective effect of the change.

The adoption of HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land and land use rights to operating leases from properties under development, properties held for sale and property, plant and equipment. The up-front prepayments made for the leasehold land and land use rights are expensed in the income statement on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the income statement. Lease payments that are incurred during the construction period of properties under development can be considered as qualifying asset and may be capitalised as part of properties under development. In prior years, the leasehold land included in leasehold land and buildings was accounted for at cost less accumulated depreciation and accumulated

impairment losses; the land use rights included in properties under development and properties held for sale were accounted for at the lower of cost and net realisable value. The transitional provisions require retrospective application of this new policy and accordingly the 2004 comparative figures had reflected the retrospective effect of the change.

The adoption of HKASs 32, 39 and 39 (Amendment) has resulted in a change in the accounting policy relating to the classification of financial assets at fair value through profit and loss and available-for-sale financial assets. It has also resulted in the recognition of derivative financial instruments at fair value and the change in the recognition and measurement of hedging activities.

The adoption of revised HKAS 40 has resulted in a change in the accounting policy of investment properties of which the changes in fair values are recorded in the income statement with effect from 1st January 2005. In prior years, the increases in fair value were credited to the investment properties revaluation reserve. Decreases in fair value were first set off against increases on earlier valuations on a portfolio basis and thereafter expensed in the income statement.

The adoption of revised HKAS-Int 21 has resulted in a change in the accounting policy relating to the measurement of deferred tax liabilities arising from the revaluation of investment properties. Such deferred tax liabilities are measured on the basis of tax consequences that would follow from recovery of the carrying amount of that asset through use. In prior years, the carrying amount of that asset was expected to be recovered through sale. The transitional provisions require retrospective application of this new policy and accordingly the 2004 comparative figures reflected the retrospective effect of the change.

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. Until 31st December 2004, the provision of share options to employees did not result in an expense in the income statement. Effective on 1st January 2005, the Group expensed the cost of share options in the income statement. As a transitional provision, the cost of share options granted after 7th November 2002 and had not yet vested on 1st January 2005 was expensed retrospectively in the income statement of the respective periods.

The adoption of HKFRS 3, HKAS 36 and HKAS 38 results in a change in the accounting policy for goodwill and negative goodwill. Until 31st December 2004, goodwill was amortised on a straight-line basis over a maximum period of 20 years and assessed for an indication of impairment at each balance sheet date; negative goodwill not relating to any identifiable future losses or expenses at the date of acquisition and not exceeding the fair value of the non-monetary assets acquired, was recognised in the income statement over the period of utilisation of those assets. The transitional provisions of HKFRS 3 allow retrospective application of this new policy under certain situations, which are not applicable to the Group, and accordingly the 2004 comparative figures had not reflected the effect of this change. In accordance with the provisions of HKFRS 3, the Group ceased amortisation of goodwill from 1st January 2005, with accumulated amortisation as at 31st December 2004 being eliminated with a corresponding decrease in the cost of goodwill. From the year ended 31st December 2005 onwards, goodwill will be tested annually for impairment, as well as when there is indication of impairment, excess of interest of the Group's share of the net identifiable assets of the acquired subsidiary/business at the date of acquisition over the cost of an acquisition is recognised in the income statement. Negative goodwill of approximately HK\$526,739,000 as at 31st December 2004 has been transferred to retained earnings on 1st January 2005.

The Group has reassessed the useful lives of its intangible assets in accordance with the provisions of HKAS 38 and no adjustment resulted from this reassessment.

The adoption of HK-Int 3 has resulted in a change in the accounting policy relating to revenue recognition arising from the sale of properties. Such revenue is recognised only upon completion of the related sale agreement, which refers to the time when properties are completed and delivered to the buyers. Until 31st December 2004, revenue from the sale of properties under development was recognised according to the percentage of completion method and the sale of other properties was recognised upon signing of sale and purchase agreements. The transitional provisions allow retrospective application of this new policy. However, the Group has chosen to apply this standard prospectively on 1st January 2005 as the management considered that it is impracticable to reflect the retrospective effect.

All changes in the accounting policies have been made in accordance with the transition provisions in the respective standards, wherever applicable. All standards adopted by the Group require retrospective application other than:

— HKAS 16 under which the initial measurement of an item of property, plant and equipment acquired in an exchange of assets transaction is accounted at fair value prospectively only to future transactions;

— HKAS 21 which requires prospective application for accounting goodwill and fair value adjustments as part of foreign operations;

— HKAS 32 and 39 which does not permit to recognise, derecognise and measure financial assets and liabilities in accordance with this standard on a retrospective basis. The Group applied the previous Statement of Standard Accounting Practice ("SSAP") 24 "Accounting for investments in securities" to other investments for the 2004 comparative information. The adjustments required for the accounting differences between SSAP 24 and HKAS 39, if any, are determined and recognised at 1st January 2005;

— HKAS 40 since the Group has adopted the fair value model, there is no requirement for the Group to restate the comparative information, any adjustment should be made to the retained earnings as at 1st January 2005, including the reclassification of any amount held in revaluation surplus for investment property;

— HKAS-Int 15 which does not require the recognition of incentives for leases beginning before 1st January 2005;

— HKFRS 2 which only requires retrospective application for all equity instruments granted after 7th November 2002 and not vested at 1st January 2005;

— HKFRS 3 which is applied prospectively; and

— HK-Int 3 which allows prospective application.

2 Turnover, revenue and segment information

The Group is principally engaged in development, operation and management of toll highways and bridges, development, selling and management of properties and holding of investment properties and manufacturing and trading of newsprint. Revenues recognised are as follows:

	2005	2004 Restated HK\$'000
Turnover		
Toll revenue from toll operations	424,845	400,212
Property management fee income	137,050	114,610
Rental income		
- Properties	408,211	367,050
- Car park	111,550	67,804
Sales revenue		
- Sales of properties	1,247,447	1,987,231
- Sales of newsprint	1,194,252	1,240,693
- Others	431,643	366,609
	<u>3,954,998</u>	<u>4,544,209</u>

Turnover and segment results for the year are as follows:

Primary reporting format - business segments

The Group operates mainly in Hong Kong and Mainland China ("China") and in three main business segments:

- Properties - development, selling and management of properties and holding of investment properties
- Toll operations - development, operation and management of toll highways and bridges
- Paper - manufacturing and selling of newsprint paper

There are no significant sales between the business segments.

Secondary reporting format - geographical segments

The Group's three business segments are mainly managed in Hong Kong and China:

Hong Kong — properties
China — toll operations, properties, and paper
Others — properties

There are no significant sales between the geographical segments.

Primary reporting format - business segments

	For the year ended 31st December							
	Toll operations		Properties		Paper		Group	
	2005	2004	2005	2004	2005	2004	2005	2004
Turnover	424,845	400,212	2,335,901	2,903,304	1,194,233	1,240,693	3,954,998	4,544,209
Segment results	130,479	155,431	3,022,868	413,489	96,820	94,947	3,249,167	663,867
Interest income							52,107	35,970
Loss on deemed disposal of certain interests in a subsidiary							(1,441)	(481)
Unallocated operating costs							(85,209)	(49,375)
Finance costs							(301,746)	(112,512)
Share of profits less losses of:								
- A jointly controlled entity	40,014	13,772	(1,804)	(36,793)			38,210	(29,238)
- Associated companies	184,414	151,942	17,648				202,062	151,942
Profit before taxation							3,154,150	660,183
Taxation							(270,477)	(109,605)
Profit for the year							2,883,673	550,578
Capital expenditure	300	3,788	474,171	133,368	383,265	68,303	857,736	205,459
Depreciation and amortisation	108,448	113,992	160,977	100,909	68,844	119,015	338,269	333,916

Primary reporting format - business segments

	As at 31st December							
	Toll operations		Properties		Paper		Group	
	2005	2004	2005	2004	2005	2004	2005	2004
Segment assets	2,488,844	2,418,254	17,398,149	17,934,848	2,127,807	1,553,947	21,994,540	21,907,049
Interest in jointly controlled entities	475,549	422,892	1,196,843	220,545			1,672,392	641,435
Interest in associated companies	1,086,542	1,671,842	128,800	88,506			1,813,342	1,760,348
Unallocated assets							1,615,367	160,231
Total assets							27,095,641	24,471,063
Segment liabilities	610,764	732,535	6,743,262	6,588,288	1,014,947	481,538	8,368,973	7,804,301
Unallocated liabilities							4,787,181	6,194,807
Total liabilities							13,156,154	13,999,108
Secondary reporting format - geographical segments								
	For the year ended 31st December				As at 31st December			
	Turnover		Capital expenditure		Total assets		Total assets	
	2005	2004	2005	2004	2005	2004	2005	2004
Hong Kong	228,702	451,356	2,122	28,253	1,460,136	1,407,288		
China	3,724,429	4,066,706	855,614	177,206	23,984,457	22,856,962		
Overseas	1,862	26,147			35,711	46,582		
Unallocated assets	3,054,998	4,544,209	857,736	205,459	25,480,274	24,310,832		
Total assets					1,615,367	160,231	27,095,641	24,471,063

4 **Operating Profit**

Operating profit is determined after charging and crediting the following:

	2005	2004
	HK\$'000	Restated HK\$'000
Crediting:		
Dividend income	—	14,904
Excess of the fair value of additional interests in a subsidiary and an associate over acquisition cost	198,214	—
Charging:		
Advertising expenses	143,756	129,997
Cost of inventories sold	2,317,346	3,202,685
Depreciation:		
- Owned fixed assets	28,315	148,544
- Leased fixed assets	34	23
Amortisation/depreciation of interests in toll highways and bridges	106,051	104,681
Amortisation of leasehold land and land use rights	103,869	122,475

5 **Finance costs**

	2005	2004
	HK\$'000	Restated HK\$'000
Interest on bank loans and overdrafts	220,369	135,656
Interest on		
- amount due to a minority shareholder of a subsidiary	66,313	4,643
- loan from the ultimate holding company	—	3,455
- loans from related companies	3,295	1,031
- other loans	45,365	23,126
Total borrowing costs incurred	335,342	167,911
Less: amount capitalised to properties held for/under development	(33,596)	(55,399)
	<u>301,746</u>	<u>112,512</u>

6 **Taxation**

- (a) Hong Kong profits tax has been provided at the rate of 17.5 per cent (2004: 17.5 per cent) on the estimated assessable profit for the year.
- (b) China enterprise income taxation is provided on the profits of the Group's subsidiaries, associated companies and jointly controlled entities in China in accordance with the Income Tax Law of China for Enterprises with Foreign Investment and Foreign Enterprises ("China Tax Law") at rates ranging from 18 per cent to 33 per cent. Under the China Tax Law, certain of the Group's subsidiaries,

associated companies and jointly controlled entities in China are entitled to an income tax holiday for two to five years from its first profit making year followed by a 50 per cent reduction in income tax for the next three to five years.

(c) China land appreciation tax is levied at progressive rates ranging from 30 per cent to 60 per cent on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditures.

(d) The amount of taxation charged to the consolidated income statement represents:

	2005	2004
	HK\$'000	Restated HK\$'000
Company and subsidiaries		
Current taxation	2,133	1,547
Hong Kong profits tax	67,187	135,656
China enterprise income tax	12,419	68,295
China land appreciation tax	6,525	5,296
Under provision in prior years	—	—

Deferred taxation relating to the charge/(reversal) of temporary differences
Deferred taxation resulting from an increase in tax rate

	182,213	(101,189)
	<u>270,477</u>	<u>109,605</u>

7 **Earnings per share**

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2005	2004
		Restated

Profit attributable to equity holders of the Company (HK\$'000)

	2,527,765	272,736
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Weighted average number of ordinary shares in issue ('000)

	6,392,162	6,318,186
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Basic earnings per share (HK cents)

	39.54	4.32
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Diluted

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options outstanding during the period which are dilutive potential ordinary shares. Calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average daily market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2005	2004
Profit attributable to equity holders of the Company (HK\$'000)	<u>2,527,765</u>	<u>272,736</u>
Weighted average number of ordinary shares in issue ('000)	6,392,162	6,318,186
Adjustments for - share options ('000)	<u>99,097</u>	<u>106,215</u>
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>6,491,259</u>	<u>6,424,402</u>
Diluted earnings per share (HK cents)	<u>38.94</u>	<u>4.25</u>
Dividend		
	2005	2004
	Restated	Restated
	HK\$'000	HK\$'000
Interim, paid, of HK\$0.01 (2004: HK\$0.0083) per ordinary share	64,028	52,531
Dividend in specie, paid, 16,269,505 units of GZI Real Estate Investment Trust	44,370	—
Final, proposed, of HK\$0.02 (2004: HK\$0.009) per ordinary share	133,440	57,266
Special proposed, of HK\$0.05 (2004: nil) per ordinary share	<u>333,601</u>	<u>—</u>
	<u>575,439</u>	<u>109,797</u>

At a meeting held on 25th April 2006, the directors proposed a final dividend and special dividend of HK\$0.02 and HK\$0.05 respectively per ordinary share. This proposed dividends are not reflected as dividend payable in these financial statements, but will be reflected as an appropriation of retained profits for the year ending 31st December 2006.

Trade receivables

The Group has defined credit policies for different business. The credit terms of the Group are generally within three months. The ageing analysis of the trade receivables is as follows:

	2005	2004
	Restated	Restated
	HK\$'000	HK\$'000
0 - 30 days	117,983	174,569
31 - 90 days	92,634	76,788
91 - 180 days	40,969	81,345
181 - 365 days	45,295	43,789
Over 1 year	<u>134,794</u>	<u>81,377</u>
	<u>431,675</u>	<u>457,868</u>

10 Trade payables

The ageing analysis of the trade payables were as follows:

	2005	2004
	Restated	Restated
	HK\$'000	HK\$'000
0 - 30 days	103,911	32,433
31 - 90 days	52,172	70,560
91 - 180 days	14,714	24,008
181 - 365 days	41,454	65,755
1 - 2 years	20,047	39,243
Over 2 years	<u>141,892</u>	<u>182,494</u>
	<u>374,190</u>	<u>414,493</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business Review

Mainly benefiting from the spin off of approximately 160,000 square meters of investment properties including White Horse Building on 21st December 2005 through the listing of a Real Estate Investment Trust, apart from still owing 31% of the Trust Units, there is also a receipt of HK\$3.3 billion in cash; attributable profit to shareholders increased by 827% to HK\$2,528 billion; earning per share increased by 676% over last year to HK\$0.39 and NAV per share increased by 40% over last year to HK\$1.59. The overall financial position of the Group has been substantially improved. There is a recommended dividend for the year at HK\$0.08 per share, an increase of 362% compared to last year; of which interim dividend was HK\$0.01 and final dividend being HK\$0.02 and a special dividend of HK\$0.05.

Property business

According to the changes in accounting rules in Hong Kong in 2005, the Group's property sales recognition basis was changed from "degree of completion" to "completed delivery". As a result, floor space book sales during the period reduced to 129,200 square meters from 311,500 square meters last year, while sales proceeds reduced to HK\$1,247 billion from HK\$1,987 billion last year, representing a drop of 58.52% and 37%, respectively.

However, taking into account the un-booked pre-sold floor space of 152,160 square meters and sales proceeds of HK\$882 million, as well as the sales to GZI Real Estate Investment Trust (GZI REIT) of 160,000 square meters at a sales proceeds of approximately HK\$4.36 billion, actual floor space sold for the period amount to 441,300 square meters and sales proceeds was HK\$6,491 billion, representing an increase of 41.67% and 226.67%, respectively.

Starting from last year, the Group had been implementing a policy of "balanced development in residential and commercial property", and appropriately expanded commercial property portfolio, apart from realizing the true value of the investment properties through the spin-off of GZI REIT, rental income also reached HK\$520 million, an increase of 20% compared to last year.

Other businesses

During the period, the Group's toll road operation realized a turnover of HK\$425 million, an increase of 6.2% compared to last year, the attributable profit in associated companies amounts to HK\$184 million, an increase of 20.9% compared to last year; the jointly controlled entity GSNR had outstanding performance, contributing HK\$40 million to the Group's attributable profit from the entity, a 295.7% increase compared to last year. The GWSR project which the Group participated 35%, is expected to be in operation by the end of 2006, earlier than expected; by that time the Groups' operating income is expected to further increase.

During the period, despite the competition from increased newsprint production in the country affecting sales to decrease to 275,00 tons, a drop of 11.58% compared to last year, but with the increase in market price and the strengthening of cost control by the Group and improvements made to production, attributable profit to shareholders increased by 3.09% to HK\$33.04 million for the period.

Future development strategy and business outlook

In 2005 Guangzhou Municipality where most of the Group's businesses are located, has a GDP reaching RMB\$11,575 billion, an increase of 13% compared to the previous year. Economic development remained positive, and fixed assets investments continued to be strong; with keen internal demand, overall property price increased 10.7% compared to the previous year, and average transaction price reached RMB5,114 per square meter, a breakthrough of the RMB5,000 ceiling for the first time since 2000.

At the same time, with full awareness of the series of measures implemented by the Central Government to prevent overheating in the property market, the Group shall accordingly implement a consistent business strategy in line with the changes in the market condition. The future strategy shall be: streamlining of organization, increase transparency, and on the basis of mainly developing residential property, making best use of the interaction in

commercial properties between the Group and GZI REIT, to pursue win/win situation while at the same time paying high attention to operating risk prevention. And looking into the future:

1. the Group is actively investigating to spin-off the newsprint operation in Hong Kong at an appropriate time, allowing the Group to concentrate its attention on property and infrastructure business and improve transparency; at the same time allowing the newsprint operation to have an independent platform, which is advantageous to its own development.
2. the Group will make use of the advantage of the vast land reserve; planned property development floor space for 2006 shall be expanded gradually to 2.6 million square meters. Seizing the opportunity of robust market condition in Guangzhou with a rising property price, and in response to the keen demand for residential properties, appropriate sales expansion plan is adopted to increase sale. The expected floors space sales target would be approximately 550,000 square meters for 2006, mainly on residential units and an appropriate portion of villas. Major projects on sale include: Jianguan New Mansion, Springland Garden, Xing Hui Ya Yuan (Happy Valley), Binjiang Yiyuan, Glade Village and Southern Le Sund. Between 2006 and 2007, the target is to complete approximately 1.2 million square meters of GFA, and the increase in sales would mainly come from residential projects like Jiang Nan New Mansion Phase 4, sector 1,4 Jiang Nan New Mansion Phase 3 section 7.
3. the Group shall accelerate the development of commercial properties. Currently the properties under construction is approximately 1.1 million square meters, including mainly the 2 office towers of Victory Plaza, Yue Xiu City Plaza, Yue Xiu New Metropolis Plaza, Asian Pacific Century Plaza and Nansha Commercial Centre etc. With the securing of the West Tower of the Mega Tower project in Pearl River New City (total GFA under development would amount to approximately 400,000 square meters), together with the Group's current portfolio of investment properties of over 400,000 square meters, over the next few years, the Group is able to own or complete around 2 million square meters of investment commercial properties and offices. At the time of the spin off of GZI REIT, the Group granted a First Right of Refusal to the GZI REIT, and the Group shall consider to make full use of these properties that fulfill the acquisition conditions in interaction with the GZI REIT; under similar terms and conditions, these properties shall be firstly considered by the GZI REIT for acquisition and mutual growth, thus achieving a win/win situation.

4. on the toll road operation: the Group shall continue to focus on the investment on Expressways, and with the high growth in highway network for the Guangdong Province in the coming years, as long as the return is appropriate, the Group shall actively seek to participate in such investments.

5. the Group shall also reorganize some of its businesses with good potentials, such as supermarket operation and car park operations etc., to grow these businesses, and at the appropriate time realize their potential value.

FINANCIAL REVIEW

Analysis of results

For the year ended 31st December, 2005, profits attributable to shareholders of the Group were approximately HK\$2,527,765,000, increased by 826.8% from 2004. The significant increase in profits attributable to shareholders was mainly attributable to the fact that the Company established GZ1 Real Estate Investment Trust by injection of four high quality investment properties, including White Horse Building, and successfully spun off from the Group and separate listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 405) to raise tremendous funds and release a huge amount of profits. Basic earnings per share of the Group were HK\$0.39, increased by 676% from 2004.

Turnover

Turnover of the Group for the year ended 31st December, 2005 was approximately HK\$3,954,998,000, decreased by 13.0% from 2004. This was mainly attributable to the effect of a change in the accounting policy for recognising revenue from the sales of development properties of the property business.

Pursuant to the new Hong Kong Financial Reporting Standards implemented in 2005, revenue recognition for the sale of properties has been changed from the percentage of completion method to accounting for upon completion. Under the new method, the nominal sales area recognised for the year 2005 was approximately 129,200 square metres and the property sales income recognised was approximately HK\$1,247,447,000. For 2004, the sales area recognised based on the percentage of completion method was approximately 311,500 square metres. The property sales income recognised was approximately HK\$1,987,231,000. Despite the effect of the change in the accounting policy, property sales income for 2005 increased slightly over 2004. As the Group strengthened the asset enhancement of investment properties to continuously increase the value of investment properties, property rental

income increased by 20% to approximately HK\$519,761,000 over 2004. This initially reflected the achievement of the successful transformation of the single-line property business into the comprehensive commercial property business.

For the toll road business, through enhancement of toll road services' quality, intensity toll inspection strength, heighten collection effectiveness, exploration of new toll road network in the Guangdong Province and surrounding provinces to partial Class I and II toll highways, the toll road's turnover for 2005 grew 6.2% over 2004 to approximately HK\$424,845,000.

For the newsprint business, because of intense competition in the industry, turnover for the newsprint business for the year slightly decreased by 3.7% to HK\$1,194,252,000 over 2004.

Gross Profit

The property and newsprint business of the Group have been respectively affected by the change in new Hong Kong Accounting Standards and the intensive competition in the industry. Nevertheless, through strengthening corporate management and actively and effectively reducing costs, the Group recorded a gross profit of approximately HK\$1,053,390,000, increased by 9.9% from 2004.

Sales and Administration Expenses

Sales and administration expenses of the Group for 2005 were approximately HK\$999,503,000, increased 70.7% from 2004. The increase was related to the direct recognition of expenses of new projects for the previous period in the profit and loss account and was also affected by an increase in the share option expenses.

Valuation of Investment Properties

In 2005, benefiting from a pickup in the property market, the investment properties of the Group were revalued and recorded a surplus on revaluation of approximately HK\$798,919,000.

Finance Costs

As affected by continuous increase in interest rates by banks, the finance costs of the Group for 2005 increased by 168.2% to HK\$301,746,000 over 2004. However, following the separate listing of the GZ1 Real Estate Investment Trust on the Hong Kong Stock Exchange, the funds raised were mainly used for repayment of bank borrowings. In December 2005, the Group repaid bank borrowings of HK\$1.5 billion, thereby significantly reducing the Group's bank borrowings. The interest expenses saving will be reflected in subsequent years, which would effectively offset the financial pressure created as a result of rising of interest rate.

Share of Results of Associated Companies and Jointly Controlled Entities

During the period, the Group's share of profits of associated companies increased by 33.0% to HK\$202,062,000. This was mainly attributable to the toll road business benefiting from an increase in the income from toll road and a reduction in the operating tax rate since June 2005. Because of the positive impact of an improvement in surrounding highway networks on the GNSR Expressway, the Group's share of profits of jointly controlled entities amounted to HK\$38,210,000.

Taxation

After the elimination of the taxation impact of the separate listing of GZI Real Estate Investment Trust, the tax expense of the Group increased from approximately HK\$109,605,000 in 2004 to approximately HK\$270,477,000. This was mainly attributable to the deferred tax provided as a result of the revaluation of investment properties.

Final Dividend

The Directors recommended the payment of final dividend of HK\$0.02 (2004: HK\$0.009) per share and a special dividend of HK\$0.05 to shareholders whose names appear on the register of members of the Company on 15th June 2006. Subject to the approval of shareholders at the Annual General Meeting to be held on 15th June 2006, the final dividend and special dividend will be paid on or about 26th June 2006. Together with the interim dividend of HK\$0.01 (2004: HK\$0.0083) per share, total dividends for the year ended 31st December 2005 will amount to HK\$0.08 (2004: HK\$0.0173) per share.

Interest Rate Exposure

Interest expenses accounted for a significant proportion of the Group's total expenses. As a result of this, the Group monitors its interest rate exposures closely and appropriate interest rate hedging measures will be adopted.

Foreign Exchange Exposure

Since the Group's principal operations are in China and most of the income is denominated in Renminbi, the Group is aware of possible currency exchange risk exposure. As such, the Group's hedging strategy is to use as much as practicable re-invested profits and debt financing denominated in Renminbi to match with the Renminbi capital expenditure requirements. Therefore, the Group aims to have minimal mismatches in currency and does not speculate in currency movements. Nevertheless, during the period when interest rate of

Renminbi loan stands higher than foreign currency loan, the Group may consider equity and debt financing denominated in foreign currency as an alternative source of funding investment projects, in which the case, appropriate currency hedging measures will be adopted.

Employees and Remuneration Policy

As at 31st December 2005, the Group employed approximately 7,900 employees (2004: 7,080 employees), of whom approximately 7,800 employees (2004: 6,980 employees) were primarily engaging in the properties, toll roads and newspaper business.

The Group remunerates its employees largely based on industry practice, including contributory provident funds and other staff benefits. The Group has also adopted share option schemes, which award it employees according to the performance of the Group and individual employees. Promotion and salary adjustments are based on a performance related basis.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Code on Corporate Governance Practices ("Code Provisions") contained in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") throughout the year ended 31st December 2005, except for the following deviations:

Code Provision A.2.1

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr Ou Bingshang is the Chairman and General Manager of the Company. The Chairman is responsible for overseeing the operation of the Board and providing leadership and direction towards achieving the Company's objectives. In contrast the General Manager of the Company is responsible for the operation of the business under the direction of the Board and

the implementation of the policies and strategies set by the Board. The combination of the roles of the Chairman and the General Manager in one person is intended to ensure that the Board is in full control of the affairs of the Company and that the policies and strategies set by the Board would be efficiently and effectively implemented.

Code Provisions A.4.1 and A.4.2

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

Code Provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

None of the non-executive directors of the Company is appointed for a specific term. However, all the non-executive directors of the Company are subject to retirement by rotation at the annual general meeting of the Company in accordance with the Company's Articles of Association. All the non-executive directors of the Company had retired by rotation during the past 3 years. They have been re-elected.

In order to ensure compliance with Code Provisions A.4.1 and A.4.2, a special resolution will be proposed to amend the Articles of Association of the Company at the forthcoming annual general meeting. Particulars of the proposed amendments are set out in the circular which will be sent to shareholders in due course.

The Audit Committee has reviewed the financial statements for the year ended 31st December 2005, including the accounting principles and practice adopted by the Group.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 7th June 2006 to Thursday, 15th June 2006, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend and special dividend, all transfers of shares accompanied by the relevant share certificates must be lodged for registration with the Company's Share Registrar, Abacus Share Registrars Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 6th June 2006.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

The annual report of the Company containing all the information required by the Listing Rules will be published on the website of the Hong Kong Stock Exchange in due course.

By order of the Board
Ou Bingchang
Chairman

Hong Kong, 25th April 2006

As at the date of this announcement, the Board of the Company comprises:
Executive Directors: **Ou Bingchang**, **Liang Yi Li**, **Fel. Chen Guangsong**, **Tang Shouchun**
and **Wang Hongbo**.

Independent Non-executive Directors: **Yo Larp Fai Joseph**, **Lee Ka Lun** and **Lau Hon Chuen Ambrose**.



越秀投資有限公司
GUANGZHOU INVESTMENT COMPANY LIMITED

(Stock Code: 123)
 (Incorporated in Hong Kong with limited liability)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("2006 AGM") of the Guangzhou Investment Company Limited ("Company") will be held at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong on Thursday, 15th June, 2006 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited accounts and the reports of the directors and auditors for the year ended 31st December, 2005.
2. To declare a final dividend and a special dividend.
3. To elect directors and to authorise the board to fix directors' remuneration.
4. To re-appoint auditors and to authorise the board to fix their remuneration.
5. As special business to consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

"THAT

- (a) subject to sub-paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited ("Stock Exchange") or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be purchased by the Company pursuant to the approval in sub-paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of Hong Kong to be held; and
 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting."

B. "THAT

- (a) subject to sub-paragraph (c) below and pursuant to Section 57B of the Companies Ordinance, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in sub-paragraph (a), otherwise than pursuant to (i) a Rights Issue, (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to eligible participants under such scheme and arrangement of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of Hong Kong to be held; and
 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

"Rights Issue" means an offer of shares of the Company open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong)."

C. "THAT

conditional upon the passing of Resolutions under sub-paragraphs A and B above, the aggregate nominal amount of the number of shares in the capital of the Company which shall have been repurchased by the Company pursuant to and in accordance with sub-paragraph A above shall be added to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the exercise of the general mandate approved in sub-paragraph B above."

6. As special business to consider and, if thought fit, to pass the following resolution as a Special Resolution:

SPECIAL RESOLUTION

"THAT the Articles of Association of the Company be and are hereby amended by:

- (a) adding the following Article immediately after Article 91:

91A. Every Director should be subject to retirement by rotation once every three years.
- (b) deleting in the 4th to 6th lines of Article 97 the words "A Director so appointed shall retire at the next following annual general meeting and shall not be taken into account in determining the Directors who are to retire by rotation at the meeting." immediately after the word "any." and substituting therefor the words "Any Director so appointed by the Directors shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number), and shall then be eligible for reappointment. Such a Director so appointed at an annual general meeting shall not be taken into account in determining the Directors who are to retire by rotation at that meeting".
- (c) deleting in the 1st line of Article 98 the words "a Director who retires at an annual general meeting may be reappointed. If he" immediately after the words "Subject as aforesaid," and substituting therefor the words "if a Director";
- (d) deleting in the 6th line of Article 102 the words "A managing director and a Director holding any other executive office shall not be subject to retirement by rotation." immediately after the words "Director and the Company."

By order of the Board
 Yu Tat Fung
 Company Secretary

Hong Kong, 29th April, 2006

Notes:

1. The register of members of the Company will be closed from Wednesday, 7th June, 2006 to Thursday, 15th June, 2006, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the final dividend and special dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Abacus Share Registrars Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 6th June, 2006.
2. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such authority, must be deposited with the Company's share registrar, Abacus Share Registrars Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding of the meeting or adjourned meeting thereof.
4. At the 2005 annual general meeting of the Company, Ordinary Resolutions were passed giving general mandates to Directors to repurchase Shares on the Stock Exchange and to allot, issue and otherwise deal with additional Shares in the capital of the Company respectively. Under the provisions of the Companies Ordinance and the Listing Rules these general mandates lapse at the conclusion of the 2006 AGM, unless renewed at that meeting. The Ordinary Resolutions sought in items 5A and 5B of the above notice renew these mandates.
5. With reference to the Ordinary Resolutions sought in items 5A and 5B of the above notice, the Directors wish to state that they have no immediate plans to repurchase any existing Shares or to issue any new Shares. Approval is being sought from members of the Company as a general mandate pursuant to the Companies Ordinance and the Listing Rules.

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

Executive Directors: Ou Bingchang, Liang Yi, Li Fei, Chen Guangsong, Tang Shouchun and Wang Hongtao.

Independent Non-executive Directors: Yu Lup Fat Joseph, Lee Ka Lun and Lau Hon Chuen Ambrose.





越秀投資有限公司
GUANGZHOU INVESTMENT COMPANY LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 123)

Announcement

Guangzhou Investment Company Limited ("Company") has been informed by Yue Xiu Enterprises (Holdings) Limited ("Yue Xiu"), the controlling shareholder of the Company, that on 11 May 2006, Yue Xiu and its associates have effected a block sale of 134 million existing shares of HK\$0.10 each ("Shares") in the capital of the Company at a price of HK\$1.81 per Share to an internationally renowned institutional investor, an independent third party.

The board of directors ("Board") of Guangzhou Investment Company Limited ("Company") has noted the increase in the trading volume of the shares of the Company ("Shares") today and has been informed by Yue Xiu Enterprises (Holdings) Limited ("Yue Xiu"), the controlling shareholder of the Company, that on 11 May 2006, Yue Xiu and its associates have effected a block sale of 134 million existing Shares in the capital of the Company at a price of HK\$1.81 per Share to an internationally renowned institutional investor, an independent third party ("Share Sale").

Yue Xiu held approximately 48% of the Company's existing issued Shares before the Share Sale. It will hold approximately 46% of the existing issued Shares immediately after completion of the Share Sale.

The sale price of HK\$1.81 per Share represents a discount of approximately 1.1% to the closing price of HK\$1.83 per Share as quoted on The Stock Exchange of Hong Kong Limited ("Stock Exchange") on 10 May 2006, being the last trading day of the Shares prior to the date of this announcement; and a premium of approximately 10.2% to the average closing price of HK\$1.643 per Share for the last 10 trading days of the Shares prior to the date of this announcement.

The Company believed that by introducing an internationally renowned institutional investor, the Share Sale would further strengthen the investor base of the Company and would enhance the future development of the Company.

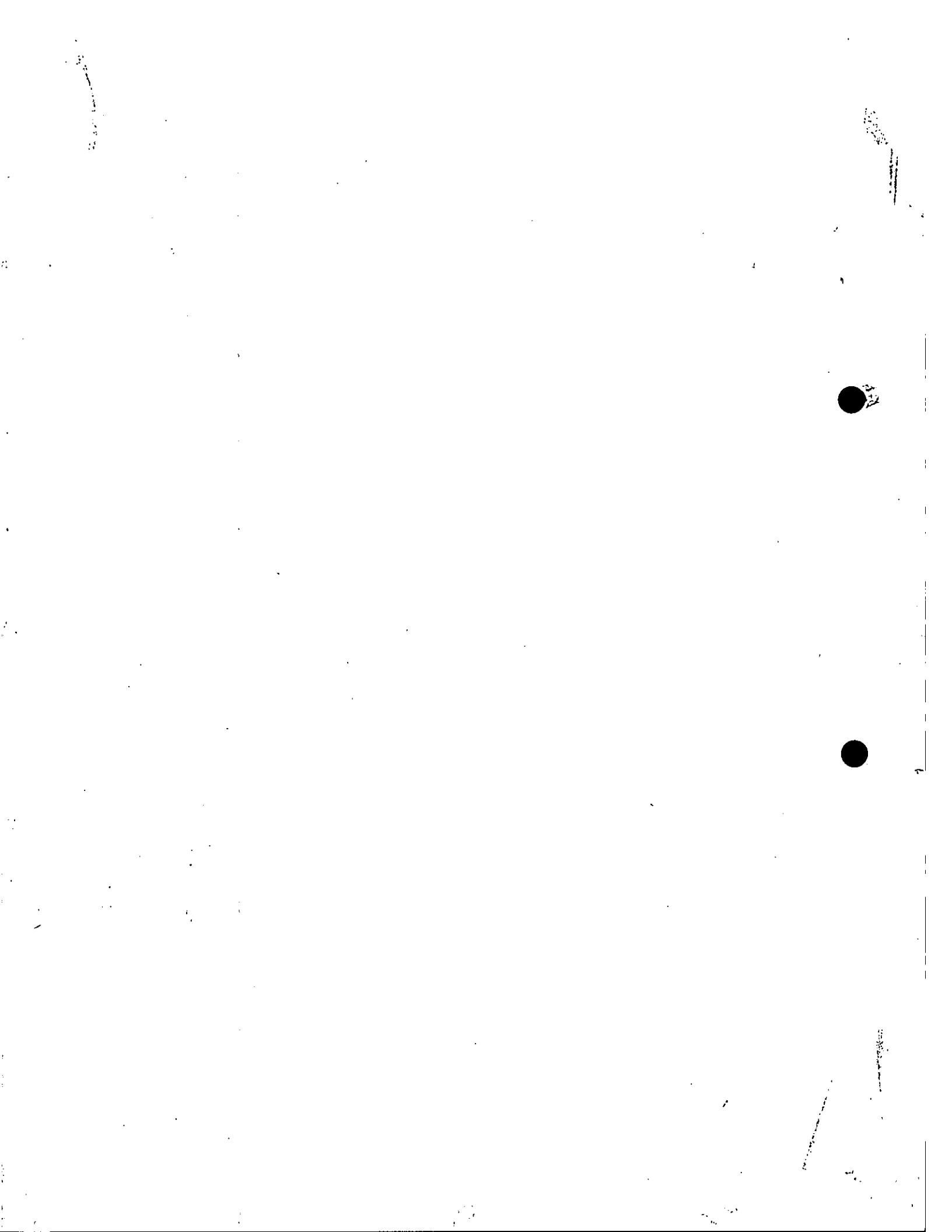
Save as disclosed above or in previous announcements of the Company, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), nor is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price sensitive nature.

By Order of the Board
Guangzhou Investment Company Limited
Yu Tat Fung
Company Secretary

Hong Kong, 11 May 2006

As at the date of this announcement, the Board comprises:

Executive Directors:	Ou Bingchang, Liang Yi, Li Fei, Chen Guangsong, Tang Shouchun and Wang Hongtao.
Independent non-executive Directors:	Yu Lup Fat Joseph, Lee Ka Lun and Lau Hon Chuen Ambrose.

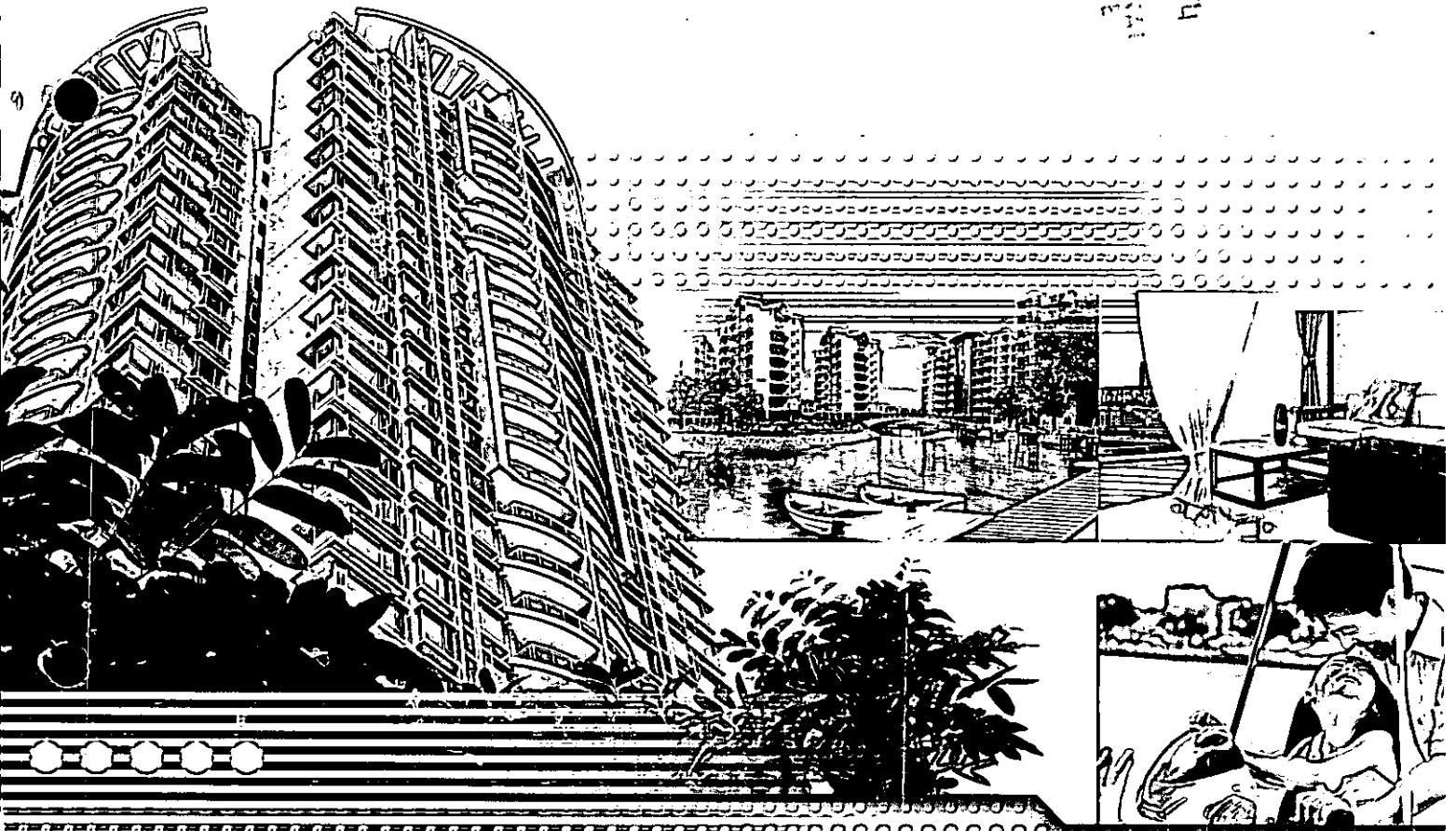




GUANGZHOU INVESTMENT COMPANY LIMITED

越秀投資有限公司

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Guangzhou Investment Company Limited ("Company") was listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange") in December 1992. Yue Xiu Enterprises (Holdings) Limited, the controlling shareholder of the Company, is the resident entity of the Guangzhou Municipal People's Government in Hong Kong. The Company and its subsidiaries ("Group") has built up several businesses consisting of property, paper and toll road mainly located in the Guangdong Province of the Mainland of China ("China"). These businesses all have substantial market share in Southern China. Regarding the China property business, the Group currently has property projects and land bank in Guangzhou Municipality with total gross floor area of 5,190,000 sq. meters. The newsprint plant has annual production capacity of 300,000 tonnes. The toll road business is conducted through GZI Transport Limited, a subsidiary of the Company separately listed on the Stock Exchange in 1997. GZI Transport Limited is currently operating an attributable length of 317.8 kms of toll road and bridge projects in Guangdong and other selective provinces of China.

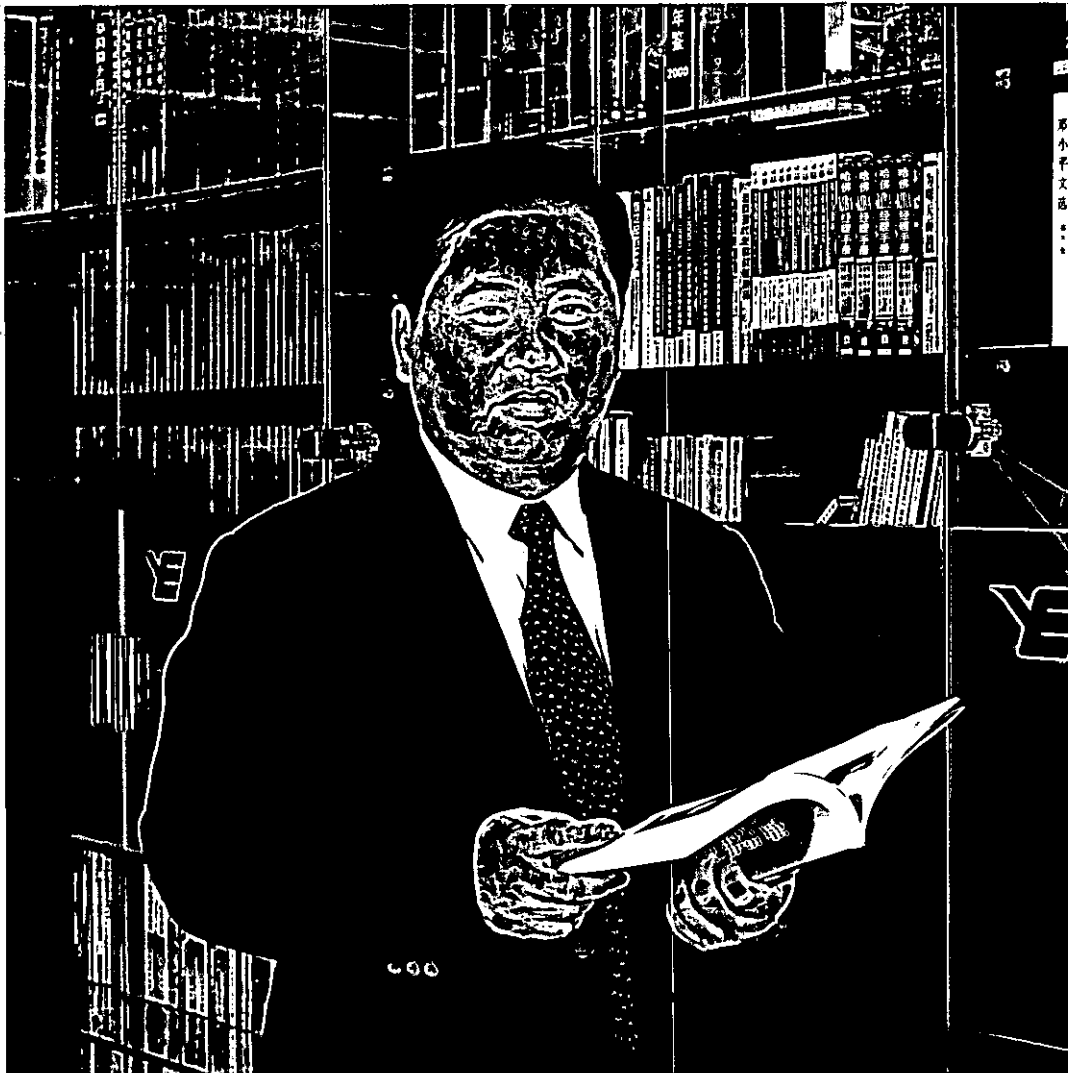


Year ended 31st December

	2004 HK\$'000	2003 HK\$'000
Turnover	4,526,679	3,925,109
Operating profit	743,486	721,591
Share of profits less (losses) of		
Jointly controlled entities	(23,021)	(49,693)
Associated companies	214,382	181,767
Profit attributable to shareholders	330,823	300,653
Basic earnings per share	HK5.24 cents	HK4.89 cents
Fully diluted earnings per share	HK5.15 cents	HK4.83 cents
Interest coverage	5.80 times	4.47 times

As at 31st December

	2004 HK\$'000	2003 HK\$'000
Total assets	25,201,023	25,785,918
Total liabilities (including minority interests)	17,966,722	18,816,558
Shareholders' funds	7,234,301	6,969,360
Net assets per share	HK\$1.14	HK\$1.12
Gearing ratio	40%	44%



During 2004, each and every business of the Group achieved satisfactory results. The profit attributable to shareholders surged to approximately HK\$330,823,000, representing an increase of 10 per cent as compared with that of 2003. Basic earnings per share amounted to approximately HK\$5.24 cents, representing an increase of 7.2 per cent as compared with that of 2003.

The Group's businesses are mainly concentrated in Guangzhou and its peripheral areas. Therefore, the Group's results benefited from the continuous rapid growth of the Guangzhou economy. In 2004, Guangzhou's GDP first broke RMB410 billion mark, representing an increase of 15 per cent as compared with that of 2003, and Guangzhou experienced a growth rate of over 15 per cent for two consecutive years. In terms of registered households, GDP per capita exceeded US\$6,000. Unemployment rate in the urban area was the lowest in five years. With the privilege of hosting the 2010 Asian Games, the gradual implementation of "9+2" Pan Pearl River Delta Economic Cooperation, the opening of the new Guangzhou New Baiyuan International Airport, and the construction of a new railway station, the economy of Guangzhou is entering into a new phase of development. There are increasing demands on better working conditions, living environment and better quality of cultural life. As a result, the property, toll road and newsprint businesses of the Group achieved satisfactory results in 2004. Turnover from properties development and leasing business was approximately HK\$2,354 million, representing an increase of 3.5 per cent as compared with that of 2003. The profit attributable to shareholders from toll road business was approximately HK\$276 million, representing an increase of 23.5 per cent as compared with that of 2003. Turnover from newsprint business was approximately HK\$1,241 million, representing an increase of 23.3 per cent as compared with that of 2003.

In 2004, the State implemented successive policies to control the supply of land and financing of properties. These policies were intended to further standardize the property market with the objective of ensuring the development of a sustainable and healthy property market. These new policies undoubtedly presented great development opportunities to large and reputable developers such as the Group. In 2004, the Group proactively aligned itself with the market adjustment, further clarified its overall strategies to focus on the property market of Guangzhou, and expanded the development and operation of commercial properties in a timely fashion. The aim was to gradually transform a mainly unidimensional property development business into a balanced property development and investment business, breaking away from a mere property developer and moving towards the realization of the business model of a "commercial property operator".

With the economic development of Guangzhou entering into a new phase, there will be more investment in the construction of infrastructure facilities, the construction of inter-city transportation system within the Pearl River Delta will be pushed ahead, with the aim to create an "One hour economic zone" in Pearl River Delta Region (including Hong Kong and Macau) and greater efforts will be devoted to quicken the development of Nansha, with emphasis in capital intensive industries. All these policies and city developments will be beneficial to the expansion of various businesses of the Group in future.

From now on, the Group will capitalize on the opportunities ahead and will leverage on its strength and competence to establish its commercial property business. Comprehensive strategies for procuring the establishment of an integrated property business with balanced investments in both property development and investment will be promptly formulated. At the same time, the Group will strengthen its property management business and will increase its portfolio of multi-function commercial property with ancillary supermarkets or chainstores. While at least maintaining the current level of development in medium-priced and up market residential properties, the Group will increase its product mix by expanding the development of shopping centres, offices and hotels according to market conditions, thereby attaining a balanced development structure for the middle-tier and luxurious products. The toll road business will principally focus in the expansion of high quality expressways. The manufacturing of newsprint will seek to increase its market share through consolidation of internal resources and increase in production capacities. The Group will further enhance its competitiveness and operating efficiency and devote to reducing costs as it has been, to bring higher investment returns for our shareholders.

I wish to take this opportunity to express my gratitude to the directors, senior management and all staff for their hardwork in the management and operation of our businesses during the past year. I also wish to thank all shareholders, our bankers and our business partners for their strong support for the Group.

Ou Bingchang

Chairman

Hong Kong, 21st April 2005

BUSINESS REVIEW

During 2004, each and every business of the Group achieved satisfactory results. Total sales of properties in Guangzhou and Hong Kong amounted to approximately HK\$1,987 million. Profit attributable to shareholders of GZI Transport Limited, a toll road business subsidiary of the Group, was HK\$276 million, representing an increase of 23.5 per cent as compared with that of 2003. Sales income from Guangzhou Paper Co., Ltd. ("Guangzhou Paper") amounted to approximately HK\$1,241 million, representing an increase of 23.3 per cent as compared with that of 2003.

Property business

Tapping on excellent opportunities offered by the upward moving Guangzhou property prices in 2004, which was a breakthrough of the virtually flat pricing trend for the past years, and a robust rebound of the property market in Hong Kong, the Group promptly launched its properties projects for sale, which mitigated the effect of substantial increase in costs of construction raw materials, and obtained satisfactory results.



Up to 311,500 sq. meters in the floor area of the Group's properties in Hong Kong and Guangzhou were sold, which mainly included the first and second phases of Jiang Nan New Mansion, phase 3 of Springland Garden, the first and second phases of Southern Le Sand in Nansha, Glade Village in Chonghua, and part of Xing Hui International. These properties were located adjacent to subway stations or superb community neighborhoods. Therefore sales were very active. During the period, remaining units in Run Hui Building, Ju Ya Mansion, Wen De Ya Xuan and Block 23 of Springland Garden were sold. The Group thus effectively reduced its number of completed properties pending for sale to a historical low level.

In Hong Kong, the Group launched the Pokfulam Terrace project in Pokfulam during the year under review, which was well received by the market. About 7,700 sq. meters of floor area were sold, with sales amounting to HK\$326 million.

In view of enhancing the competitiveness of the Company's core businesses and to reduce market risks, the business strategies for the Group's properties business was set as "emphasis in both development of residential properties and operation of commercial properties, so as to generate stable development and steady stream of revenue in the long term".

In view of the macro-economic control measures imposed on the economy, by leveraging on the quality of its properties and the reputation of its brand, the Group gradually transformed from engaging in a single line of business of properties development to a comprehensive commercial properties operator with emphasis in both sales of and investment in properties. Through appropriate horizontal expansion in the scale of its operation in commercial properties, vertical integration of the upstream and downstream operations has been realized as a result of the radial nature of the operation of commercial properties. This in turn promoted further development of various supporting businesses. During the year, when new projects such as Victory Plaza and Fortune Square officially commenced operation, area of properties leased out by the Group increased to approximately 600,000 sq. meters, with rental income amounting to approximately HK\$367 million, representing an increase of 15 per cent as compared with that of 2003. The Group will pursue horizontal expansion and vertical integration for its property development, and bring long-term and steady income for the shareholders.

By allocating the Group's large land bank in an appropriate manner, the Group will expand the development for commercial properties and offices, so as to cope with the development trend of Guangzhou as the centre of Pan Pearl River Delta Economic Region.

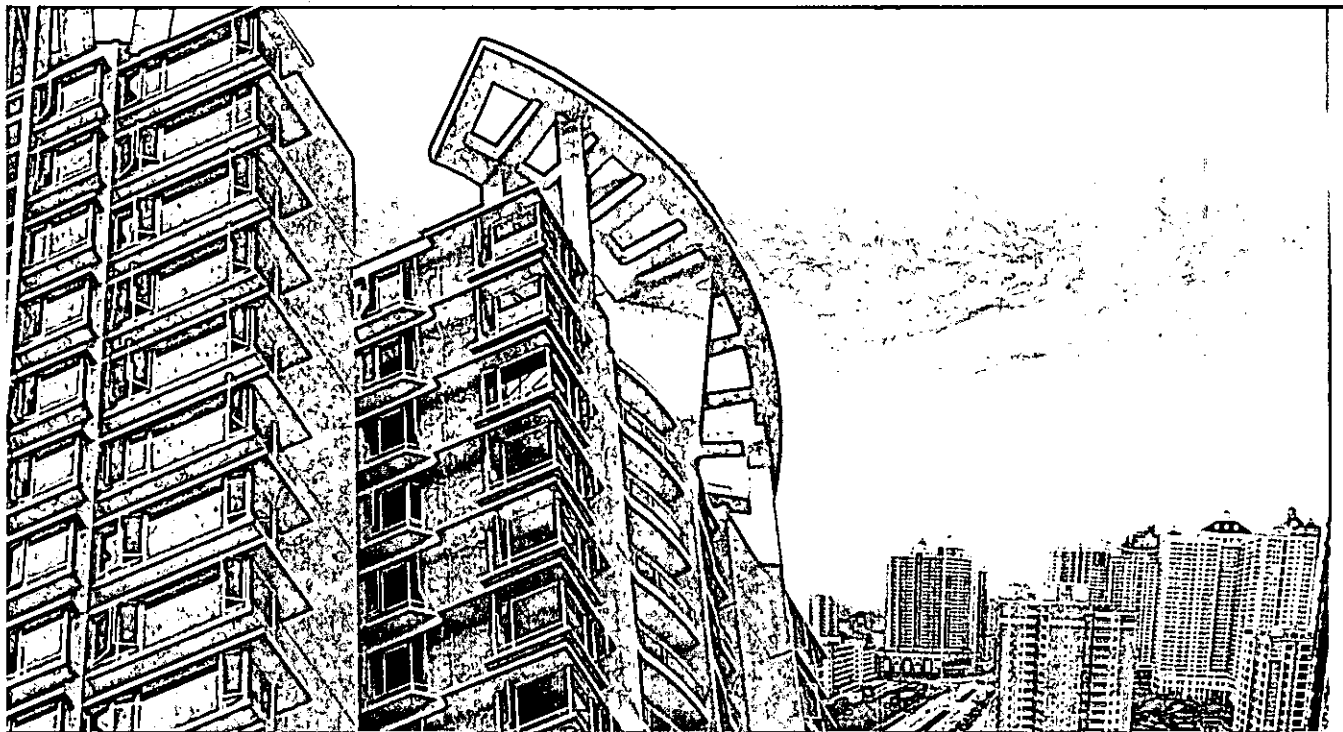
As a result of the rapid growth in the economy of Guangzhou and the indirect benefits deriving from Guangzhou being the centre of Pan Pearl River Delta Economic Region, demand from the market as a whole with respect to high quality working environment, living conditions and infrastructure facilities continued to increase. By sufficiently leveraging on the advantage of the Group having a large land bank, it will expand the development of middle-tier and luxurious residential properties, shopping centers, offices and hotels as appropriate, whilst still focusing on the development of residential properties. The development of the tower building for Victory Plaza, Subway RJ-1, Tianhe Commercial 12-1, 5 will proceed successively. The Group will thus have different products to meet the needs of the market in future.

Other businesses

Earnings from the toll road business continued to grow, and the production and sales of newsprint business rose sharply.

Despite the traffic diversion effect caused by the new roads on the Group's certain non-expressway highways resulted in the fall of income for such highways in 2004, traffic volume for the expressways of the associated companies of GZI Transport, rose sharply, benefiting from the economic boom in Guangdong Province, in particular, Pan Pearl River Delta Economic Region, commencement of operation for Jingzhu Expressway, rise in living standards, and the substantial increase in car ownership by households. Compared with 2003, daily average traffic volume of GNSR Expressway, Humen Bridge and Xian Expressway increased by 147.9 per cent, 21.8 per cent and 37.4 per cent respectively. Profit attributable to shareholders from GZI Transport increased by 23.5 per cent to approximately HK\$276 million as compared with that of 2003.

Guangzhou Paper continued to maintain bigger market share in the domestic newsprint market during the year. As the boom in demand for newsprint in China continued, through cost controls and strengthening management, improvement in production programs, more than 301,800 tonnes of newsprint were produced by Guangzhou Paper for the year, with 311,200 tonnes of newsprint sold, representing an increase of 19.6 per cent as compared with that of 2003. Meanwhile, by adopting a series of management measures, such as reducing consumption and wastage of various types of raw materials, extensive downsizing of staff and reduction of finance costs by early repayment of bank loans, the pressure on the substantial increase in costs brought by the surge in price of raw materials and energy was relieved to a significant extent. The operation of Guangzhou Paper maintained its steady development. During the year, under review, Guangzhou Paper recorded a turnover of approximately HK1,241 million, representing an increase of 23.3 per cent as compared with that of 2003.



Binjiang Yiyuan

FINANCIAL REVIEW

Analysis of results

During 2004, the Group's turnover rose sharply by 15.3 per cent to HK\$4,526,679,000, of which income from properties sale and leasing business accounted for 52 per cent of the turnover. The increase in turnover was mainly attributable to the sale of Pokfulam Terrace in Hong Kong by its property arm.

For the Group's property business, despite competition in the property market of Guangzhou remained keen in 2004, income from properties sales and leasing business from the Group's properties in Guangzhou and Hong Kong still recorded growth at various rates, with sales income recorded a slight increase of 1.6 per cent to HK\$1,987,231,000, and rental income recorded a sharp increase of 15 per cent to HK\$367,050,000, reflecting a continuous growth in contribution from the Group's rental properties. As for the Group's toll road business, despite the adverse impact on the traffic of Class 1 and Class 2 highways occasioned by the evolution of the highway network in Guangzhou and continuous diversion effect brought about by the new expressways, which resulted in the decrease of the Group's turnover from toll road business by 6.7 per cent to HK\$400,212,000, certain expressways of the Group benefited from the commencement of operation of Jingzhu Expressway and Guanghui Expressway, and witnessed rapid growth in traffic and income. For the newsprint business, turnover rose sharply by 23.3 per cent to HK\$1,240,693,000 due to continued rising demand for newsprint in China.

Due to increased costs of raw materials in China and increased costs of sales for certain projects of the property business in 2004, gross profit margin of the Group decreased by 9.7 per cent to HK\$1,052,767,000.

The Group implemented stringent costs control measures in 2004. However, as the selling and administrative expenses for Guangzhou City Construction & Development HomeCity Supermarket was accounted for for the full year, the Group's selling and administrative expenses slightly increased by 5.4 per cent to HK\$570,594,000. In addition, surplus in the revaluation of investment properties amounted to HK\$76,750,000, impairment provision on projects under construction of HK\$44,546,000 and a provision for doubtful debt of HK\$104,942,000 made in prior years were written back in 2004.

The Group's finance costs decreased by 49.9 per cent to HK\$112,512,000 in 2004, which was mainly attributable to the continual repayment of bank borrowings by the Group and capitalization of interests for projects under construction of the property business.

The Group's share of profit of associated companies rose sharply by 17.9 per cent to HK\$214,382,000, which was mainly attributable to the growth in earnings on the toll road projects of the Group's toll road business, including Humen Bridge, Northern Ring Expressway and Shantou Bay Bridge. Notwithstanding an earning of HK\$13,772,000 attributable to GNSR Expressway, a jointly controlled entity of the toll road business, the Group's share of loss of jointly controlled entities was HK\$23,021,000 in 2004, resulting from provision on impairment for the property business attributable to jointly controlled entities.

The Group's taxation charge in 2004 was HK\$210,565,000, representing an increase of 83.7 per cent as compared with that of 2003, which was mainly attributable to the increase in profit before taxation for the year.

Minority interests of the Group in 2004 increased by 31.5 per cent to HK\$280,947,000, which was mainly attributable to the increase in profit before taxation for the year, which resulted in a corresponding increase in minority interests.

For the year ended 31st December 2004, the Group's profit attributable to shareholders increased by 10 per cent to HK\$330,823,000, and basic earnings per share was HK5.24 cents.



Final dividend

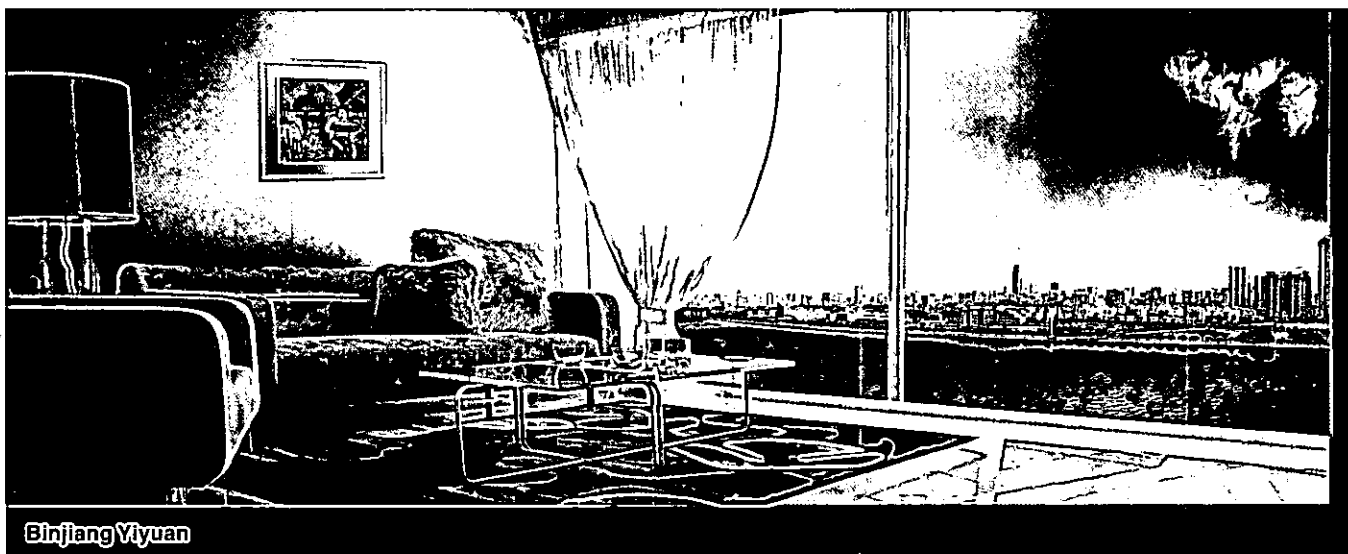
The Directors recommended the payment of final dividend of HK\$0.009 (2003: HK\$0.0108) per share to shareholders whose names appear on the register of members of the Company on 26th May 2005. Subject to the approval of shareholders at the Annual General Meeting to be held on 26th May 2005, the final dividend will be paid on 16th June 2005. Together with the interim dividend of HK\$0.0083 (2003: HK\$0.008) per share, total dividends for the year ended 31st December 2004 will amount to HK\$0.0173 (2003: HK\$0.0188) per share, representing a dividend pay out ratio of 33 per cent.

Earnings per share

For the year ended 31st December¹

	2004	2003
Weighted average number of shares in issue	6,318,186,352	6,146,494,166
Profit attributable to shareholders (HK\$)	330,823,000	300,653,000
Basic earnings per share (HK cents)	5.24	4.89
Fully diluted earnings per share (HK cents)	5.15	4.83

During the year, 102,880,000 shares were issued upon exercise of share options. Total issued shares outstanding as at 31st December 2004 was 6,351,597,914 shares.



Analysis of cash flows

In 2004, the Group's net cash inflow from operating activities increased significantly to HK\$1,150 million (2003: HK\$648 million). The increment was continuously contributed by the Group's Property and Newsprint businesses. In addition, interest paid reduced by approximately 31 per cent as a result of repayment of bank borrowings. Net cash outflow from investing activities of HK\$143 million (2003: net cash inflow HK\$105 million) was mainly caused by further capital injection and advances to the Group's associated companies and jointly controlled entities and purchase of fixed assets during the year. Net cash outflow from financing activities amounted to HK\$1,166 million (2003: HK\$763 million) mainly due to net repayment of bank and other borrowings, payment of dividends and repayment to minority shareholders during the year of 2004.

Liquidity and capital resources

The Group continues to maintain a stable liquidity position. As at 31st December 2004, the Group had bank deposits, cash and bank balances of approximately HK\$902 million (2003: HK\$1,075 million). Same as last year, the majority of the bank balances and cash were RMB dollars deposits and cash.

As at 31st December 2004, the Group had outstanding bank borrowings excluding bank overdrafts ("Bank Borrowings") of approximately HK\$5,170 million (2003: HK\$6,038 million), representing a remarkable decrease of 14 per cent compared with last year. Approximately 52 per cent of Bank Borrowings was denominated in HK dollars, 46 per cent in RMB and 2 per cent in US dollars.

No new term financing was put in place during the year with the focus being repayment and prepayment of existing Bank Borrowings. The management believes that the cash in hand, balance with bank and/or dividends repatriated from the Group's subsidiaries, associated companies and jointly controlled entities in Hong Kong and China are sufficient to meet the Group's short term working capital and other short term RMB, HK dollars and US dollars Bank Borrowings, finance costs and dividend payments. The management will consider new bank financing at more competitive terms while maintaining an appropriate level of gearing in anticipation of new investments or maturity of Bank Borrowings.

The following table shows the repayment schedule of the Bank Borrowings:

Repayable within	HK\$'000
One year	2,022,062
One to two years	1,324,388
Two to five years	1,823,277
Total	5,169,727



Guangzhou Yue Xiu Building

Given its improved financial position subsequent to the business restructuring at the end of 2002, the Group's credit has become significantly more attractive to the banking community. The liquidity risk of the Group has been further reduced by early refinancing and extension of the loan tenure. The management is confident that short term loans, especially RMB loans, could be refinanced or further extended as planned by one to three years upon maturity.

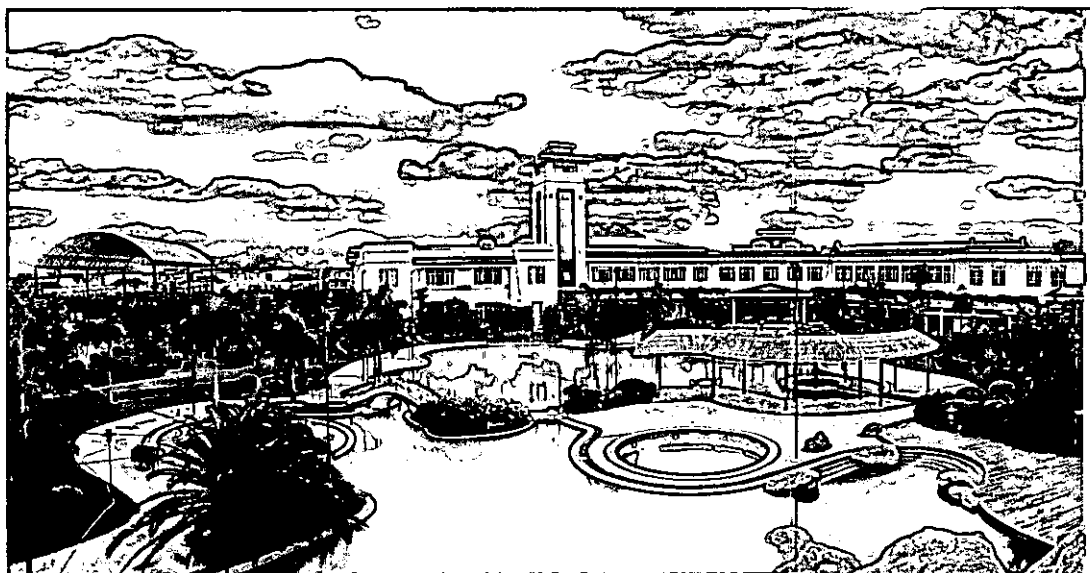
Treasury policies

The Group's overall treasury and funding policy is that of risk management and liquidity control. Bank balances are generally placed as short term fixed rate deposits in bank accounts in Hong Kong and China. No fund is placed in non-bank institutions or invested in securities.

Financing arranged by the Group were mainly denominated in HK dollars. In respect of the Group's business activities in China that are conducted through its China subsidiaries, a portion of its borrowings was denominated in RMB to fund its property projects in China during the financial year under review. As a whole, the core operations of the Group are therefore considered to be not exposed to foreign exchange rate risk to any significant extent. The Group did not enter into any currency hedging agreement during the financial year under review.

Capital expenditures

During the year, the Group had aggregate capital expenditure totalling HK\$82.2 million for the initial equity capital contribution to a new investment project, the GWSR Expressway. Capital expenditure incurred on the purchase of fixed assets amounted to approximately HK\$202 million.



Glade Village

Capital and other commitments

On 24th May 2004, the Group's subsidiary, GZI Transport Limited, had entered into a joint venture agreement to establish Guangzhou Western Second Ring Expressway Company Limited ("GWSR Expressway Company") for a shareholding of 35.0 per cent, the outstanding committed equity capital contribution of the Group was HK\$248 million as at 31st December 2004.

Contingent liabilities

During the year, the Group had arranged bank financing for certain purchasers of property units and provided, guarantees to secure obligations for repayment of loans amounted to HK\$250 million (2003 : HK\$117 million).

Capital structure

The following table summarises the components of the Group's capital structure:

	31st December 2004		31st December 2003	
	HK\$'000	%	HK\$'000	%
Bank Borrowings (floating rates)				
Denominated in RMB	2,382,496	18	2,687,883	20
Denominated in US dollars	117,000	1	125,067	1
Denominated in HK dollars	2,670,231	21	3,225,383	23
	<u>5,169,727</u>	<u>40</u>	<u>6,038,333</u>	<u>44</u>
Bank Borrowings	5,169,727	40	6,038,333	44
Shareholders' funds plus negative goodwill	7,761,040	60	7,545,066	56
	<u>12,930,767</u>	<u>100</u>	<u>13,583,399</u>	<u>100</u>
Bank capitalization	12,930,767	100	13,583,399	100
Gearing Ratio	40%		44%	

As at 31st December 2004, Bank Borrowings reduced by approximately 14 per cent to HK\$5,170 million resulting in an improvement of Gearing Ratio from 44 per cent to 40 per cent.

Interest coverage

Interest coverage was 5.80 times (2003: 4.47 times) for the year of 2004 measuring on the operating profit after share of profit less losses of associated companies and jointly controlled entities and adjusted for non-cash items. The improvement was due to the increase in profit from operations after share of profit less losses of associated companies and jointly controlled entities, together with the decline in interest expenses.

Employees

As at 31st December 2004, the Group had approximately 7,080 employees, of whom approximately 6,980 employees were primarily engaging in the properties, toll roads and newsprint businesses.

The Group remunerates its employees largely based on industry practice, including contributory provident funds and other staff benefits. The Group has also adopted share option schemes which award its employees according to performance of the Group and individual employees.

Executive Directors

Mr Ou Bingchang, aged 58; was appointed executive director, Chairman and the General Manager of the Company in 2003. He is also the Chairman and the general manager of Yue Xiu Enterprises (Holdings) Limited ("Yue Xiu"), the holding company of the Company, and the Chairman of GZI Transport Limited ("GZT"). Mr Ou graduated from China Pharmaceutical University in China. Prior to joining Yue Xiu in November 2002, he assumed leading roles in Guangzhou Pharmaceutical Factory, Economic Coordinating Office of Guangzhou Municipality and General Office of Guangzhou Municipal People's Government. During the period of serving as the director of the Guangzhou Municipal Transport Commission, Mr Ou had made distinguished contributions to Guangzhou Municipality in relation to transport planning, construction, development and management. He has over 30 years of experience in industrial technology, transportation network, enterprise and economic management.

Mr Liang Yi, aged 52, was appointed executive director of the Company in 2003. He is also the Vice Chairman of the Company, a director of Yue Xiu and GZT. Mr Liang graduated from the Chinese People's Liberation Army Engineering Soldier's University majoring in public administration. Prior to joining Yue Xiu in June 2001, he assumed leading roles in Guangzhou Chemical Industry Bureau and organizations under Committee of Guangzhou. Mr Liang had made outstanding contribution in establishing the administrative supervisory system of Guangzhou Municipality. He has over 20 years of experience in public administration.

Mr Chen Guangsong, aged 62, was appointed executive director of the Company in 2001. He is also the vice chairman of Yue Xiu and a director of GZT. Mr Chen obtained his bachelor's degree from the South China University of Technology in China. He had been the general manager of Guangzhou Gourmet & Food Factory, chairman and general manager of Guangzhou Light Industrial Group. Prior to joining the Group, Mr Chen was the director of Guangzhou Municipal Economic Commission from 1998 to April 2001 and had over 33 years of experience in corporate management.

Mr Li Fei, aged 52, was appointed executive director of the Company in 2002. He is also a director of Yue Xiu. Mr. Li graduated from the South China Normal University in China majoring in Chinese studies. He is responsible for the strategic planning, business development and operations of the property group of the Company.

Mr Liang Ningguang, aged 51, was appointed executive director and Deputy General Manager of the Company in 1992. He is also a director of GZT. Mr Liang graduated from the Central Television University in China majoring in finance and obtained a master's degree in business administration from the Murdoch University in Australia. He is also a member of the Chinese Institute of Certified Public Accountants and a senior accountant. Mr Liang is a responsible officer (dealing director and an investment adviser) licensed under the Securities and Futures Ordinance of Hong Kong. He was previously a deputy director of the Guangzhou Municipal Taxation Bureau and had over 20 years of experience in finance and management prior to joining Yue Xiu in 1989.

Mr Xiao Boyan, aged 60, was appointed executive director and Deputy General Manager of the Company in 1997. He is also a director and deputy general manager of Yue Xiu. Mr Xiao graduated from the department of calcium silicate of the South China Technical College in China and is a cement engineer. Prior to joining Yue Xiu in 1997, he was the general manager of Guangzhou Cement Factory and the chairman and general manager of Guangzhou Cement Company Limited. He has over 27 years of experience in corporate operation and management.

Independent Non-Executive Directors

Mr Yu Lup Fat Joseph, aged 57, has been an independent non-executive director of the Company since 1992. Mr Yu is the chairman of Tradeeasy Holdings Limited and is responsible for the Tradeeasy Group's corporate financial development and strategic business planning. He holds a master's degree in applied finance from Macquarie University in Australia and a diploma of management studies from the University of Hong Kong. Mr Yu has over 36 years of experience in investment, banking and finance.

Mr Lee Ka Lun, aged 50, has been an independent non-executive director of the Company since 2000. He is an accountant by profession and is the deputy chief executive of Lloyds TSB Bank plc, Hong Kong Branch. Mr Lee is a Fellow of the Association of Chartered Certified Accountants in UK and has over 20 years of experience in banking and auditing.

Mr Lau Hon Chuen Ambrose, aged 57, has been an independent non-executive director of the Company since 2004. He is also an independent non-executive director of GZT. He holds a Bachelor of Laws degree from the University of London and is also a Solicitor of the High Court of the Hong Kong Special Administrative Region, a China-Appointed Attesting Officer and a Notary Public. He is the senior partner of Messrs Chu & Lau, Solicitors & Notaries. Mr Lau is a Standing Committee Member of the National Committee of the Chinese People's Political Consultative Conference, a member of the Selection Committee for The First Government of The Hong Kong Special Administrative Region and a Non-official Justice of Peace among his many public service appointments. He was awarded the Gold Bauhinia Star by The Government of The Hong Kong Special Administrative Region. He is also a director of The Hong Kong Mortgage Corporation Ltd., a non-executive director of Hong Kong Parkview Group Ltd., Beijing Enterprises Holdings Ltd., Glorious Sun Enterprises Ltd., Qin Jia Yuan Media Services Company Limited, as well as Wing Hang Bank Ltd. The latter five companies are all listed on The Stock Exchange of Hong Kong Limited.

The Directors submit their report together with the audited accounts for the year ended 31st December 2004.

Principal activities

The principal activities of the Group consist of three major businesses: properties, toll roads and paper. The principal activities of its principal subsidiaries, jointly controlled entities, associated companies are set out in the Group Structure section on pages 79 to 92.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 2 to the accounts.

Results and appropriations

The results of the Group for the year are set out in the consolidated profit and loss account on page 26.

The Directors have declared an interim dividend of HK\$0.0083 per ordinary share, totalling HK\$52,531,000 which was paid on 8th November 2004.

The Directors recommend the payment of a final dividend of HK\$0.009 per ordinary share, totalling HK\$57,266,000.

Reserves

Movements in the reserves of the Group and the Company during the year are set out in note 29 to the accounts.

Donations

Charitable donations made by the Group during the year amounted to HK\$10,000.

Fixed assets

Details of the movements in fixed assets of the Group and the Company are set out in note 16 to the accounts.

Major property projects

Details of the major property projects held for/under development, for sale and for investment purposes of the Group in Guangzhou Municipality are set out in the List of Major Property Projects in Guangzhou Municipality section on pages 96 to 102.

Share capital

Details of the movements in share capital of the Company during the year are set out in note 27 to the accounts.

Pre-emptive rights

There is no provision for pre-emptive rights under the Company's Articles of Association and there was no restriction against such rights under the Hong Kong Companies Ordinance.

Five year financial summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out below.

	Year ended 31st December				
	2004 HK\$'000	2003 HK\$'000	2002 HK\$'000	2001 HK\$'000	2000 HK\$'000
Results					
Profit/(loss) attributable to shareholders	<u>330,823</u>	<u>300,653</u>	<u>(960,230)</u>	<u>39,782</u>	<u>53,582</u>
Assets and liabilities					
Total assets	<u>25,201,023</u>	<u>25,785,918</u>	<u>26,685,015</u>	<u>19,961,555</u>	<u>19,604,175</u>
Total liabilities	<u>(14,498,915)</u>	<u>(15,441,736)</u>	<u>(16,571,103)</u>	<u>(7,005,499)</u>	<u>(6,424,889)</u>
Minority interests	<u>(3,467,807)</u>	<u>(3,374,822)</u>	<u>(3,403,865)</u>	<u>(6,425,518)</u>	<u>(6,693,740)</u>
Net assets	<u>7,234,301</u>	<u>6,969,360</u>	<u>6,710,047</u>	<u>6,530,538</u>	<u>6,485,546</u>

Purchase, sale and redemption of the Company's shares

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

Interest capitalised

During the year, interest capitalised as development cost in respect of properties held for/under development and associated companies amounted to approximately HK\$55,399,000 (2003: HK\$19,272,000).

Distributable reserves

As at 31st December 2004, the distributable reserves of the Company available for distribution amounted to HK\$305,457,000 (2003: HK\$325,893,000).

Directors

The Directors who held office during the year and up to the date of this report were:

Mr Ou Bingchang	
Mr Liang Yi	
Mr Chen Guangsong	
Mr Li Fei	
Mr Liang Ningguang	
Mr Xiao Boyan	
Mr Yin Hui	- resigned on 18th March 2004
Mr Wong Chi Keung	- resigned on 5th October 2004
Ms Yan Yuk Fung	- resigned on 8th July 2004
Mr Yu Lup Fat Joseph *	
Mr Lee Ka Lun *	
Mr Lau Hon Chuen Ambrose*	- appointed on 30th September 2004

* *Independent non-executive directors*

Messrs Xiao Boyan, Yu Lup Fat Joseph and Lee Ka Lun retire by rotation in accordance with Article 91 of the Company's Articles of Association at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. Mr Lau Hon Chuen Ambrose retires in accordance with Article 97 of the Company's Articles of Association at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

The company has received annual confirmation of independence from the three independent non-executive directors of the Company in accordance with Rule 3.13 of the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange and the Company considered all independent non-executive directors to be independent.

The Directors' Profiles are set out on pages 13 and 14.

Director's service contracts

Each of Messrs Ou Bingchang and Liang Yi had entered into a service agreement with GZI Transport Limited ("GZT"), a subsidiary of the Company, which, after an initial fixed term of one year commencing from 8th January 2003 and 28th February 2003 respectively, had been extended for a further term of two years unless terminated sooner by GZT giving to the relevant Director three months' prior written notice or by the relevant Director giving to GZT six months' prior written notice.

Save as disclosed herein, none of the directors of the Company has a service contract with the Company which is not determinable by the employer within one year without payment of compensation, other than statutory compensation.

Director's interest in contracts

No contracts of significance in relation to the Group's business to which the Company, its subsidiaries or its fellow subsidiaries was a party and in which any director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Connected transactions

Significant related party transactions, which also constitute as connected transactions under the Listing Rules on the Stock Exchange, required to be disclosed in accordance with the Listing Rules, are disclosed in notes 37(c) and 39(a) to (b) to the accounts. In respect of transactions disclosed in notes 39(a) to (b) to the accounts, Messrs Yu Lup Fat Joseph, Lee Ka Lun and Lau Hon Chuen Ambrose, the independent non-executive directors of the Company, have confirmed that the transactions have been entered into in accordance with the terms of the relevant agreements governing such transactions.

The auditors of the Company also confirmed in its letter to the Directors that the transactions disclosed in notes 39(a) to (b) to the accounts (i) have received the approval of the board of directors; (ii) have been entered into in accordance with the terms of the relevant agreements governing the transactions; and (iii) have not exceeded the cap for the transactions.

Interests of Directors

As at 31st December 2004, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which are required to be recorded in the register maintained by the Company under Section 352 of the SFO or notified to the Company and the Stock Exchange were as follows:

1. Long positions in shares of the Company:

Name of Director	Nature of interest	Beneficial interest in shares	Approximate % of interest
Mr Liang Ningguang	Personal	400,000	0.01
Mr Xiao Boyan	Personal	500,000	0.01
Mr Lee Ka Lun	Personal	1,050,000	0.02

2. Long positions in underlying shares of equity derivatives of the Company:

Name of Director	Date of grant	Exercise price per share HK\$	Number of share options		
			outstanding as at 1st January 2004	exercised during the year	outstanding as at 31st December 2004
Mr Ou Bingchang	02/06/2003 (b)	0.5400	9,000,000	—	9,000,000
Mr Liang Yi	02/06/2003 (b)	0.5400	7,000,000	—	7,000,000
Mr Chen Guangsong	02/06/2003 (b)	0.5400	8,000,000	—	8,000,000
Mr Li Fei	02/06/2003 (b)	0.5400	7,000,000	—	7,000,000
Mr Liang Ningguang	02/06/2003 (b)	0.5400	7,000,000	—	7,000,000
Mr Xiao Boyan	02/06/2003 (b)	0.5400	7,000,000	—	7,000,000
Ms Yan Yuk Fung*	14/12/1999 (a)	0.5008	800,000	800,000 (c)	—
	02/06/2003 (b)	0.5400	3,000,000	1,800,000 (d)	1,200,000
Mr Yu Lup Fat Joseph	02/06/2003 (b)	0.5400	3,500,000	—	3,500,000
Mr Lee Ka Lun	02/06/2003 (b)	0.5400	2,450,000	—	2,450,000

Notes :

- (a) The share options are exercisable from 14th December 2000, the first anniversary of the date of grant, to the business day preceding the sixth anniversary of the date of grant, of which a maximum of 30 per cent and 100 per cent thereof are exercisable from the first and second anniversaries of the date of grant, respectively.
- (b) The share options are exercisable from 2nd June 2003 to 1st June 2013, of which a maximum of up to (i) 30 per cent; and (ii) 60 per cent (inclusive of any options exercised under (i)) thereof are exercisable during the period (i) up to the first anniversary; and (ii) up to the second anniversary of the date of grant, respectively.
- (c) The weighted average closing price per share immediately before the date on which the options were exercised was HK\$0.69.
- (d) The weighted average closing price per share immediately before the date on which the options were exercised was HK\$0.66.

* Ms Yan Yuk Fung resigned as director of the Company with effect from 8th July 2004

Save as disclosed herein, as at 31st December 2004, none of the directors of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which are required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Save as disclosed herein, at no time during the year was the Company, its holding company, its subsidiaries, or its fellow subsidiaries a party to any arrangement to enable the directors of the Company (including their spouse and children under 18 years of age) to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Interests of substantial shareholders

As at 31st December 2004, the following persons have an interest or short position in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Long position in shares	Approximate % of interest
Yue Xiu Enterprises (Holdings) Limited ("Yue Xiu") (Note 1)	3,229,435,248	50.99
JPMorgan Chase & Co. (Note 2)	423,978,000	6.68

Notes:

- 1) The capacity of Yue Xiu in holding the 3,229,435,248 shares was, as to 10,928,184 shares, as beneficial owner and, as to 3,218,507,064 shares, attributable to interests of controlled corporations. Details of the breakdown of the shares held by Yue Xiu were as follows:

Name	Long position in shares
Yue Xiu	3,229,435,248
Excellence Enterprises Co., Ltd. ("Excellence")	3,174,015,064
Bosworth International Limited ("Bosworth")	2,279,312,904
Sun Peak Enterprises Ltd. ("Sun Peak")	565,683,000
Novena Pacific Limited ("Novena")	565,683,000
Shine Wah Worldwide Limited ("Shine Wah")	158,049,000
Morrison Pacific Limited ("Morrison")	158,049,000
Perfect Goal Development Co., Ltd. ("Perfect Goal")	135,737,000
Greenwood Pacific Limited ("Greenwood")	135,737,000
Yue Xiu Finance Company Limited ("YXF")	44,492,000
Seaport Development Limited ("Seaport")	35,233,160
Goldstock International Limited ("Goldstock")	35,233,160

- (i) 2,279,312,904 shares were held by Bosworth, which was wholly-owned by Excellence which was, in turn, wholly-owned by Yue Xiu.
- (ii) 565,683,000 shares were held by Novena, which was wholly-owned by Sun Peak which was, in turn, wholly-owned by Excellence.
- (iii) 158,049,000 shares were held by Morrison, which was wholly-owned by Shine Wah which was, in turn, wholly-owned by Excellence.
- (iv) 135,737,000 shares were held by Greenwood, which was wholly-owned by Perfect Goal which was, in turn, wholly-owned by Excellence.
- (v) 44,492,000 shares were held by YXF, which was wholly-owned by Yue Xiu.
- (vi) 35,233,160 shares were held by Goldstock, which was wholly-owned by Seaport which was, in turn, wholly-owned by Excellence.
- 2) The capacity of JPMorgan Chase & Co. in holding the 423,978,000 shares was, as to 400,010,000 shares, as investment manager and, as to 23,968,000 shares, as approved lending agent.

Share options

(i) The Company

Pursuant to the share option scheme ("Share Option Scheme") approved by shareholders of the Company on 23rd June 1998, the board of directors of the Company ("Board") may, at their discretion, offer to directors and employees of the Company or any of its subsidiaries options to subscribe for ordinary shares in the Company. The Share Option Scheme is designed to act as an incentive to employees and executives of the Group. The exercise price was determined by the Board and being equal to the higher of (a) the nominal value of the share; and (b) not less than 80 per cent of the average closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of an option. The cash consideration to be paid for each grant of option is HK\$10, with full payment of the exercise price to be made upon exercise of an option.

On 26th June 2002, the shareholders of the Company approved the resolutions relating to the termination of the Share Option Scheme and the adoption of a new share option scheme ("2002 Share Option Scheme"). Upon termination of the Share Option Scheme, no further share options will be granted thereunder but all the outstanding share options granted prior to such termination continue to be valid and exercisable in accordance therewith, and only those provisions of the Share Option Scheme which are required to give effect to the outstanding share options continue to remain in force for such purpose. The 2002 Share Option Scheme complies with the amendments to Chapter 17 of the Listing Rules.

Pursuant to the 2002 Share Option Scheme, the Board may grant to any person being an employee, officer, director, agent, consultant or representative of Yue Xiu, the Company or any of their respective subsidiaries ("Participants") options to subscribe for shares in the Company. The purpose of the 2002 Share Option Scheme is to provide incentives to Participants to contribute to the Group and to enable the Group to recruit, retain and motivate high-calibre employees and attract human resources that are valuable to the Group. The total number of shares which may be issued upon exercise of all options to be granted under the 2002 Share Option Scheme is 10 per cent of the number of shares in issue as at the date of approval of the 2002 Share Option Scheme, but the Company may seek approval from its shareholders in a general meeting to refresh the 10 per cent limit. On 2nd June 2004, the shareholders of the Company approved the refreshment of the 10 per cent limit under the 2002 Share Option Scheme. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2002 Share Option Scheme and any other schemes of the Company must not exceed 30 per cent of the shares of the Company in issue from time to time. The maximum entitlement of each Participant upon exercise of the options granted or to be granted within any 12-month period immediately preceding the proposed date of grant is limited to 1 per cent of the number of shares in issue as at the proposed date of grant. Any further grant of options in excess of this limit is subject to shareholders' approval in general meeting. The share options are exercisable from the commencement date of the option period (which shall be a period to be notified by the Board at the time of the grant of an option, such period to commence on the date of grant or such later date as the Board may decide and expire on the last day of the period, which in any event shall not exceed 10 years from the date of grant), of which a maximum of up to (i) 30 per cent; and (ii) 60 per cent (inclusive of any options exercised under (i)), of the options granted under the relevant grant are exercisable during the period (i) up to the first anniversary; and (ii) up to the second anniversary of the commencement date of the option period respectively. After the second anniversary of the commencement date of the option period the restrictions will cease. In respect of a Participant who is an employee of Yue Xiu, the Company or any of their respective subsidiaries, the same limits on the exercise of the share options as described above shall also apply, except that the periods referred to in (i) and (ii) above shall commence from the later of: (a) the date of completion by such Participant of one year of continuous employment as permanent member of the staff of Yue Xiu, the Company or any of their respective subsidiaries, as the case may be; and (b) the commencement date of the option period, and the date when the restrictions cease shall be modified accordingly. The exercise price is determined by the Board and must be at least the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (c) the nominal value of the shares. The cash consideration to be paid for each grant of option is HK\$10, with full payment of the exercise price to be made upon exercise of an option.

Report of the Directors

Movements during the year of the options granted under the share option schemes of the Company to the employees of the Group other than the directors of the Company as disclosed on page 19 were as follows :

Number of share options								
outstanding as at 1st January 2004	granted during the year	exercised during the year	lapsed during the year	outstanding as at 31st December 2004	Exercise price per share HK\$	Date of grant	Exercisable period	Weighted average closing price (d) HK\$
52,000,000	—	46,600,000	5,400,000	—	0.3936	04/09/1998	04/09/1999 - 03/09/2004 (b)	0.941
13,374,000	—	3,748,000	—	9,626,000	0.5008	14/12/1999	14/12/2000 - 13/12/2005 (b)	0.840
152,150,000	—	42,970,000	—	109,180,000	0.4100	02/05/2003	02/05/2003 - 01/05/2013 (c)	0.688
8,000,000	—	—	—	8,000,000	0.5400	02/06/2003	02/06/2003 - 01/06/2013 (c)	N/A
12,620,000	—	216,000	—	12,404,000	0.8140	27/10/2003	27/10/2003 - 26/10/2013 (c)	0.942
100,632,000	—	170,000	228,000	100,234,000	0.8460	23/12/2003	23/12/2003 - 22/12/2013 (c)	0.896
—	320,310,000	6,576,000	1,320,000	312,414,000	0.6300	23/06/2004	23/06/2004 - 22/06/2014 (c)	0.723

Notes:

- (a) No options have been cancelled during the year.
- (b) The options granted are exercisable in 2 tranches. If the last day of the exercisable period is not a business day, the exercisable period will expire on the business day preceding thereof.
- (c) The options granted are exercisable in 3 tranches.
- (d) The weighted average closing price per share immediately before the dates on which the options were exercised.

The closing prices of the shares immediately before the dates on which the options were granted during the year were as follows:

Date of grant	Closing price immediately before the date of grant
23/06/2004	HK\$0.62

The Directors consider that it is inappropriate to value the share options as a number of factors critical for the valuation cannot be determined accurately. Any valuation of the share options based on various speculative assumptions would be meaningless and could be misleading to shareholders.

(ii) **GZT**

Pursuant to the share option scheme ("GZT Scheme") approved by shareholders of GZT on 3rd January 1997, the board of directors of GZT ("GZT Board") may, at their discretion, grant to directors and employees of GZT or any of its subsidiaries options to subscribe for ordinary shares in GZT. The GZT Scheme is designed to act as an incentive to employees and executives of GZT and its subsidiaries. The exercise price is determined by the GZT Board and being equal to the higher of (a) the nominal value of the share; and (b) not less than 80 per cent of the average closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of offer of an option. The cash consideration to be paid for each grant of option is HK\$10, with full payment of the exercise price to be made upon exercise of an option.

On 25th June 2002, the shareholders of GZT approved the resolutions relating to the termination of the GZT Scheme and the adoption of a new share option scheme ("2002 GZT Scheme"). Upon termination of the GZT Scheme, no further share options will be granted thereunder but all the outstanding share options granted prior to such termination continue to be valid and exercisable in accordance therewith, and only those provisions of the GZT Scheme which are required to give effect to the outstanding share options continue to remain in force for such purpose. The 2002 GZT Scheme complies with the amendments to Chapter 17 of the Listing Rules.

Pursuant to the 2002 GZT Scheme with terms and conditions same as those of 2002 Share Option Scheme, the GZT Board may grant to any person being an employee, officer, director, agent, consultant or representative of the Company, Yue Xiu, GZT or any of their respective subsidiaries options to subscribe for shares in GZT.

Movements during the year of the options granted under the GZT Scheme to the employees of the Group were as follows:

Number of share options			Exercise price per share HK\$	Date of grant	Exercisable period (c)	Weighted average closing price (d) HK\$
outstanding as at 1st January 2004	exercised during the year	outstanding as at 31st December 2004				
1,530,000	416,000	1,114,000	0.7520	07/04/2000	07/04/2001 - 06/04/2006	2.272

Notes:

- (a) No options have been granted, cancelled or lapsed during the year.
- (b) All options are exercisable in 3 tranches.
- (c) If the last day of the exercisable period is not a business day, the exercisable period will expire on the business day preceding thereof.
- (d) The weighted average closing price per share of GZT immediately before the dates on which the options were exercised.

Independent non-executive directors' fees

Two of independent non-executive directors of the Company each received HK\$38,000 and the other non-executive director of the Company received HK\$10,000 as directors' fees for the year ended 31st December 2004.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Public float

Based on the information that is publicly available to the Company as at the date of this report and within the knowledge of the Directors, there was a sufficiency of public float of the Company's securities as required under the Listing Rules.

Major customers and suppliers

No disclosures with regard to the Group's major customers and suppliers are made since the aggregate percentages of sales and purchases attributable to the Group's five largest customers and suppliers are less than 30 per cent of the Group's total sales and purchases respectively.

Compliance with the Code of Best Practice of the Listing Rules

In the opinion of the Directors, the Company has complied with the Code of Best Practice as set out in appendix 14 of the Listing Rules throughout the year ended 31st December 2004, except that the independent non-executive directors of the Company are not appointed for specific terms but are subject to retirement by rotation at the annual general meeting of the Company in accordance with the Company's Articles of Association. In the opinion of the Directors, this meets the same objective of the Code of Best Practice.

Audit committee

Pursuant to the Listing Rules, an audit committee ("Audit Committee"), comprising three independent non-executive directors, namely Mr Yu Lup Fat Joseph, Mr Lee Ka Lun and Mr Lau Hon Chuen Ambrose, was established.

By reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants, written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted by the board of directors of the Company. The principal activities of the Audit Committee include the review and supervision of the Group's financial reporting process and internal controls.

Auditors

The accounts have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Ou Bingchang

Chairman

Hong Kong, 21st April 2005



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22nd Floor Prince's Building
Central Hong Kong

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
GUANGZHOU INVESTMENT COMPANY LIMITED**

(incorporated in Hong Kong with limited liability)

We have audited the accounts on pages 26 to 92 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Hong Kong Companies Ordinance requires the directors to prepare accounts which give a true and fair view. In preparing accounts which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion the accounts give a true and fair view of the state of affairs of the Company and of the Group as at 31st December 2004 and of the Group's profit and cash flows for the year then ended and have been properly prepared in accordance with the Hong Kong Companies Ordinance.'

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 21st April 2005

Consolidated Profit and Loss Account

For the year ended 31st December 2004

	Note	2004 HK\$'000	2003 HK\$'000
Turnover	2	4,526,679	3,925,109
Cost of sales		(3,473,912)	(2,758,973)
Gross profit		1,052,767	1,166,136
Other revenues	2	35,556	31,549
Selling and distribution expenses		(178,451)	(127,154)
General and administrative expenses		(392,143)	(414,033)
Reversal of provision for doubtful debt	3	104,942	—
Loss on deemed disposal of certain interests in a subsidiary	4	(481)	(94,942)
Write-back/(write-down) of properties held for/under development to net realisable value	5	44,546	(5,805)
Revaluation surplus on investment properties		76,750	165,840
Profit from operations	6	743,486	721,591
Finance costs	7	(112,512)	(224,733)
Share of profits less losses of			
- jointly controlled entities		(23,021)	(49,693)
- associated companies		214,382	181,767
Profit before taxation		822,335	628,932
Taxation	8	(210,565)	(114,599)
Profit after taxation		611,770	514,333
Minority interests		(280,947)	(213,680)
Profit attributable to shareholders	9	330,823	300,653
Dividends	10	109,797	117,540
Earnings per share	11		
Basic		HK 5.24 cents	HK 4.89 cents
Fully diluted		HK 5.15 cents	HK 4.83 cents

Consolidated Balance Sheet

As at 31st December 2004

	Note	2004 HK\$'000	2003 HK\$'000
Non-current assets			
Interests in toll highways and bridges	14	2,001,376	2,099,647
Other intangible assets	15	(489,960)	(535,253)
Fixed assets	16	6,216,630	6,251,082
Deferred tax assets	32	56,199	39,061
Interests in jointly controlled entities	18	646,717	798,064
Interests in associated companies	19	1,760,348	1,753,109
Other investments	20	261,347	259,851
		<u>10,452,657</u>	<u>10,665,561</u>
Current assets			
Properties held for/under development	21	10,302,017	10,244,614
Properties held for sale	21	2,189,758	2,455,354
Inventories	22	195,288	220,127
Amounts due from related companies	23	3,234	3,678
Trade receivables	24	562,768	667,094
Other receivables, prepayments and deposits		593,644	454,196
Bank and cash balances	25	901,657	1,075,294
		<u>14,748,366</u>	<u>15,120,357</u>
Current liabilities			
Trade payables	26	414,493	447,600
Land premium payable		729,410	708,300
Other payables and accrued charges		3,083,250	3,195,338
Amounts due to jointly controlled entities	18	123,442	75,340
Amounts due to associated companies	19	112,150	112,221
Amounts due to minority shareholders of subsidiaries	23	186,831	179,135
Bank loans			
- secured	38	453,644	838,692
- unsecured		608,919	681,797
Bank overdrafts - unsecured		24,763	39,486
Current portion of long-term bank loans	30	959,499	875,394
Current portion of other long-term loans	31	25	14
Taxation payable		133,798	42,906
		<u>6,830,224</u>	<u>7,196,223</u>
Net current assets		<u>7,918,142</u>	<u>7,924,134</u>
Total assets less current liabilities		<u>18,370,799</u>	<u>18,589,695</u>

Consolidated Balance Sheet

As at 31st December 2004

	Note	2004 HK\$'000	2003 HK\$'000
Non-current liabilities			
Long-term bank loans	30	3,147,665	3,642,450
Other long-term loans	31	890,747	952,527
Deferred tax liabilities	32	3,630,279	3,650,536
		<u>7,668,691</u>	<u>8,245,513</u>
Minority interests		<u>3,467,807</u>	<u>3,374,822</u>
Net assets		<u>7,234,301</u>	<u>6,969,360</u>
Financed by:			
Share capital	27	635,160	624,872
Reserves	29	6,599,141	6,344,488
Shareholders' funds		<u>7,234,301</u>	<u>6,969,360</u>
On behalf of the Board			
Chen Guangsong Director		Liang Ningguang Director	

As at 31st December 2004

	Note	2004 HK\$'000	2003 HK\$'000
Non-current assets			
Fixed assets	16	22,563	20,574
Investments in subsidiaries	17	9,957,686	9,851,230
		9,980,249	9,871,804
Current assets			
Other receivables, prepayments and deposits		30,595	42,733
Bank and cash balances	25	39,832	190,394
		70,427	233,127
Current liabilities			
Amounts due to subsidiaries	17	377,464	354,938
Other payables and accrued charges		39,441	42,495
Bank loan - secured	38	120,000	120,000
Bank overdrafts - unsecured		—	9,993
Current portion of long-term bank loans	30	513,935	367,452
Current portion of other long-term loans	31	25	14
		1,050,865	894,892
Net current liabilities		(980,438)	(661,765)
Total assets less current liabilities		8,999,811	9,210,039
Non-current liabilities			
Long-term bank loans	30	1,807,298	2,204,231
Other long-term loans	31	509,348	345,850
		2,316,646	2,550,081
Net assets		6,683,165	6,659,958
Financed by:			
Share capital	27	635,160	624,872
Reserves	29	6,048,005	6,035,086
Shareholders' funds		6,683,165	6,659,958
On behalf of the Board			

Chen Guangsong
Director

Liang Ningguang
Director

Consolidated Cash Flow Statement

For the year ended 31st December 2004

	Note	2004 HK\$'000	2003 HK\$'000
Net cash inflow generated from operations	33(a)	1,432,275	991,747
Interest received		5,587	8,450
Interest paid		(167,911)	(242,055)
Hong Kong profits tax paid		(1,558)	(2,059)
China enterprise income tax paid and land appreciation tax paid		(118,344)	(108,110)
Net cash inflow from operating activities		<u>1,150,049</u>	<u>647,973</u>
Investing activities			
Dividends received from jointly controlled entities and associated companies		94,060	125,012
Dividends received from other investments		14,904	32,392
Investment in toll highway and bridges		(3,121)	(11,223)
Purchases of fixed assets		(202,338)	(200,906)
Sale of fixed assets		39,972	7,036
Purchase of subsidiaries	33(b)	2,339	16,683
Disposal of certain interests in a subsidiary	33(c)	—	8,639
Issue of a subsidiary's shares to its minority shareholders		315	56,818
Capital injection into a jointly controlled entity		(82,160)	—
Disposal of a jointly controlled entity		—	59,346
Purchases of other investments		(1,496)	—
(Advance to)/ repayment from associated companies and jointly controlled entities		(5,124)	11,409
Net cash (outflow)/inflow from investing activities		<u>(142,649)</u>	<u>105,206</u>

Consolidated Cash Flow Statement

For the year ended 31st December 2004

	Note	2004 HK\$'000	2003 HK\$'000
Financing activities	33(d)		
Issue of ordinary shares		43,643	43,725
Capital contribution from minority shareholders of subsidiaries		4,476	6,037
Advance from associated companies		48,031	2,399
New bank loans		932,996	2,252,575
Repayment of bank loans		(1,801,602)	(3,005,352)
Addition of other borrowings		177,745	183,093
Repayment of other borrowings		(231,818)	(19,356)
Dividends paid		(120,792)	(49,502)
Dividends paid to minority shareholders of subsidiaries		(218,993)	(176,325)
Net cash outflow from financing activities		<u>(1,166,314)</u>	<u>(762,706)</u>
Decrease in cash and cash equivalents		(158,914)	(9,527)
Cash and cash equivalents at the beginning of year		<u>1,035,808</u>	<u>1,045,335</u>
Cash and cash equivalents at the end of year		<u><u>876,894</u></u>	<u><u>1,035,808</u></u>
Analysis of balances of cash and cash equivalents			
Bank balances and cash		901,657	1,075,294
Bank overdrafts		(24,763)	(39,486)
		<u>876,894</u>	<u>1,035,808</u>

Consolidated Statement of Changes in Equity

for the year ended 31st December 2004

	Note	2004 HK\$'000	2003 HK\$'000
Total equity as at 1st January		<u>6,969,360</u>	<u>6,710,047</u>
Exchange differences arising on translation of the accounts of foreign subsidiaries, associated companies and jointly controlled entities	29	(1,588)	3,748
Release of reserve upon disposal of properties held for/under development and properties held for sale	29	(30,675)	(66,070)
Release of reserve upon deemed disposal of certain interest in a subsidiary	29	(3)	(547)
Provision for impairment of goodwill	29	43,533	—
Net gain/(loss) not recognised in the profit and loss account		<u>11,267</u>	<u>(62,869)</u>
Profit attributable to shareholders	29	330,823	300,653
Dividends paid	29	(120,792)	(49,502)
Issue of shares net of issuing expenses	27 & 29	43,643	71,031
Total equity as at 31st December		<u>7,234,301</u>	<u>6,969,360</u>

1 Principal accounting policies

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). They have been prepared under the historical cost convention except that investment properties are stated at fair value.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginning on or after 1st January 2005. The Group has not early adopted these new HKFRSs in the accounts for the year ended 31st December 2004. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

The principal accounting policies adopted in the preparation of these accounts are set out below:

(a) Basis of preparation

The accounts have been prepared on a going concern basis as the Company Directors and the Group's management are confident that the Group's short-term bank borrowings and current portion of long-term bank borrowings will either be rolled over or replaced by new sources of financing when they become due.

(b) Group accounting

(i) Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31st December.

Subsidiaries are those entities in which the Group controls the composition of the Board of Directors, controls more than half the voting power or holds more than half of the issued share capital.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any unamortised goodwill/negative goodwill or goodwill/negative goodwill taken to reserves which was not previously charged or recognised in the consolidated profit and loss account.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

1 Principal accounting policies (cont'd)

(b) Group accounting (cont'd)

(ii) Jointly controlled entities

A jointly controlled entity is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

The consolidated profit and loss account includes the Group's share of the results of jointly controlled entities for the year, and the consolidated balance sheet includes the Group's share of the net assets of the jointly controlled entities and also goodwill/negative goodwill (net of accumulated amortisation) on acquisition.

(iii) Associated companies

An associated company is a company, not being a subsidiary, in which an equity interest is held for the long-term and significant influence is exercised in its management.

The consolidated profit and loss account includes the Group's share of the results of associated companies for the year, and the consolidated balance sheet includes the Group's share of the net assets of the associated companies and also goodwill/negative goodwill (net of accumulated amortisation) on acquisition.

Equity accounting is discontinued when the carrying amount of the investment in an associated company reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.

(iv) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the profit and loss account.

The balance sheets of subsidiaries, jointly controlled entities and associated companies expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date whilst the profit and loss account is translated at an average rate. Exchange differences are dealt with as a movement in reserves.

1 Principal accounting policies (cont'd)

(c) Fixed assets

(i) Investment properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties held on leases with unexpired periods greater than 20 years are valued annually by independent valuers. The valuations are on an open market value basis related to individual properties and separate values are not attributed to land and buildings. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the investment properties revaluation reserve. Decreases in valuation are first set off against increases on earlier valuations on a portfolio basis and thereafter are debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited.

Investment properties held on leases with unexpired periods of 20 years or less are depreciated over the remaining portion of the leases.

Upon the disposal of an investment property, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the investment properties revaluation reserve to the profit and loss account.

(ii) Other properties

Other properties are interests in land and buildings other than investment properties and are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation on leasehold land and buildings is calculated to write off their cost less accumulated impairment losses over the unexpired periods of the leases or their expected useful lives to the Group, whichever is shorter. The principal annual rates used for this purpose are as follows:

Leasehold land	2 to 3 per cent
Buildings	2 to 4 per cent

(iii) Production facilities under construction

Production facilities under construction are stated at cost which comprise costs of construction, purchase cost of plant and machinery pending installation and interest charges arising from borrowings used to finance the construction.

No depreciation is provided for production facilities under construction until they are completed and put into commercial use.

1 Principal accounting policies (cont'd)**(c) Fixed assets (cont'd)****(iv) Other fixed assets**

Other fixed assets, comprising plant and machinery and tools, leasehold improvements, furniture, fixtures and office equipment and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment losses.

Other fixed assets are depreciated at rates sufficient to write off their cost less accumulated impairment losses over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Plant and machinery and tools	5 to 33 per cent
Leasehold improvements, furniture, fixtures and office equipment	20 per cent
Motor vehicles	20 to 33 per cent

The plant components are depreciated over the period to overhaul. Major costs incurred in restoring the plant components to its normal working condition to allow continued use of the overall asset are capitalised and depreciated over the period to the next overhaul.

Improvements are capitalised and depreciated over their expected useful lives to the Group.

(v) Impairment and gain or loss on disposal of fixed assets

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case it is treated as a revaluation decrease.

The gain or loss on disposal of a fixed asset other than investment properties is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account. Any revaluation reserve balance remaining attributable to the relevant asset is transferred to retained profits and is shown as a movement in reserves.

(d) Assets under leases**(i) Finance leases**

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. Finance leases are capitalised at the inception of the leases at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated between the capital and finance charges so as to achieve a constant rate on the capital balances outstanding. The corresponding rental obligations, net of finance charges, are included in non-current liabilities. The finance charges are charged to the profit and loss account over the lease periods.

Assets held under finance leases are depreciated over the shorter of their estimated useful lives or the lease periods.

1 Principal accounting policies (cont'd)**(d) Assets under leases** (cont'd)**(ii) Operating leases**

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the profit and loss account on a straight-line basis over the lease periods.

(e) Interests in toll highways and bridges

Interests in toll highways and bridges comprise tangible infrastructures and intangible operating rights. Depreciation of tangible infrastructure is calculated to write off their costs on a units-of-usage basis based on the traffic volume for a particular period over the projected total traffic volume throughout the life of the assets. The Group reviews regularly the projected total traffic volume throughout the life of the respective assets, and if it is considered appropriate, independent professional traffic studies will be obtained. Appropriate adjustment will be made should there be a material change. Amortisation of intangible operating rights is provided on a straight-line basis over periods of 20 to 30 years in which the operating rights are held.

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that interests in toll highways and bridges are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account.

(f) Intangibles**(i) Goodwill/negative goodwill**

Goodwill represents the excess of the cost of an acquisition over the Group's share of the fair value of the net assets of the acquired subsidiary/associated company/jointly controlled entity at the date of acquisition. Goodwill on acquisition of subsidiary/associated company/jointly controlled entity engaged in the operation of toll highways or bridges is amortised using the straight-line method over the maximum period of 20 years. Where an indication of impairment exists, the carrying amount of goodwill is assessed and written down immediately to its recoverable amount.

Negative goodwill represents the excess of the Group's share of the fair value of the net assets acquired over the cost of acquisition and is presented in the same balance sheet classification as goodwill.

To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the Group's plan for the acquisition and can be measured reliably, but which do not represent identifiable liabilities at the date of acquisition, that portion of negative goodwill is recognised in the profit and loss account when the future losses and expenses are recognised.

1 Principal accounting policies (cont'd)

(f) Intangibles (cont'd)

(i) Goodwill/negative goodwill (cont'd)

To the extent that negative goodwill does not relate to identifiable expected future losses and expenses that can be measured reliably, negative goodwill on acquisition of subsidiary/associated company/jointly controlled entity engaged in the operation of toll highways or bridges is amortised using the straight-line method over the maximum period of 20 years whereas negative goodwill on acquisition of subsidiary/associated company/jointly controlled entity engaged in property investment not exceeding the fair values of the non-monetary assets acquired is amortised on the following bases:

- Properties under development and properties held for sales – amortisation is calculated based on the actual area of properties sold over the total available saleable area.
- Investment properties – amortisation is calculated using the straight-line method over the maximum period of 20 years.

Negative goodwill in excess of the fair values of those non-monetary assets is recognised in the profit and loss account immediately.

Goodwill/negative goodwill on acquisitions that occurred prior to 1st January 2001 was eliminated against reserves. Any impairment arising on goodwill is accounted for in the profit and loss account.

The gain or loss on disposal of an entity includes the unamortised balance of goodwill relating to the entity disposed of or, for acquisitions prior to 1st January 2001, the related goodwill written off against reserves to the extent it has not previously been realised in the profit and loss account.

(ii) Research and development costs

Research costs are expensed as incurred. Costs incurred on development projects relating to the design and testing of new or improved products are recognised as an intangible asset where the technical feasibility and intention of completing the product under development has been demonstrated and the resources are available to do so, costs are identifiable and there is an ability to sell or use the asset that will generate probable future economic benefits. Such development costs are recognised as an asset and amortised on a straight-line basis over a period of not more than 5 years to reflect the pattern in which the related economic benefits are recognised. Development costs that do not meet the above criteria are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(iii) Impairment of intangible assets

Where an indication of impairment exists, the carrying amount of any intangible asset, including goodwill previously written off against reserves, is assessed and written down immediately to its recoverable amount.

1 Principal accounting policies (cont'd)**(g) Other investments**

Other investments held for long term are stated at cost less accumulated impairment losses. The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amounts. When a decline other than temporary has occurred, the carrying amount of such investment will be reduced to its fair value. The impairment loss is recognised as an expense in the profit and loss account. This impairment loss is written back to profit and loss when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

If the rights and interest in investments are to be surrendered by the Group upon the termination of related joint venture period, amortisation is provided to write off its cost over the joint venture period on a straight-line basis. The results of other investments are accounted for on the basis of dividends received and receivable.

(h) Properties held for/under development

Properties held for/under development are stated at cost which comprises land cost, development and construction expenditures net of incidental rental income, borrowing costs capitalised and other direct costs attributable to the development, plus attributable profits recognised on the basis set out in note 1(q)(ii) taken up to date, less provisions for foreseeable losses and sales instalments received.

(i) Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Cost includes land cost, development and construction expenditure, borrowing costs capitalised and other incidental costs. Net realisable value is the estimated price at which a property can be realised less related expenses.

(j) Inventories

Inventories, comprise stock and work in progress, are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average basis, comprises direct materials, direct labour and an appropriate proportion of all production overhead expenditure. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(k) Accounts receivable

Provision is made against accounts receivable to the extent that they are considered to be doubtful. Accounts receivable in the balance sheet are stated net of such provision.

(l) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts.

1 Principal accounting policies (cont'd)

(m) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

(n) Deferred taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on fixed assets, revaluations of certain non-current assets and of investments, provisions for pensions and other post retirement benefits and tax losses carried forward; and, in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(o) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group's contributions to the defined contribution retirement schemes are expensed as incurred and reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The assets of the scheme are held separately from those of the Group in an independently administered fund.

(iii) Medical benefits

The Group's contributions to defined contribution medical benefit scheme are expensed as incurred.

1 Principal accounting policies (cont'd)**(p) Government grants**

A government grant is recognised, when there is a reasonable assurance that the Group will comply with the conditions attaching with it and that the grant will be received.

Grants relating to income are deferred and recognised in the profit and loss account over the period necessary to match them with the costs they are intended to compensate.

Grants relating to the purchase of fixed assets are included in non-current liabilities as deferred income and are credited to the profit and loss account on a straight-line basis over the expected lives of the related assets.

(q) Revenue and profit recognition

- (i) Revenues arising from the sale of properties held for sale are recognised on the execution of the legally binding contracts of sale.
- (ii) The recognition of revenues from the sale of properties held for/under development in advance of completion commences when a legally binding contract of sale has been executed.

When properties held for/under development are sold in advance of completion, and there is reasonable certainty as to the outcome of the property development projects, the total estimated profit is apportioned over the entire period of construction to reflect the progress of the development. The profit is computed each year as a proportion of the total estimated profit to completion, the proportion used being the proportion of construction costs incurred at the balance sheet date to total estimated construction costs to completion, limited to the amount of sales instalments received and subject to due allowance for contingencies.

Where purchasers fail to pay the balance of the purchase price on completion and the Group exercises its entitlement to resell the property, sales deposits received in advance of completion are forfeited and credited to operating profit, any profits previously recognised in accordance with the aforesaid policy are reversed.

- (iii) Operating lease rental income is recognised on a straight-line basis.
- (iv) Revenue from property management is recognised in the period in which the services are rendered.
- (v) Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.
- (vi) Toll revenue, net of revenue tax, is recognised on a receipt basis.
- (vii) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.
- (viii) Dividend income is recognised when the right to receive payment is established.
- (ix) Agency fee revenue from property broking are recognised when the relevant agreement becomes unconditional or irrevocable.

1 Principal accounting policies (cont'd)

(r) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset.

All other borrowing costs are charged to the profit and loss account in the year in which they are incurred.

(s) Segment reporting

In accordance with the Group's internal financial reporting the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format.

Unallocated costs represent corporate expenses. Segment assets consist primarily of intangible assets, fixed assets, inventories, properties held for/under development, properties held for sale, property development projects, receivables, interests in jointly controlled entities and associated companies. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to interests in toll highways and bridges (note 14) and fixed assets (note 16).

In respect of geographical segment reporting, sales are based on the country in which the customer is located. Total assets and capital expenditure are where the assets are located.

2 Turnover, revenue and segment information

The Group is principally engaged in development, operation and management of toll highways and bridges, development, selling and management of properties and holding of investment properties and manufacturing and trading of newsprint. Revenues recognised are as follows:

	2004 HK\$'000	2003 HK\$'000
Turnover		
Toll revenue from toll operations	400,212	428,873
Property management fee income	114,610	70,760
Rental income		
- Properties	367,050	319,066
- Car park	65,339	58,908
Sales revenue		
- Sales of properties	1,987,231	1,955,105
- Sales of newsprint	1,240,693	1,006,263
- Others	351,544	86,134
	<u>4,526,679</u>	<u>3,925,109</u>
Other revenues		
Interest income	5,587	8,450
Dividend income	14,904	3,483
Commission on properties sales and rental	15,065	19,616
	<u>35,556</u>	<u>31,549</u>
Total revenues	<u>4,562,235</u>	<u>3,956,658</u>

Turnover and segment results for the period are as follows:

Primary reporting format - business segments

The Group operates mainly in Hong Kong and Mainland of China ("China") and in three main business segments:

- Properties - development, selling and management of properties and holding of investment properties
- Toll operations - development, operation and management of toll highways and bridges
- Paper - manufacturing and selling of newsprint paper

There are no significant sales between the business segments.

2 Turnover, revenue and segment information (cont'd)

Secondary reporting format - geographical segments

The Group's three business segments are mainly managed in Hong Kong and China:

Hong Kong – properties

China – toll operations, properties, and paper

Others – properties

There are no significant sales between the geographical segments.

Primary reporting format - business segments

	Toll operations		Properties		Paper		Group	
	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
Turnover	400,212	428,873	2,885,774	2,489,973	1,240,693	1,006,263	4,526,679	3,925,109
Segment results	148,790	185,289	530,881	591,423	95,296	90,293	774,967	867,005
Interest income							5,587	8,450
Loss on deemed disposal of certain interests in a subsidiary							(481)	(94,942)
Unallocated operating costs							(36,587)	(58,922)
Finance costs							(112,512)	(224,733)
Share of profits less (losses) of:								
Jointly controlled entities	13,772	(20,419)	(36,793)	(29,274)	—	—	(23,021)	(49,693)
Associated companies	214,382	181,607	—	160	—	—	214,382	181,767
Profit before taxation							822,335	628,932
Taxation							(210,565)	(114,599)
Profit after taxation							611,770	514,333
Minority interests							(280,947)	(213,680)
Profit attributable to shareholders							330,823	300,653
Segment assets	2,229,404	2,335,043	18,052,478	18,062,645	1,495,642	1,716,186	21,777,524	22,113,874
Interests in jointly controlled entities	422,892	330,621	223,825	467,443	—	—	646,717	798,064
Interests in associated companies	1,671,842	1,671,076	88,506	82,033	—	—	1,760,348	1,753,109
Unallocated assets							1,016,434	1,120,871
Total assets							25,201,023	25,785,918
Segment liabilities	565,843	575,491	4,350,840	4,513,596	221,621	245,410	5,138,304	5,334,497
Unallocated liabilities							9,360,611	10,107,239
Total liabilities							14,498,915	15,441,736
Capital expenditure	3,788	20,703	133,368	101,407	68,303	107,704	205,459	229,814
Depreciation and amortisation	113,871	111,113	(21,361)	(29,791)	118,931	102,958	211,441	184,280

2 Turnover, revenue and segment information (cont'd)**Secondary reporting format - geographical segments**

	Turnover		Total assets		Capital expenditure	
	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
Hong Kong	448,891	180,674	1,407,288	1,490,990	28,253	1,611
China	4,051,641	3,741,675	22,730,719	23,121,470	177,206	228,097
Overseas	26,147	2,760	46,582	52,587	—	106
	<u>4,526,679</u>	<u>3,925,109</u>	<u>24,184,589</u>	<u>24,665,047</u>	<u>205,459</u>	<u>229,814</u>
Unallocated assets			1,016,434	1,120,871		
Total assets			<u>25,201,023</u>	<u>25,785,918</u>		

3 Reversal of provision for doubtful debt

This relates to a receivable fully provided for in previous years as there was uncertainty on its ultimate recoverability. During the year, the Group's directors made a reassessment and concluded that the circumstances leading to the provision no longer exist and therefore, a reversal is made.

4 Loss on deemed disposal of certain interests in a subsidiary

During the year ended 31st December 2004, GZI Transport Limited ("GZT") issued 416,000 (2003: 64,448,000) shares upon the exercise of GZT's employee share options and consequently the Company's effective interest in GZT was reduced by 0.02% (2003: 2.66%). This results in a deemed disposal loss of HK\$481,000 (2003: HK\$94,942,000).

5 Write-back/(write-down) of properties held for/under development to net realisable value

	2004 HK\$'000	2003 HK\$'000
Write-back/(write-down) of properties held for/ under development to net realisable value	<u>44,546</u>	<u>(5,805)</u>

Certain properties held for/under development were written down to net realisable value in previous years. Due to the increase in the market value of these properties during the year, a write-back of the provision is made.

6 Profit from operations

Profit from operations is stated after crediting and charging the following:

	2004 HK\$'000	2003 HK\$'000
Crediting		
Gross rental income from investment properties	300,747	292,380
Less: direct outgoings	(27,486)	(29,530)
Net rental income from investment properties	273,261	262,850
Amortisation of negative goodwill		
- Included in cost of sales	42,007	37,811
- Included in administrative expenses	6,960	6,959
Write-back of other payables	1,300	45,527
Net exchange gain	2,275	6,367
Charging		
Auditors' remuneration	4,607	4,944
Advertising expenses	129,997	96,443
Cost of inventories sold	3,202,685	2,508,535
Depreciation		
- Owned fixed assets	148,544	119,521
- Leased fixed assets	23	14
Amortisation/depreciation of interests in toll highways and bridges (included in cost of sales)	101,392	98,163
Amortisation of goodwill (included in administrative expenses)	10,449	11,352
Loss on disposal of certain interests in a subsidiary	—	998
Loss on disposal of fixed assets	6,436	27,628
Loss on disposal of other investments	—	1,059
Staff costs (note 12)	299,642	259,386
Operating leases		
- Hire of plant and workshops (note 39(a))	16,215	17,350
- Land and buildings	47,783	43,654
Provision for doubtful debts	5,933	68,659

7 Finance costs

	2004 HK\$'000	2003 HK\$'000
Interest on bank loans and overdrafts	135,656	230,458
Interest element of finance leases	—	70
Premium on redemption of convertible bonds	—	1,950
Interests on		
- amount due to a minority shareholder of a subsidiary	4,643	—
- loan from the ultimate holding company	3,455	3,977
- loan from related companies	1,031	721
- convertible bonds	—	3,544
- other loans	23,126	3,285
Total borrowing costs incurred	167,911	244,005
Less: amount capitalised to properties held for/under development (note (i))	(55,399)	(19,272)
	<u>112,512</u>	<u>224,733</u>

Note:

- (i) The average interest rate of borrowing costs capitalised for the year ended 31st December 2004 was approximately 4.76 per cent per annum (2003: 5.31 per cent per annum).

8 Taxation

- (a) Hong Kong profits tax has been provided at the rate of 17.5 per cent (2003: 17.5 per cent) on the estimated assessable profit for the year.
- (b) China enterprise income taxation is provided on the profits of the Group's subsidiaries, associated companies and jointly controlled entities in China in accordance with the Income Tax Law of China for Enterprises with Foreign Investment and Foreign Enterprises ("China Tax Law") at rates ranging from 18 per cent to 33 per cent. Under the China Tax Law, certain of the Group's subsidiaries, associated companies and jointly controlled entities in China are entitled to an income tax holiday for two to five years from its first profit making year followed by a 50 per cent reduction in income tax for the next three to five years.
- (c) China land appreciation tax is levied at progressive rates ranging from 30 per cent to 60 per cent on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditures.

8 Taxation (cont'd)

(d) The amount of taxation charged to the consolidated profit and loss account represents:

	2004 HK\$'000	2003 HK\$'000
Company and subsidiaries		
Current taxation		
Hong Kong profits tax	1,547	1,627
China enterprise income tax	135,656	78,974
China land appreciation tax	68,295	42,544
Under/(over)provision in prior years	5,296	(6,051)
Deferred taxation relating to the reversal of temporary differences	(31,852)	(30,949)
Deferred taxation resulting from an increase in tax rate	—	(1,019)
	178,942	85,126
Associated companies		
Share of China enterprise income tax	13,990	5,814
Share of deferred taxation	11,589	17,782
Jointly controlled entities		
Share of deferred taxation	6,044	5,877
Taxation charges	210,565	114,599

8 Taxation (cont'd)

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the enterprise income tax rate of China, the home country of the Group, as follows:

	2004 HK\$'000	2003 HK\$'000
Profit before taxation	<u>822,335</u>	<u>628,932</u>
Calculated at China enterprise income tax rate of 33 per cent (note (i)) (2003: 33 per cent)	271,371	207,548
Effect of different taxation rates	(81,351)	(53,250)
Increase in opening net deferred tax assets resulting from an increase in tax rate	—	(1,019)
Effect of tax concession under tax holiday	(201)	(263)
Income not subject to taxation	(22,132)	(29,677)
Expenses not deductible for taxation purposes	36,246	44,051
Net effect of tax losses not recognised and utilisation of previously unrecognised tax losses	13,663	(8,094)
Under/(over)provision in prior years	5,296	(6,051)
Effect of land appreciation tax deductible for calculation of income tax purposes	6,071	19,035
	<u>228,963</u>	<u>172,280</u>
Land appreciation tax	(18,398)	(57,681)
	<u>210,565</u>	<u>114,599</u>

Note:

(i) The rate of China enterprise income tax was adopted as majority of the Group's operations were carried out in China.

9 Profit attributable to shareholders

The profit attributable to shareholders is dealt with in the accounts of the Company to the extent of HK\$100,356,000 (2003: HK\$62,170,000).

10 Dividends

	2004 HK\$'000	2003 HK\$'000
Interim, paid, of HK\$0.0083 (2003: HK\$0.008) per ordinary share	52,531	49,502
Final, proposed, of HK\$0.009 (2003: HK\$0.0108) per ordinary share	57,266	68,038
	<u>109,797</u>	<u>117,540</u>

At a meeting held on 21st April 2005, the directors proposed a final dividend of HK\$0.009 per ordinary share. This proposed dividend is not reflected as a dividend payable in these accounts, but will be reflected as an appropriation of retained profits for the year ending 31st December 2005.

11 Earnings per share

The calculations of basic and diluted earnings per share are based on the Group's profit attributable to shareholders of HK\$330,823,000 (2003: HK\$300,653,000).

The basic earnings per share is based on the weighted average number of 6,318,186,352 (2003: 6,146,494,166) ordinary shares in issue during the year. The diluted earnings per share is based on 6,424,401,643 (2003: 6,223,195,777) ordinary shares which is the weighted average number of ordinary shares in issue during the year plus the weighted average number of 106,215,291 (2003: 76,701,611) ordinary shares deemed to be issued at no consideration if all outstanding options had been exercised.

12 Staff costs (including directors' emoluments)

	2004 HK\$'000	2003 HK\$'000
Wages and salaries	221,989	198,757
Pension costs (defined contribution plans)	38,528	22,585
Medical benefits costs (defined contribution plans)	5,492	4,561
Social security costs	15,674	14,405
Termination benefits	1,554	763
Staff welfare	16,405	18,315
	<u>299,642</u>	<u>259,386</u>

Pension scheme arrangements

The Group operates a pension scheme for Hong Kong employees. The scheme is a defined contribution scheme and is administered by independent trustees. In relation to each employee, the employee contributes 5 per cent and the Group contributes 5 per cent to 15 per cent of the employee's basic salary to the scheme. There were no significant forfeited contributions in respect of employees who left the scheme prior to vesting fully in the contributions during the year and as at 31st December 2004. (2003: Nil).

The Group participates in the Mandatory Provident Fund Scheme ("MPF" Scheme) for Hong Kong employees. The Group's MPF Scheme contributions are at 5 per cent of the employee's relevant income as defined in the Hong Kong Mandatory Provident Fund Schemes Ordinance up to a maximum of HK\$1,000 per employee per month. The employees also contribute a corresponding amount to the MPF Scheme if their relevant income is more than HK\$5,000 per month. The MPF contributions are fully and immediately vested in the employees as accrued benefits once they are paid.

12 Staff costs (including directors' emoluments) (cont'd)**Pension scheme arrangements** (cont'd)

Subsidiaries of the Company in China are required to participate in a defined contribution retirement plan organised by the Guangzhou Municipal People's Government. All Chinese workers are entitled to a pension equal to a fixed proportion of their ending basic salary amount at their retirement date except for a substantial number of staff members of five subsidiaries in China who are employed by Guangzhou Highways Development Company ("GHDC"), the local partner, pursuant to highways management agreements (the "Management Agreements") executed between these subsidiaries and GHDC. Pursuant to the Management Agreements, details of which are disclosed in note 39(b) to the accounts, GHDC assumes full responsibility for the salaries and all statutory benefits, insurance and welfare funds required to be paid pursuant to relevant laws and regulations of China to the staff members and workers employed by GHDC to perform their duties required under the Management Agreements. The other subsidiaries are required to make contributions to the retirement plan at the rates of 16 per cent to 24 per cent of the basic salaries of their staff members.

The Group's contribution is charged to its profit and loss account and expenses incurred by the Group for the year amounted to HK\$38,528,000 (2003: HK\$21,363,000).

13 Directors' and senior management's emoluments

(a) The aggregate amounts of emoluments paid or payable to the Directors of the Company are as follows:

	2004 HK\$'000	2003 HK\$'000
Fees (note (i))	86	76
Other emoluments:		
Basis salaries, housing allowances, other allowances and benefits in kind	5,767	8,004
Discretionary bonuses	10,772	7,434
Directors' pension	109	162
	16,734	15,676

Note:

(i) Directors' fees represent amounts paid to independent non-executive Directors.

13 Directors' and senior management's emoluments (cont'd)

(b) The emoluments of the Directors fell within the following bands:

Emoluments bands	Number of directors	
	2004	2003
Nil - HK\$1,000,000	5 ¹	12 ¹
HK\$1,000,001 - HK\$1,500,000	1	2
HK\$1,500,001 - HK\$2,000,000	2	2
HK\$2,000,001 - HK\$2,500,000	1	3
HK\$2,500,001 - HK\$3,000,000	1	—
HK\$3,000,001 - HK\$3,500,000	1	—
HK\$3,500,001 - HK\$4,000,000	1	—
	<u>12</u>	<u>19</u>

¹ Included three (2003: two) independent non-executive Directors.

No Directors waived emoluments in respect of the years ended 31st December 2004 and 2003. No emoluments were paid or payable by the Group as an inducement to join or upon joining the Group, or as compensation for loss of office during the years ended 31st December 2004 and 2003.

(c) The five individuals whose emoluments were the highest in the Group for the year ended 31st December 2004 are also directors whose emoluments are reflected in the analysis presented above.

14 Interests in toll highways and bridges

	Group		
	Intangible operating rights HK\$'000	Tangible infrastructure HK\$'000	Total HK\$'000
At 1st January 2004	1,750,864	348,783	2,099,647
Additions	3,121	—	3,121
Amortisation/depreciation charge	(88,945)	(12,447)	(101,392)
At 31st December 2004	<u>1,665,040</u>	<u>336,336</u>	<u>2,001,376</u>
At 31st December 2004			
Cost	2,146,227	403,755	2,549,982
Accumulated amortisation/depreciation	(481,187)	(67,419)	(548,606)
Net book value	<u>1,665,040</u>	<u>336,336</u>	<u>2,001,376</u>
At 31st December 2003			
Cost	2,143,106	403,755	2,546,861
Accumulated amortisation/depreciation	(392,242)	(54,972)	(447,214)
Net book value	<u>1,750,864</u>	<u>348,783</u>	<u>2,099,647</u>

The intangible operating rights and tangible infrastructure are located in China.

15 Other intangible assets

	Group		
	Goodwill HK\$'000	Negative goodwill HK\$'000	Total HK\$'000
At 1st January 2004	40,453	(575,706)	(535,253)
Amortisation charge	(3,674)	48,967	45,293
At 31st December 2004	<u>36,779</u>	<u>(526,739)</u>	<u>(489,960)</u>
At 31st December 2004			
Cost	51,310	(629,602)	(578,292)
Accumulated amortisation	(14,531)	102,863	88,332
	<u>36,779</u>	<u>(526,739)</u>	<u>(489,960)</u>
At 31st December 2003			
Cost	51,310	(629,602)	(578,292)
Accumulated amortisation	(10,857)	53,896	43,039
	<u>40,453</u>	<u>(575,706)</u>	<u>(535,253)</u>

16 Fixed assets

(a) Group

	Investment properties HK\$'000	Other properties HK\$'000	Production facilities under construction HK\$'000	Plant and machinery and tools HK\$'000	Leasehold improvements, furniture, fixtures and office equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost or valuation							
At 1st January 2004	4,845,537	366,760	259,378	1,247,023	211,432	72,030	7,002,160
Additions	122,978	985	66,340	1,706	7,322	3,007	202,338
Transfer (to)/from properties held for/under development	(164,825)	46,260	—	—	—	—	(118,565)
Revaluation surplus	76,750	—	—	—	—	—	76,750
Transfer	(76,729)	73,904	—	—	—	—	(2,825)
Transfer upon completion	—	13,447	(237,413)	187,740	36,226	—	—
Disposals	(28,406)	(35,440)	—	(22,028)	(7,017)	(4,933)	(97,824)
At 31st December 2004	4,775,305	465,916	88,305	1,414,441	247,963	70,104	7,062,034
Accumulated depreciation							
As 1st January 2004	—	106,198	—	470,436	128,822	45,622	751,078
Charge for the year	—	15,809	—	106,773	19,987	5,998	148,567
Transfer	—	(2,825)	—	—	—	—	(2,825)
Disposals	—	(20,585)	—	(25,549)	(1,941)	(3,341)	(51,416)
At 31st December 2004	—	98,597	—	551,660	146,868	48,279	845,404
Net book value							
At 31st December 2004	4,775,305	367,319	88,305	862,781	101,095	21,825	6,216,630
At 31st December 2003	4,845,537	260,562	259,378	776,587	82,610	26,408	6,251,082

16 Fixed assets (cont'd)

(b) * Company

	Investment properties HK\$'000	Other properties HK\$'000	Leasehold improve- ments, furniture, fixtures and office equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost or valuation					
At 1st January 2004	9,375	14,338	9,234	4,465	37,412
Additions	—	—	765	—	765
Revaluation surplus	2,200	—	—	—	2,200
Transfer	(1,275)	1,275	—	—	—
At 31st December 2004	10,300	15,613	9,999	4,465	40,377
Accumulated depreciation					
At 1st January 2004	—	4,630	8,149	4,059	16,838
Charge for the year	—	361	469	146	976
At 31st December 2004	—	4,991	8,618	4,205	17,814
Net book value					
At 31st December 2004	10,300	10,622	1,381	260	22,563
At 31st December 2003	9,375	9,708	1,085	406	20,574

16 Fixed assets (cont'd)

- (c) The Group's and the Company's interests in investment properties and other properties at their net book values are analysed as follows:

	Group		Company	
	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
In Hong Kong, held on:				
Leases of between 10 to 50 years	724,500	720,000	—	—
Leases of over 50 years	131,850	156,416	20,747	18,900
Outside Hong Kong*, held on:				
Leases of between 10 to 50 years	25,524	183	175	183
Leases of over 50 years	4,260,750	4,229,500	—	—
	<u>5,142,624</u>	<u>5,106,099</u>	<u>20,922</u>	<u>19,083</u>

* Properties outside Hong Kong mainly comprise properties located in China.

- (d) Investment properties of the Group and the Company were revalued at 31st December 2004 on the basis of their open market value as determined by independent firm of professional surveyor, Greater China Appraisal Limited, employed by the Group. Other fixed assets of the Group and the Company are stated at cost less accumulated depreciation.
- (e) As at 31st December 2004, the net book values of fixed assets held under finance leases by the Group and the Company amounted to HK\$83,000 (2003: HK\$46,000).

17 Investments in subsidiaries

	Company	
	2004 HK\$'000	2003 HK\$'000
Investments in unlisted shares, at cost	29,332	36,587
Amounts due from subsidiaries (note (a))	9,928,354	9,814,643
	<u>9,957,686</u>	<u>9,851,230</u>
Amounts due to subsidiaries (note (b))	<u>(377,464)</u>	<u>(354,938)</u>

- (a) The amounts due from subsidiaries are unsecured and have no fixed terms of repayments. Except for the amounts of approximately HK\$7,405,982,000 (2003: approximately HK\$7,353,575,000) which are interest-free, all amounts due from subsidiaries are interest bearing at 2.5 to 5.5 per cent per annum.
- (b) The amounts due to subsidiaries are unsecured and have no fixed terms of repayments. Except for the amounts of approximately HK\$31,464,000 (2003: approximately HK\$31,445,000) which are interest-free, all amounts due to subsidiaries are interest bearing at Hong Kong Interbank Offered Rate (HIBOR) plus 0.6 per cent to HIBOR plus 1.25 per cent per annum.
- (c) Details of the principal subsidiaries of the Company as at 31st December 2004 are set out on pages 79 to 90.
- (d) None of the subsidiaries had any loan capital in issue at any time during the year ended 31st December 2004 (2003: Nil).

18 Interests in jointly controlled entities

	Group	
	2004 HK\$'000	2003 HK\$'000
Share of net assets	470,976	384,439
Goodwill on acquisition of a jointly controlled entity less accumulated amortisation	<u>20,077</u>	<u>20,265</u>
	<u>491,053</u>	<u>404,704</u>
Amounts due from jointly controlled entities (note (a))	188,843	411,825
Less: provision for amount due from jointly controlled entities	<u>(33,179)</u>	<u>(18,465)</u>
	<u>155,664</u>	<u>393,360</u>
	<u>646,717</u>	<u>798,064</u>
Amounts due to jointly controlled entities (note (a))	<u>(123,442)</u>	<u>(75,340)</u>

- (a) The amounts due from/(to) jointly controlled entities are unsecured, interest-free and have no fixed terms of repayment.
- (b) As at 31st December 2004, Guangzhou Western Second Ring Expressway Co Ltd of which 35% interest is held by the GZI Transport Ltd, a subsidiary of the Group, had a capital commitment of HK\$2,528,000,000.
- (c) Details of the principal jointly controlled entities of the Group as at 31st December 2004 are set out on page 91.

19 Interests in associated companies

	Group	
	2004 HK\$'000	2003 HK\$'000
Share of net assets	747,987	651,060
Goodwill on acquisition of associated companies less accumulated amortisation	<u>158,083</u>	<u>164,670</u>
	<u>906,070</u>	<u>815,730</u>
Loans receivable from associated companies (note (a))	787,421	872,606
Amounts due from associated companies (note (b))	86,765	84,681
Less: provision for amount due from an associated company	<u>(19,908)</u>	<u>(19,908)</u>
	<u>854,278</u>	<u>937,379</u>
	<u>1,760,348</u>	<u>1,753,109</u>
Amounts due to associated companies (note (b))	<u>(112,150)</u>	<u>(112,221)</u>

19 Interests in associated companies (cont'd)

- (a) Except for loans in aggregate amount of HK\$568,414,000 (2003: HK\$653,816,000) which bear interest at prevailing Hong Kong dollars prime rates ranging of 5 to 5.125 per cent per annum; US dollars prime rates ranging from 4 to 5.25 per cent per annum and lending rates of financial institutions in China ranging from 5.31 to 6.12 per cent per annum, the remaining balance are unsecured, interest-free and have no fixed terms of repayment.
- (b) Amounts due from/(to) associated companies are unsecured, interest-free and have no fixed terms of repayment.
- (c) Details of the principal associated companies of the Group as at 31st December 2004 are set out on page 92.

20 Other investments

	Group	
	2004 HK\$'000	2003 HK\$'000
Other investments, at cost	317,555	316,059
Less: Accumulated impairment losses	(56,208)	(56,208)
	261,347	259,851

Other investments mainly represent the Group's investments in co-operative joint ventures established in China for the development and management of highways and the development of properties.

21 Properties held for/under development and properties held for sale

Properties held for development include certain land parcels pending development. The amount of properties held for/under development and properties held for sale of the Group carried at net realisable value is approximately HK\$2,130,000,000 (2003: approximately HK\$2,575,000,000).

22 Inventories

	Group	
	2004 HK\$'000	2003 HK\$'000
Raw materials	103,982	59,113
Work-in-progress	78,335	113,327
Finished goods	12,971	47,687
	195,288	220,127

All inventories were stated at cost as at 31st December 2004 and 2003.

23 Amounts due from related companies and amounts due to minority shareholders of subsidiaries

- (a) Amounts due from related companies and amounts due to minority shareholders of subsidiaries are unsecured, interest-free and have no fixed terms of repayment.
- (b) Details of the amounts due from related companies are:

	Group		Maximum balance outstanding during the year HK\$'000
	2004 HK\$'000	2003 HK\$'000	
Due from related companies			
Amounts due from related companies, which are beneficially owned by the ultimate holding company of the Company	<u>3,234</u>	<u>3,678</u>	3,766

24 Trade receivables

The Group has defined credit policies for different business. The credit terms of the Group are generally within three months. The ageing analysis of the trade receivables is as follows:

	Group	
	2004 HK\$'000	2003 HK\$'000
0 - 30 days	174,569	213,938
31 - 90 days	76,788	249,337
91 - 180 days	81,345	48,372
181 - 365 days	43,789	89,711
Over 1 year	<u>186,277</u>	<u>65,736</u>
	<u>562,768</u>	<u>667,094</u>

25 Bank and cash balances

Included in the bank and cash balances of the Group and the Company are deposits of approximately HK\$757,369,000 (2003: HK\$803,021,000) and HK\$59,000 (2003: HK\$4,026,000), respectively, denominated in Renminbi and placed with banks in China. The conversion of these Renminbi denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the China government.

As at 31st December 2004, the Group's bank deposits of HK\$70,747,000 (2003: HK\$56,143,000) were restricted in use pursuant to the regulations in relation to the pre-sales of properties in China.

26 Trade payables

Trade payables include trade balances with creditors and retention money payable on construction contracts.

The ageing analysis of the trade payables were as follows:

	Group	
	2004 HK\$'000	2003 HK\$'000
0 - 30 days	32,433	75,453
31 - 90 days	70,560	16,247
91 - 180 days	24,008	40,828
181 - 365 days	65,755	62,674
1 - 2 year	39,243	203,040
Over 2 years	182,494	49,358
	414,493	447,600
	414,493	447,600

27 Share capital

	Number of shares '000	HK\$'000
Authorised:		
10,000,000,000 ordinary shares of HK\$0.10 each	10,000,000	1,000,000
Issued and fully paid:		
At 1st January 2003	6,118,102	611,810
Issue of shares for acquisition of subsidiaries	31,386	3,139
Issue of shares upon exercise of share options	99,230	9,923
At 31st December 2003	6,248,718	624,872
At 1st January 2004	6,248,718	624,872
Issue of shares upon exercise of share options (note a)	102,880	10,288
At 31st December 2004	6,351,598	635,160
	6,351,598	635,160

Note:

(a) During the year, 102,880,000 ordinary shares of HK\$0.1 each were issued upon the exercise of share options (see note 28).

28 Share options

On 26th June 2002, the Company has adopted a new share option scheme, under which it may grant options to employees (including directors of the Company) to subscribe for shares in the Company, subject to a maximum of 10 per cent of the number of shares in issue as at 26th June 2002. The exercise price will be determined by the Company's Board of Directors and shall at least be the highest of (i) the closing price of the Company's shares on the date of grant of the options, (ii) an average closing price of the Company's shares for the five business days immediately preceding the date of grant of the options, and (iii) the nominal value of the Company's shares.

As at 31st December 2004, there were outstanding options granted under an old share option scheme to subscribe for an aggregate of 9,626,000 shares of the Company. All options granted under the old share option scheme will continue to be valid and exercisable in accordance with the rules of the old share option scheme.

Particulars and movements of share options during the year are as follows:

Date of grant	Exercise period	Exercise price HK\$	Number of share options				as at 31st December 2004 '000
			as at 1st January 2004 '000	granted '000	exercised '000	lapsed '000	
Old share option scheme							
4th September 1998	4th September 1998 - 3rd September 2004	0.3936	52,000	—	(46,600)	(5,400)	—
14th December 1999	14th December 1999 - 13th December 2005	0.5008	14,174	—	(4,548)	—	9,626
New share option scheme							
2nd May 2003	2nd May 2003 - 1st May 2013	0.4100	152,150	—	(42,970)	—	109,180
2nd June 2003	2nd June 2003 - 1st June 2013	0.5400	61,950	—	(1,800)	—	60,150
27th October 2003	27th October 2003 - 26th October 2013	0.8140	12,620	—	(216)	—	12,404
23rd December 2003	23rd December 2003 - 22nd December 2013	0.8460	100,632	—	(170)	(228)	100,234
23rd June 2004	23rd June 2004 - 22nd June 2014	0.6300	—	320,310	(6,576)	(1,320)	312,414
			<u>393,526</u>	<u>320,310</u>	<u>(102,880)</u>	<u>(6,948)</u>	<u>604,008</u>

29 Reserves

(a) Group

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Statutory reserves HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1st January 2003	5,649,409	1,815	49,841	(80,183)	477,355	6,098,237
Net proceeds from issue of ordinary shares	57,969	—	—	—	—	57,969
Exchange differences	—	—	—	3,748	—	3,748
Release of reserve upon disposal of properties held for/under development and properties held for sale	—	—	—	—	(66,070)	(66,070)
Release of reserve upon deemed disposal of certain interest in a subsidiary	—	—	(273)	(274)	—	(547)
Transfer	—	—	13,038	—	(13,038)	—
Profit attributable to shareholders	—	—	—	—	300,653	300,653
Dividends paid	—	—	—	—	(49,502)	(49,502)
At 31st December 2003	<u>5,707,378</u>	<u>1,815</u>	<u>62,606</u>	<u>(76,709)</u>	<u>649,398</u>	<u>6,344,488</u>
At 1st January 2004	5,707,378	1,815	62,606	(76,709)	649,398	6,344,488
Net proceeds from issue of ordinary shares	33,355	—	—	—	—	33,355
Exchange differences	—	—	—	(1,588)	—	(1,588)
Release of reserve upon disposal of properties held for/under development and properties held for sale	—	—	—	—	(30,675)	(30,675)
Release of reserve upon deemed disposal of certain interest in a subsidiary	—	—	(1)	(2)	—	(3)
Provision for impairment of goodwill	—	—	—	—	43,533	43,533
Transfer	—	—	16,792	—	(16,792)	—
Profit attributable to shareholders	—	—	—	—	330,823	330,823
Dividends paid	—	—	—	—	(120,792)	(120,792)
At 31st December 2004	<u>5,740,733</u>	<u>1,815</u>	<u>79,397</u>	<u>(78,299)</u>	<u>855,495</u>	<u>6,599,141</u>
Representing:						
2004 Final dividend proposed					57,266	
Others					798,229	
Retained profits as at 31st December 2004					<u>855,495</u>	

29 Reserves (cont'd)

(b) Company

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1st January 2003	5,649,409	1,815	313,225	5,964,449
Net proceeds from issue of ordinary shares	57,969	—	—	57,969
Profit for the year	—	—	62,170	62,170
Dividends paid	—	—	(49,502)	(49,502)
At 31st December 2003	<u>5,707,378</u>	<u>1,815</u>	<u>325,893</u>	<u>6,035,086</u>
At 1st January 2004	5,707,378	1,815	325,893	6,035,086
Net proceeds from issue of ordinary shares	33,355	—	—	33,355
Profit for the year	—	—	100,356	100,356
Dividends paid	—	—	(120,792)	(120,792)
At 31st December 2004	<u>5,740,733</u>	<u>1,815</u>	<u>305,457</u>	<u>6,048,005</u>
Representing:				
2004 Final dividend proposed			57,266	
Others			248,191	
Retained profits as at 31st December 2004			<u>305,457</u>	

- (c) Included in the Group's retained profits are retained profits amounting to HK\$801,941,000 (2003: HK\$613,138,000) and accumulated losses of HK\$294,922,000 (2003: HK\$265,856,000) which are attributable to associated companies and jointly controlled entities, respectively.
- (d) Statutory reserves represent enterprise expansion and general reserve funds set up by the subsidiaries and associated companies in China. As stipulated by regulations in China, the Company's subsidiaries and associated companies established and operated in China are required to appropriate a portion of their after-tax profit (after offsetting prior year losses) to the enterprise expansion and general reserve funds, at rates determined by their respective boards of directors. According to the Foreign Investment Enterprises Accounting Standards in China, upon approval by the board, the general reserve fund may be used for making up losses and increasing capital while the enterprise expansion fund may be used for increasing capital. Included in the Group's statutory reserves is HK\$538,000 (2003: HK\$538,000) attributable to associated companies.

30 Long-term bank loans

	Group		Company	
	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
Bank loans				
Secured (note 38)	3,372,134	3,848,194	2,204,233	2,454,683
Unsecured	735,030	669,650	117,000	117,000
	<u>4,107,164</u>	<u>4,517,844</u>	<u>2,321,233</u>	<u>2,571,683</u>
Current portion of long-term bank loans	(959,499)	(875,394)	(513,935)	(367,452)
	<u>3,147,665</u>	<u>3,642,450</u>	<u>1,807,298</u>	<u>2,204,231</u>

At 31st December 2004, the long-term bank loans were repayable as follows:

	Group		Company	
	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
Within one year	959,499	875,394	513,935	367,452
In the second year	1,324,388	878,627	367,258	396,934
In the third to fifth year	1,823,277	2,763,823	1,440,040	1,807,297
	<u>4,107,164</u>	<u>4,517,844</u>	<u>2,321,233</u>	<u>2,571,683</u>

31 Other long-term loans

Other long-term loans are repayable over the following periods:

(a) Group

	2003					
	Obligations under finance leases HK\$'000	Loans from the ultimate holding company HK\$'000	Loans from related companies HK\$'000	Loans from minority shareholders of subsidiaries HK\$'000	Other loans HK\$'000	Total HK\$'000
Within one year	14	—	—	—	—	14
In the second year	29	—	—	—	—	29
In the third to fifth year	—	220,595	79,008	—	—	299,603
With no fixed repayment terms	—	10,066	65,809	561,420	15,600	652,895
	<u>43</u>	<u>230,661</u>	<u>144,817</u>	<u>561,420</u>	<u>15,600</u>	<u>952,541</u>
Less: Current portion of other long-term loans	(14)	—	—	—	—	(14)
	<u>29</u>	<u>230,661</u>	<u>144,817</u>	<u>561,420</u>	<u>15,600</u>	<u>952,527</u>
The balances are analysed as follows:						
Interest bearing	43	220,595	83,504	120,561	—	424,703
Non-interest bearing	—	10,066	61,313	440,859	15,600	527,838
	<u>43</u>	<u>230,661</u>	<u>144,817</u>	<u>561,420</u>	<u>15,600</u>	<u>952,541</u>

31 Other long-term loans (cont'd)

(a) Group (cont'd)

	2004				Total HK\$'000
	Obligations under finance leases HK\$'000	Loans from the ultimate holding company HK\$'000	Loans from related companies HK\$'000	Loans from minority shareholders of subsidiaries HK\$'000	
Within one year	25	—	—	—	25
In the second year	25	—	—	—	25
In the third to fifth year	28	267,459	—	—	267,487
With no fixed repayment terms	—	31,431	127,917	463,887	623,235
	78	298,890	127,917	463,887	890,772
Less: Current portion of other long-term loans	(25)	—	—	—	(25)
	53	298,890	127,917	463,887	890,747
The balances are analysed as follows:					
Interest bearing	—	267,459	84,535	120,561	472,555
Non-interest bearing	78	31,431	43,382	343,326	418,217
	78	298,890	127,917	463,887	890,772

Except for an aggregate amount of HK\$120,561,000 (2003: HK\$120,561,000) which bears interest at the prevailing lending rates of financial institutions in China ranging from 5.76 to 6.12 per cent per annum, the interest bearing balances bear interest at HIBOR plus 1 per cent per annum.

31 Other long-term loans (cont'd)

(b) Company

	2004				2003			
	Obligations under finance lease HK\$'000	Loans from a ultimate holding company HK\$'000	Loan from a related company HK\$'000	Total HK\$'000	Obligations under finance lease HK\$'000	Loans from a ultimate holding company HK\$'000	Loan from a related company HK\$'000	Total HK\$'000
Within one year	25	—	—	25	14	—	—	14
In the second year	25	—	—	25	29	—	—	29
In the third to fifth year	28	361,907	84,535	446,470	—	252,906	83,504	336,410
With no fixed repayment terms	—	61,180	1,673	62,853	—	7,944	1,467	9,411
	78	423,087	86,208	509,373	43	260,850	84,971	345,864
Less: Current portion of other long-term loans	(25)	—	—	(25)	(14)	—	—	(14)
	53	423,087	86,208	509,348	29	260,850	84,971	345,850
The balances are analysed as follows:								
Interest bearing	—	361,907	84,535	446,442	43	252,906	83,504	336,453
Non-interest bearing	78	61,180	1,673	62,931	—	7,944	1,467	9,411
	78	423,087	86,208	509,373	43	260,850	84,971	345,864

The interest bearing balances bear interest at HIBOR plus 1 per cent per annum.

32 Deferred taxation

Deferred taxation are calculated in full on temporary differences under the liability method using the applicable income tax rate.

The movement on the deferred tax liabilities/(assets) account is as follows:

	2004 HK\$'000	2003 HK\$'000
At 1st January	3,611,475	3,684,171
Deferred taxation credited to profit and loss account (note 8)	(31,852)	(31,968)
Taxation credited to equity	(5,543)	(40,728)
At 31st December	3,574,080	3,611,475

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

Deferred tax assets:

	Group				
	Different bases in reporting expenses with tax authorities HK\$'000	Revaluation of properties HK\$'000	Tax loss HK\$'000	Others HK\$'000	Total HK\$'000
At 1st January 2003	9,725	16,800	3,065	4,254	33,844
Credited/(charged) to profit and loss account	793	(1,645)	822	10,966	10,936
At 31st December 2003	10,518	15,155	3,887	15,220	44,780
At 1st January 2004	10,518	15,155	3,887	15,220	44,780
Credited to profit and loss account	11,230	—	5,536	685	17,451
At 31st December 2004	21,748	15,155	9,423	15,905	62,231

32 Deferred taxation (cont'd)

Deferred tax liabilities:

	Group				
	Revaluation of properties HK\$'000	Different bases in reporting revenue and expenses with tax authorities HK\$'000	Accelerated depreciation HK\$'000	Others HK\$'000	Total HK\$'000
At 1st January 2003	3,604,233	76,576	24,810	12,396	3,718,015
Charged/(credited) to profit and loss account	(97,757)	84,984	(16,319)	8,060	(21,032)
Credited to retained profits	(40,728)	—	—	—	(40,728)
At 31st December 2003	<u>3,465,748</u>	<u>161,560</u>	<u>8,491</u>	<u>20,456</u>	<u>3,656,255</u>
At 1st January 2004	3,465,748	161,560	8,491	20,456	3,656,255
Charged/(credited) to profit and loss account	(81,366)	71,603	(218)	(4,420)	(14,401)
Credited to retained profits	(5,543)	—	—	—	(5,543)
At 31st December 2004	<u>3,378,839</u>	<u>233,163</u>	<u>8,273</u>	<u>16,036</u>	<u>3,636,311</u>

Deferred income tax assets are recognised for tax loss carry forwards and the revaluation of properties to the extent that realisation of the related tax benefit through the future taxation profits is probable. As at 31st December 2004, the Group has unrecognised tax losses of HK\$967 million (2003: HK\$752 million) for Hong Kong profits tax purposes with no expiry date and unrecognised tax benefits arising from revaluation of properties of HK\$251 million (2003: HK\$459 million).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

	2004 HK\$'000	2003 HK\$'000
Deferred tax assets		
- Hong Kong profits tax	10,054	12,712
- China enterprise income tax	46,145	26,349
	<u>56,199</u>	<u>39,061</u>
Deferred tax liabilities		
- Hong Kong profits tax	15,648	19,449
- China enterprise income tax	1,576,982	1,506,745
- China land appreciation tax	2,037,649	2,124,342
	<u>3,630,279</u>	<u>3,650,536</u>

33 Notes to the consolidated cash flow statement

(a) Reconciliation of profit from operations to net cash inflow generated from operations:

	2004 HK\$'000	2003 HK\$'000
Profit from operations	743,486	721,591
Depreciation and amortisation	211,441	184,280
Loss on disposal/deemed disposal of certain interests in a subsidiary	481	95,940
Loss on disposal of fixed assets	6,436	27,628
Loss on disposal of other investments	—	1,059
Interest income	(5,587)	(8,450)
Dividend income	(14,904)	(3,483)
Revaluation surplus on investment properties (Write-back)/write-down of properties held for/under development to net realisable value	(76,750)	(165,840)
	<u>820,057</u>	<u>858,530</u>
Operating profit before working capital changes		
Net decrease in properties held for/under development and properties held for sale	857,212	982,306
Decrease/(increase) in inventories	24,839	(28,438)
Increase in trade receivables, other receivables, prepayments and deposits including amounts due from related companies	(63,133)	(71,033)
Decrease in trade payables, other payables and accrued charges	(206,700)	(749,618)
	<u>1,432,275</u>	<u>991,747</u>
Net cash inflow generated from operations		

33 Notes to the consolidated cash flow statement (cont'd)

(b) Deemed acquisition/ purchase of subsidiaries

	2004 HK\$'000	2003 HK\$'000
Net assets acquired		
Fixed assets	—	17,685
Other investments	—	1,402
Interest in jointly controlled entity	(24,242)	—
Amount due from a jointly controlled entity	(350,628)	—
Properties held for/under development	471,115	—
Inventories	—	21,938
Other receivables, prepayments and deposits	10,966	18,587
Bank balances and cash	2,339	16,683
Trade payables, other payables and accrued charges	(81,728)	(15,330)
Minority interests (note 33(d))	(27,822)	(617)
Bank loans	—	(28,037)
	—	32,311
Negative goodwill arising from the acquisition	—	(5,005)
Total cost of acquisition	<u>—</u>	<u>27,306</u>
Satisfied by:		
Issue of shares	—	27,306
Total cost of acquisition	<u>—</u>	<u>27,306</u>

In connection with the changes of terms on the joint venture agreement, a jointly controlled entity became a subsidiary of the Group. As there was no change in the shareholding interest attributable to the Group, the Group did not pay any consideration for the deemed acquisition.

The subsidiaries acquired during the year contributed HK\$36 million cash outflow from operating activities (2003: outflow of HK\$3 million), nil from investing activities (2003: outflow of HK\$1 million) and HK\$37 million inflow from financing activities (2003: nil).

33 Notes to the consolidated cash flow statement (cont'd)**(b) Deemed acquisition/purchase of subsidiaries (cont'd)**

Analysis of net inflow of cash and cash equivalents in respect of the deemed acquisition/purchase of subsidiaries

	2004 HK\$'000	2003 HK\$'000
Cash consideration	—	—
Bank balances and cash acquired	2,339	16,683
	<hr/>	<hr/>
Net inflow of cash and cash equivalents in respect of the deemed acquisition/purchase of subsidiaries	2,339	16,683
	<hr/> <hr/>	<hr/> <hr/>

(c) Disposal of certain interests in subsidiaries

	2004 HK\$'000	2003 HK\$'000
Net asset value of the Group's interests disposed of	—	18,494
Negative goodwill released upon disposal	—	(8,857)
Loss on disposal	—	(998)
	<hr/>	<hr/>
Net inflow of cash and cash equivalents in respect of the disposal of certain interests in subsidiaries	—	8,639
	<hr/> <hr/>	<hr/> <hr/>

33 Notes to the consolidated cash flow statement (cont'd)

(d) Analysis of changes in financing

	Share capital (including share premium) HK\$'000	Convertible bonds HK\$'000	Bank loans HK\$'000	Amounts due to associated companies and jointly controlled entities HK\$'000	Amounts due to minority shareholders of subsidiaries and other long- term loans HK\$'000	Minority interests HK\$'000
At 1st January 2003	6,261,219	200,623	6,763,073	185,162	764,922	3,403,865
Issue of ordinary shares for purchase of subsidiaries	27,306	—	—	—	—	—
Issue of ordinary shares for cash	43,725	—	—	—	—	—
Redemption of convertible bonds	—	(200,623)	—	—	200,623	—
Premium on redemption of convertible bonds	—	—	—	—	1,950	—
Capital contribution from minority shareholders of subsidiaries	—	—	—	—	—	6,037
Increase in shareholdings of subsidiaries	—	—	—	—	—	(244,177)
Acquisition of subsidiaries	—	—	28,037	—	—	617
Decrease in shareholdings of a subsidiary	—	—	—	—	—	18,494
Minority interest share of profits	—	—	—	—	—	213,680
Deemed disposal of certain interests in a subsidiary	—	—	—	—	—	152,307
Minority interest share of exchange reserve	—	—	—	—	—	668
Dividends paid to minority shareholders of subsidiaries	—	—	—	—	—	(129,377)
Transfer from minority interests	—	—	—	—	344	(344)
New borrowings	—	—	2,252,575	2,399	183,093	—
Repayments	—	—	(3,005,352)	—	(19,356)	(46,948)
At 31st December 2003	<u>6,332,250</u>	<u>—</u>	<u>6,038,333</u>	<u>187,561</u>	<u>1,131,576</u>	<u>3,374,822</u>

33 Notes to the consolidated cash flow statement (cont'd)

(d) Analysis of changes in financing (cont'd)

	Share capital (including share premium) HK\$'000	Bank loans HK\$'000	Amounts due to associated companies and jointly controlled entities HK\$'000	Amounts due to minority shareholders of subsidiaries and other long-term loans HK\$'000	Minority interests HK\$'000
At 1st January 2004	6,332,250	6,038,333	187,561	1,131,576	3,374,822
Issue of ordinary shares for cash	43,643	—	—	—	—
Capital contribution from minority shareholders of subsidiaries	—	—	—	—	4,476
Minority interest share of profits	—	—	—	—	280,947
Deemed acquisition of a subsidiary (note 33(b))	—	—	—	—	27,822
Deemed disposal of certain interests of a subsidiary	—	—	—	—	799
Minority interest share of exchange reserve	—	—	—	—	(2,066)
Dividends paid to minority shareholders of subsidiaries	—	—	—	—	(218,993)
New borrowings	—	932,996	48,031	177,745	—
Repayments	—	(1,801,602)	—	(231,818)	—
At 31st December 2004	<u>6,375,893</u>	<u>5,169,727</u>	<u>235,592</u>	<u>1,077,503</u>	<u>3,467,807</u>

34 Commitments under operating leases

The Group had future aggregate minimum lease payments under non-cancellable, operating leases in respect of land and buildings (mainly arising from the related party transactions referred to in note 39(a)) as follows:

	2004 HK\$'000	2003 HK\$'000
Not later than one year	26,380	31,591
Later than one year and not later than five years	97,388	85,560
Later than five years	215,354	254,977
	<u>339,122</u>	<u>372,128</u>

The Company did not have any commitment under operating leases at 31st December 2004 (2003: Nil).

35 Future minimum rental payments receivable

At 31st December 2004, the Group and the Company had future minimum rental payments receivable under non-cancellable leases as follows:

	Group		Company	
	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
Not later than one year	296,187	331,295	70	28
Later than one year and not later than five years	495,792	527,200	—	—
Later than five years	12,803	129,839	—	—
	<u>804,782</u>	<u>988,334</u>	<u>70</u>	<u>28</u>

36 Other commitments

	Group	
	2004 HK\$'000	2003 HK\$'000
Capital commitments in respect of fixed assets:		
Contracted but not provided for	14,359	16,755
Authorised but not contracted for	—	—
	<u>14,359</u>	<u>16,755</u>

At 31st December 2004, the Group had financial commitments in respect of equity capital to be injected to a jointly controlled entity of approximately HK\$247,990,000 (2003: Nil).

37 Contingent liabilities

	Group		Company	
	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
(a) Guarantees for mortgage facilities granted to certain buyers of the Group's properties (note)	250,520	117,052	—	—
(b) Guarantees for banking and loan facilities granted to subsidiaries	—	—	390,215	694,915
	<u>250,520</u>	<u>117,052</u>	<u>390,215</u>	<u>694,915</u>

- (c) At 31st December 2004 and 2003, the Group has pledged its income to be derived from its 24.3 per cent effective interest in an associated company to a bank in favour of a joint venture partner in this associated company (the "Joint Venture Partner"), in respect of the repayment of a bank loan by the Joint Venture Partner amounting to Rmb500 million (approximately HK\$467 million) and interest thereon (collectively referred to as "Relevant Loan").

A counter-indemnity has been provided by the Joint Venture Partner to the Group against all liabilities arising from such pledge. In addition, Yue Xiu has issued an indemnity to the Group under which any shortfall between the counter indemnity give by the Joint Venture Partner and the Relevant Loan to the bank will be satisfied/paid by Yue Xiu if the counter-indemnity given by the Joint Venture Partner to the Group is insufficient to cover the Relevant Loan.

Note:

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon issuance of the real estate ownership certificate.

38 Pledge of assets

At 31st December 2004, certain banking facilities and loans granted to the Group and the Company were secured by the following:

- certain of the Group's properties held for/under development, properties held for sale and investment properties with an aggregate carrying value of HK\$514 million (2003: HK\$665 million), HK\$291 million (2003: HK\$246 million and HK\$3,230 million (2003: HK\$3,573 million) respectively;
- floating charge over certain assets of certain subsidiaries with aggregate net book value (excluding intercompany loans) of HK\$4,086 million (2003: HK\$3,849 million);
- mortgages of the Group's shareholdings in certain subsidiaries; and
- charge over certain intercompany loans with an aggregate amount of HK\$3,648 million (2003: HK\$3,573 million).

39 Related party transactions

Significant related party transactions entered into in the normal course of the Group's business are as follows:

	2004 HK\$'000	2003 HK\$'000
Rental and utility expenses paid to a minority shareholder of a subsidiary (note (a))	260,384	186,303
Toll highways management fee paid and payable to a minority shareholder of subsidiaries (note (b))	62,235	62,223
Rental expenses and property management fee paid to the ultimate holding company (note (c))	1,025	1,056
Interest expenses paid to a minority shareholder of a subsidiary (note (d))	4,643	—
	<u>272,287</u>	<u>250,582</u>

Notes:

- (a) On 17th October 2002, the Group entered into a lease contract and a utilities supply contract with Guangzhou Paper Holdings Limited whereby Guangzhou Paper Holdings Limited agreed to lease certain fixed assets to the Group for 20 years at a monthly rental of RMB1,446,000 (equivalent to approximately HK\$1,364,000) and to supply electricity, water and steam to the Group for 20 years at certain pre-determined rates. The shareholders of the Company approved these transactions in an extraordinary general meeting held on 25th November 2002.
- (b) On 6th September 2004, management agreements in respect of toll road management fee were entered into between Guangzhou Highways Development Company ("GHDC"), a minority shareholder of subsidiaries, and certain subsidiaries engaging in the operation of toll highways in China, whereby GHDC carries out the day-to-day routine operational and maintenance services of the Guangshan Highway, Guangshen Highway, Guangcong Highway Section I and II, Provincial Highway 1909 and Guanghua Highway respectively including the collection of toll charges and repairs and maintenance in return for a fixed sum to be predetermined annually. Particulars of these management agreements have been published in a joint announcement dated 6th September 2004 issued by the Company and GZI Transport Limited.
- (c) Property management fee charged at HK\$51,000 for the year and rental expenses charged at HK\$88,000 per month from January to October and HK\$47,000 per month from November to December (2003: HK\$88,000 per month) were paid to Yue Xiu Enterprises (Holdings) Limited, the ultimate holding company.
- (d) Advance from Guangzhou Paper Holdings Limited, a minority shareholder of a subsidiary, bore interest at 5.31 per cent per annum during the year.

40 Ultimate holding company

The Directors regard Yue Xiu Enterprises (Holdings) Limited, a company incorporated in Hong Kong, as being the ultimate holding company.

41 Approval of accounts

The accounts were approved by the Board of Directors on 21st April 2005.

Principal subsidiaries

As at 31st December 2004, the Company held shares/interests in the following principal subsidiaries:

Name of subsidiary	Place of incorporation/ establishment and operation and kind of legal entity	Issued and fully paid up share capital/registered capital	Effective percentage of attributable interest held by the Company				Principal activities
			2004		2003		
			Direct	Indirect	Direct	Indirect	
Able Step Investment Limited	Hong Kong	1 Ordinary share of HK\$1 each	—	100	—	—	Property investment
Beexiu Industrial (Shenzhen) Co., Ltd.	China, limited liability company	Registered capital HK\$7,000,000	—	100	—	100	Property development
Better Wealth Development Limited	Hong Kong	2 Ordinary shares of HK\$1 each	—	100	—	100	Property development
Bond Master Limited	Hong Kong	1 Ordinary share of HK\$1 each	—	100	—	—	Property investment
Bright Rise Investment Limited	Hong Kong	10,000 Ordinary shares of HK\$1 each	—	100	—	100	Investment holding
Charcon Development Limited	Hong Kong	10,000 Ordinary shares of HK\$1 each	—	100	—	100	Investment holding
Charm Smart Development Limited	Hong Kong	2 Ordinary shares of HK\$1 each	—	100	—	100	Property development
Companhia de Fomento Predial Yue Xiu (Macau), Limitada	Macau	1 share of MOP198,000 and 1 share of MOP2,000	—	100	—	100	Property development
Companhia de Gestao Imobiliaria Hang Sao, Limitada	Macau	1 share of MOP99,000 and 1 share of MOP1,000	—	100	—	100	Property management
Crystal Path Investment Limited	Hong Kong	1 Ordinary share of HK\$1 each	—	100	—	—	Property investment
Dalian Perfect Base Property Development Co., Ltd.	China, limited liability company	Registered capital US\$7,500,000	—	100	—	100	Property development
Elsburg Limited	Hong Kong	10,000 Ordinary shares of HK\$1 each	—	100	—	100	Property investment
Eternal Fine International Limited	Hong Kong	10,000 Ordinary shares of HK\$1 each	—	100	—	100	Investment holding

Principal subsidiaries (cont'd)

Name of subsidiary	Place of incorporation/ establishment and operation and kind of legal entity	Issued and fully paid up share capital/registered capital	Effective percentage of attributable interest held by the Company				Principal activities
			2004		2003		
			Direct	Indirect	Direct	Indirect	
Ever Famous International Limited	Hong Kong	10,000 Ordinary shares of HK\$1 each	—	100	—	100	Investment holding
First-Win Group Limited	British Virgin Islands	1 Ordinary share of US\$1 each	—	100	—	100	Investment holding
Front Riches Limited	Hong Kong	10,000 Ordinary shares of HK\$1 each	—	100	—	100	Property investment
Fundscore Development Limited	Hong Kong	500,000 Ordinary shares of HK\$1 each	—	100	—	100	Property investment
Glow Bright Investment Limited	Hong Kong	2 Ordinary shares of HK\$1 each	—	100	—	100	Investment holding
Goldtech Worldwide Limited	British Virgin Islands	1 Ordinary share of US\$1 each	—	100	—	100	Investment holding
Grand System Development Limited	Hong Kong	10,000 Ordinary shares of HK\$1 each	—	100	—	100	Investment holding
Green Park Development Limited	Hong Kong	1 Ordinary share of HK\$1 each	—	100	—	—	Property investment
Guangzhou Bright Growth City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB88,315,800	—	95	—	95	Property development
Guangzhou Carry Win City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB28,684,800	—	95	—	95	Property development
Guangzhou Central Funds City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB37,236,300	—	95	—	95	Property development
Guangzhou Charcon Real Estate Co., Ltd.	China, limited liability company	Registered capital HK\$259,670,000	—	100	—	100	Property development
Guangzhou Charfar Real Estate Company Limited	China, limited liability company	Registered capital RMB111,450,000	—	75	—	75	Property development

Principal subsidiaries (cont'd)

Name of subsidiary	Place of incorporation/ establishment and operation and kind of legal entity	Issued and fully paid up share capital/registered capital	Effective percentage of attributable interest held by the Company				Principal activities
			2004		2003		
			Direct	Indirect	Direct	Indirect	
Guangzhou Charho Real Estate Company Limited	China, limited liability company	Registered capital US\$5,000,000	—	100	—	100	Property development
Guangzhou City Construction & Development Co. Ltd.	China, limited liability company	Registered capital RMB1,631,012,700	—	95	—	95	Property development
Guangzhou City Construction & Development Consulting Ltd.	China, limited liability company	Registered capital RMB2,145,800	—	98.13	—	98.13	Consulting services in property development
Guangzhou City Construction & Development Decoration Ltd.	China, limited liability company	Registered capital RMB35,882,800	—	98.62	—	98.62	Decoration and design
Guangzhou City Construction & Development Group Nansha Co. Ltd.	China, limited liability company	Registered capital RMB8,000,000	—	95	—	95	Property development
Guangzhou City Construction & Development Homecity Supermarket Ltd	China, limited liability company	Registered capital RMB33,178,900	—	98.13	—	98.13	Supermarket operator
Guangzhou City Construction & Development Jingcheng Property Co. Ltd.	China, limited liability company	Registered capital RMB13,712,500	—	95	—	95	Property development
Guangzhou City Construction & Development Property Ltd.	China, limited liability company	Registered capital RMB12,994,800	—	95	—	95	Property development and investment
Guangzhou City Construction & Development Supervising Ltd.	China, limited liability company	Registered capital RMB8,921,500	—	65	—	65	Project management

Principal subsidiaries (cont'd)

Name of subsidiary	Place of incorporation/ establishment and operation and kind of legal entity	Issued and fully paid up share capital/registered capital	Effective percentage of attributable interest held by the Company				Principal activities
			2004		2003		
			Direct	Indirect	Direct	Indirect	
Guangzhou City Construction & Development Weicheng Enterprise Ltd.	China, limited liability company	Registered capital RMB955,300	—	80	—	80	Property investment
Guangzhou City Construction & Development Xingye Property Agent Ltd.	China, limited liability company	Registered capital RMB37,520,000	—	52	—	52	Real estate agency
Guangzhou Construction & Development Holdings (China) Limited	British Virgin Islands	1 Ordinary share of US\$1 each	100	—	100	—	Investment holding
Guangzhou Cowan City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB28,684,800	—	95	—	95	Property development
Guangzhou Eastern Growth City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB12,734,400	—	95	—	95	Property development
Guangzhou Faithbond City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB16,231,400	—	95	—	95	Property development
Guangzhou Grandcity Automobile Services Co.	China, limited liability company	Registered capital RMB2,730,600	—	81.26	—	81.26	Car parking management
Guangzhou Grandcity Development Ltd.	China, limited liability company	Registered capital RMB539,578,600	—	100	—	100	Property development
Guangzhou Guangxiu City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB18,287,700	—	95	—	95	Property development
Guangzhou Honour City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB16,386,800	—	95	—	95	Property development
Guangzhou Investment (China Property) Company Limited	British Virgin Islands	5,000 Ordinary shares of HK\$1 each	—	100	—	100	Investment holding

Principal subsidiaries (cont'd)

Name of subsidiary	Place of incorporation/ establishment and operation and kind of legal entity	Issued and fully paid up share capital/registered capital	Effective percentage of attributable interest held by the Company				Principal activities
			2004		2003		
			Direct	Indirect	Direct	Indirect	
Guangzhou Investment Finance Company Limited	Hong Kong	2 Ordinary shares of HK\$1 each	100	—	100	—	Financial services
Guangzhou Investment (HK Property) Company Limited	British Virgin Islands	1 Ordinary share of HK\$1 each	—	100	—	100	Investment holding
Guangzhou Investment (Macau Property) Company Limited	British Virgin Islands	1 Ordinary share of HK\$1 each	—	100	—	100	Investment holding
Guangzhou Investment Property Holdings Limited	British Virgin Islands	1 Ordinary share of US\$1 each	100	—	100	—	Investment holding
Guangzhou Jieyacheng Real Estate Development Co., Ltd.	China, limited liability company	Registered capital HK\$92,000,000	—	92	—	92	Property development
Guangzhou Keen Asia City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB14,083,200	—	95	—	95	Property development
Guangzhou May Hua City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB12,853,900	—	95	—	95	Property development
Guangzhou Million Top City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB28,684,800	—	95	—	95	Property development
Guangzhou Nanxin Highways Development Company Limited	China, limited liability company	Registered capital RMB141,463,000	—	27.46	—	27.47	Development and management of Guangshen Highway linking Guangzhou and Shenzhen
Guangzhou Paper Co., Ltd.	China, limited liability company	Registered capital RMB924,680,000	—	51	—	51	Manufacture and sale of newsprint

Principal subsidiaries (cont'd)

Name of subsidiary	Place of incorporation/ establishment and operation and kind of legal entity	Issued and fully paid up share capital/registered capital	Effective percentage of attributable interest held by the Company				Principal activities
			2004		2003		
			Direct	Indirect	Direct	Indirect	
Guangzhou Perfect City Real-Estates Co. Ltd.	China, limited liability company	Registered capital RMB14,448,600	—	95	—	95	Property development
Guangzhou Qiaowei Highways Development Company Limited	China, limited liability company	Registered capital RMB12,326,000	—	34.33	—	34.34	Investment holding
Guangzhou Seaport City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB23,074,600	—	95	—	95	Property development
Guangzhou Sincere Land City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB14,083,200	—	95	—	95	Property development
Guangzhou Suiqiao Development Company Limited	China, limited liability company	Registered capital RMB1,000,000	—	34.33	—	34.34	Investment holding
Guangzhou Sun Peak City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB14,440,300	—	95	—	95	Property development
Guangzhou Taihe Highways Development Company Limited	China, limited liability company	Registered capital RMB155,980,000	—	27.46	—	27.47	Development and management of Guangcong Highway Section I linking Guangzhou and Conghua
Guangzhou Tailong Highways Development Company Limited	China, limited liability company	Registered capital RMB116,667,000	—	17.50	—	17.51	Development and management of Guangcong Highway Section II linking Guangzhou and Conghua, and Provincial Highway 1909 linking Conghua and Longtan

Principal subsidiaries (cont'd)

Name of subsidiary	Place of incorporation/ establishment and operation and kind of legal entity	Issued and fully paid up share capital/registered capital	Effective percentage of attributable interest held by the Company				Principal activities
			2004		2003		
			Direct	Indirect	Direct	Indirect	
Guangzhou Talent Gather City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB11,952,000	—	95	—	95	Property development
Guangzhou Tiyu Building Company Limited	China, limited liability company	Registered capital US\$26,700,000	—	100	—	100	Property development and investment
Guangzhou Top Jade City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB11,952,000	—	95	—	95	Property development
Guangzhou Tung Win City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB11,952,000	—	95	—	95	Property development
Guangzhou Unionwin City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB19,776,700	—	95	—	95	Property development
* Guangzhou Weian Highways Development Company Limited	China, limited liability company	Registered capital RMB175,750,000	—	27.46	—	27.47	Development and management of Guangshan Highway linking Guangzhou and Shantou
Guangzhou White Horse Clothings Market Ltd.	China, limited liability company	Registered capital RMB118,873,900	—	76.33	—	76.33	Property investment
Guangzhou Winbase City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB11,952,000	—	95	—	95	Property development
Guangzhou Winner City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB28,684,800	—	95	—	95	Property development
Guangzhou Xingcheng Enterprise Development Ltd.	China, limited liability company	Registered capital RMB154,612,700	—	95	—	95	Property investment

Principal subsidiaries (cont'd)

Name of subsidiary	Place of incorporation/ establishment and operation and kind of legal entity	Issued and fully paid up share capital/registered capital	Effective percentage of attributable interest held by the Company				Principal activities
			2004		2003		
			Direct	Indirect	Direct	Indirect	
* Guangzhou Xinguan Highways Development Company Limited	China, limited liability company	Registered capital RMB143,333,000	—	18.88	—	18.89	Development and management of Guanghua Highway linking Guangzhou and Huadu
Guangzhou Yicheng Property Management Ltd.	China, limited liability company	Registered capital RMB3,403,700	—	85.68	—	85.68	Property management
Guangzhou Yieldwise City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB14,083,200	—	95	—	95	Property development
* Guangzhou Yue Peng Information Ltd.	China, limited liability company	Registered capital RMB160,000,000	—	34.33	—	34.33	Investment holding
Guangzhou Yue Xiu Property Management Company Limited	China, limited liability company	Registered capital RMB1,000,000	—	60	—	60	Property management
Guangzhou Ziwei City Real Estates Co. Ltd.	China, limited liability company	Registered capital RMB59,618,800	—	95	—	95	Property development
GZI Transport (Holdings) Limited	British Virgin Islands	1,848,497,550 Ordinary shares of HK\$1 each	—	51	—	51	Investment holding
* GZI Transport Limited	Bermuda	1,114,649,530 Ordinary shares of HK\$0.1 each	0.01	34.32	0.01	34.33	Investment holding
Honstar Investments Limited	British Virgin Islands	1 Ordinary share of US\$1 each	—	100	—	100	Investment holding
* Hunan Yue Tung Highway and Bridge Development Company Limited	China, limited liability company	Registered capital RMB21,000,000	—	25.75	—	25.76	Development and management of Xiang Jiang Bridge II in Hunan Province

Principal subsidiaries (cont'd)

Name of subsidiary	Place of incorporation/ establishment and operation and kind of legal entity	Issued and fully paid up share capital/registered capital	Effective percentage of attributable interest held by the Company				Principal activities
			2004		2003		
			Direct	Indirect	Direct	Indirect	
Intro-Win Development Limited	Hong Kong	5,000,000 Ordinary shares of HK\$1 each	—	100	—	100	Investment holding
Jamsin Limited	Hong Kong	2 Ordinary shares of HK\$1 each	100	—	100	—	Property holding
Jankon International Limited	Hong Kong	10,000 Ordinary shares of HK\$1 each	—	100	—	100	Investment holding
Jumbo Good Development Limited	Hong Kong	2 Ordinary shares of HK\$1 each	—	100	—	100	Property investment
Jumbo King Development Limited	Hong Kong, Singapore	2 Ordinary shares of HK\$1 each	100	—	100	—	Property investment
Kam Hon Investment Company Limited	Hong Kong	10,000 Ordinary shares of HK\$100 each	—	100	—	100	Investment holding
Kingswell Limited	Hong Kong	1 Ordinary share of HK\$1 each	—	100	—	—	Property investment
* Kiu Fung Limited	British Virgin Islands	2 Ordinary shares of HK\$1 each	—	34.33	—	34.34	Investment holding
Light Home Development Limited	Hong Kong	10,000 Ordinary shares of HK\$1 each	—	100	—	100	Investment holding
Merry Growth Development Limited	Hong Kong	100 Ordinary shares of HK\$1 each	—	100	—	100	Property investment
Nation Harvest Development Limited	Hong Kong	2 Ordinary shares of HK\$1 each	—	100	—	100	Investment holding

Principal subsidiaries (cont'd)

Name of subsidiary	Place of incorporation/ establishment and operation and kind of legal entity	Issued and fully paid up share capital/registered capital	Effective percentage of attributable interest held by the Company				Principal activities
			2004		2003		
			Direct	Indirect	Direct	Indirect	
Pacific Max Industrial Limited	Hong Kong	10,000 Ordinary shares of HK\$1 each	—	100	—	100	Investment holding
Perfect Base Development Limited	Hong Kong	1,000,000 Ordinary shares of HK\$1 each	—	100	—	100	Investment holding
Raybeach Investment Limited	Hong Kong	10,000 Ordinary shares of HK\$1 each	—	100	—	100	Property investment
Round Table Holdings Limited	British Virgin Islands	100 Ordinary shares of HK\$1 each	100	—	100	—	Investment holding
* Shaanxi Jinxiu Transport Co., Limited	China, limited liability company	Registered capital RMB100,000,000	—	34.33	—	34.34	Development and management of Xian-Lintong Expressway in Shaanxi Province
Sino Peace Development Limited	Hong Kong	1 Ordinary share of HK\$1 each	—	100	—	—	Property investment
Smart Rise Development Limited	Hong Kong	100 Ordinary shares of HK\$1 each	—	100	—	100	Property investment
* Smart Top Enterprises Limited	Hong Kong	2 Ordinary shares of HK\$1 each	—	34.33	—	34.34	Property holding
Sociedade de Fomento Predial Codo (Macau) Limitada	Macau	1 share of MOP99,000 and 1 share of MOP1,000	—	100	—	100	Property development

Principal subsidiaries (cont'd)

Name of subsidiary	Place of incorporation/ establishment and operation and kind of legal entity	Issued and fully paid up share capital/registered capital	Effective percentage of attributable interest held by the Company				Principal activities
			2004		2003		
			Direct	Indirect	Direct	Indirect	
Star Noble Enterprises Limited	Hong Kong	1,000,000 Ordinary shares of HK\$1 each	—	100	—	60	Investment holding
Super Gain Development Limited	British Virgin Islands	350,000 Ordinary shares of HK\$1 each	—	100	—	100	Investment holding
Superland Development Ltd.	British Virgin Islands	10,000 Ordinary shares of HK\$1 each	—	100	—	100	Investment holding
Takwill International Limited	Hong Kong	10,000 Ordinary shares of HK\$1 each	—	100	—	100	Investment holding
Top Health International Limited	Hong Kong	10,000 Ordinary shares of HK\$1 each	—	100	—	100	Investment holding
Viclong Company Limited	Hong Kong	100 Ordinary shares of HK\$100 each	—	100	—	100	Property investment
Winston Investment Limited	Hong Kong	1 Ordinary share of HK\$1 each	—	100	—	—	Property investment
Worldbest Development Limited	Hong Kong	10,000 Ordinary shares of HK\$1 each	—	100	—	100	Investment holding
Yue Xiu APT Parking Limited	Hong Kong	10,000 Ordinary shares of HK\$1 each	—	100	—	100	Car parking management
Yue Xiu Investment (China) Company Limited	China, limited liability company	Registered capital RMB39,015,773.09	100	—	100	—	Investment holding

Principal subsidiaries (cont'd)

Name of subsidiary	Place of incorporation/ establishment and operation and kind of legal entity	Issued and fully paid up share capital/registered capital	Effective percentage of attributable interest held by the Company				Principal activities
			2004		2003		
			Direct	Indirect	Direct	Indirect	
Yue Xiu Property Agency Limited	Hong Kong	2 Ordinary shares of HK\$1 each	—	100	—	100	Property agency services
Yue Xiu Property Consultants Limited	Hong Kong	100 Ordinary shares of HK\$1 each and 500,000 Non-voting deferred shares of HK\$1 each	—	100	—	100	Property management consultancy services
Yue Xiu Property Management Limited	Hong Kong	10,000 Ordinary shares of HK\$1 each	—	100	—	100	Building management services

The above table includes the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

* These are subsidiaries as the Group's interests in these companies are held through subsidiaries which in turn hold more than 50% of the issued voting share capital in these companies.

Principal jointly controlled entities

As at 31st December 2004, the Group held the following principal jointly controlled entities:

Name of jointly controlled entity	Place of establishment and operation	Effective percentage of indirect interest in:		Principal activities
		ownership/voting power/profit sharing 2004	2003	
Guangdong Xinshidai Real Estate Ltd.	China	45	45	Property development
		33.33	33.33	
		44	44	
Guangzhou Northern Second Ring Expressway Co., Limited	China	15.79	15.80	Development and management of Guangzhou Northern Second Ring Expressway in Guangzhou
		40	50	
		15.79	15.80	
Guangzhou South House Property Industry Co., Ltd.	China	30	30	Property development and management
		28.57	28.57	
		30	30	
Guangzhou Western Second Ring Expressway Co., Limited	China	12.02	—	Development and management of Guangzhou Western Second Ring Expressway in Guangzhou
		33	—	
		12.02	—	
Hainan China City Property Development Co., Ltd.	China	52	31.20	Property development
		57.14	28.57	
		52	31.20	
Zhoushan Xinyuan Real Estate Development Co., Ltd.	China	38	38	Property development
		33.33	33.33	
		38	38	

Principal associated companies

As at 31st December 2004, the Group held shares/interests in the following principal associated companies:

Name of associated company	Place of incorporation/ establishment and operation	Effective percentage holding		Principal activities
		2004	2003	
Companhia de Investimento Predial San Chee Lee, Limitada	Macau	25	25	Investment holding
Country Calm Investment and Development Company Limited	Macau	50	50	Property development
* Guangdong Humen Bridge Co., Ltd.	China	8.58	8.58	Development and management of Humen Bridge in Humen
* Guangdong Qinglian Highway Development Co., Ltd.	China	8.10	8.10	Development and management of National Highway 107 linking Qingyuan and Lianzhou
* Guangdong Shantou Bay Bridge Co., Ltd.	China	10.30	10.30	Development and management of Shantou Bay Bridge in Shantou
* Guangzhou Northring Freeway Co., Ltd.	China	8.34	8.34	Development and management of Guangzhou City Northern Ring Road
Guangzhou Xin Yue Real Estate Development Co. Ltd	China	28.20	28.20	Property development

* These are associated companies as the Group's interests in these companies are held through subsidiaries which in turn hold more than 20% of the issued voting share capital in these companies.

Advance to Entity

The advance made by the Group to the following entity exceeded 8.0 per cent of the Market Capitalisation (note 5) as at 31st December 2004 and are required to be disclosed under Rule 13.20 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as follows:

Name of the Entity	Percentage of indirect attributable interest held by the Company	Advances as at 31st December 2004 (Note 1)		Interest rate	Total (A + B) HK\$ million
		Interest bearing (A) HK\$ million	Non-interest bearing (B) HK\$ million		
Guangdong Humen Bridge Co., Ltd.	8.58	525.0	—	(Note 2)	525.0

Financial Assistance to Affiliated Companies

The financial assistance provided by the Group to the affiliated companies of the Company which in aggregate exceeded 8.0 per cent of the Market Capitalisation (note 5) as at 31st December 2004 (the "Relevant Affiliated Companies") and are required to be disclosed under Rule 13.22 of the Listing Rules as follows:

Name of affiliated companies	Percentage of indirect attributable interest held by the Company	Advances as at 31st December 2004 (Note 1)		Interest rate	Total (A + B) HK\$ million
		Interest bearing (A) HK\$ million	Non-interest bearing (B) HK\$ million		
Guangdong Humen Bridge Co., Ltd.	8.58	525.0	—	(Note 2)	525.0
Guangdong Qinglian Highway Development Co., Ltd.	8.10	—	219.0	—	219.0
Guangdong Shantou Bay Bridge Co., Ltd.	10.30	43.4	—	(Note 3)	43.4
Hainan China City Property Development Co. Ltd.	52.00	—	49.7	—	49.7
Guangdong Xinshidai Real Estate Ltd.	45.00	—	10.1	—	10.1
Zhoushan Xinyuan Real Estate Development Co., Ltd.	38.00	—	2.6	—	2.6
Total (Note 4)		568.4	281.4		849.8

Financial Assistance to Affiliated Companies (cont'd)

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\$419.7 million was charged at US prime rate; approximately HK\$105.2 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\$9.1 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 8.0 per cent of the Market Capitalisation.
- (5) Market Capitalisation means the market capitalisation of the Company as at 31st December 2004 amounting to HK\$4,839,917,610 based on the total number of 6,351,597,914 shares of the Company in issue on 31st December 2004 and average closing price of HK\$0.762 per share for the five business days immediately preceding 31st December 2004.

Pro Forma Combined Balance Sheet of Affiliated Companies

In accordance with Rule 13.22 of the Listing Rules, a pro forma combined balance sheet of the Company's Relevant Affiliated Companies as at 31st December 2004 and the Group's attributable interest therein are set out below:

	HK\$'000
Long term assets	5,953,102
Current assets	544,783
Current liabilities	(152,774)
Long term liabilities	(4,126,080)
	2,219,031
Net assets	2,219,031
	HK\$'000
Attributable interest to the Group	
Net assets	268,280
Shareholder's loans receivable	849,821
Goodwill on acquisition less amortisation	158,083
	1,276,184
	1,276,184

Disclosures Pursuant to Rule 13.21 of the Listing Rules

Reference was made to a term loan facility agreement dated 5th September 2001 ("2001 loan agreement") and an agreement supplemental to the 2001 loan agreement dated 7th September 2004 in respect of an extension of the final maturity to September 2005 for the outstanding principal amount of US\$15,000,000, a HK\$2,630 million loan agreement dated 23rd September 2002 with a final maturity in December 2007, a HK\$100 million loan agreement dated 16th June 2003 with a final maturity in December 2005 and a HK\$300 million loan agreement dated 23rd June 2003 with a final maturity in June 2008. In accordance with the terms of the aforementioned agreements, it is an event of default if Yue Xiu ceases to own (directly or indirectly) at least (in the case of the 2001 loan agreement) 40 per cent or (in the case of the other three loan agreements) 30 per cent of the issued share capital of the Company. The obligation has been complied with.

BOARD OF DIRECTORS

Executive directors

Ou Bingchang (*Chairman*)
Liang Yi
Chen Guangsong
Li Fei
Liang Ningguang
Xiao Boyan

Independent non-executive directors & audit committee members

Yu Lup Fat Joseph
Lee Ka Lun
Lau Hon Chuen Ambrose

COMPANY SECRETARY

Yu Tat Fung

AUDITORS

PricewaterhouseCoopers
Certified Public Accountants

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking
Corporation Limited

WEBSITES TO ACCESS COMPANY INFORMATION

<http://www.gzinvestment.com.hk>
<http://www.hkex.com.hk>

REGISTERED OFFICE

24th Floor
Yue Xiu Building
160-174 Lockhart Road
Wanchai, Hong Kong

SHARE REGISTRAR

Abacus Share Registrars Limited
G/F, Bank of East Asia Harbour View Centre
56 Gloucester Road, Wanchai
Hong Kong

SHARE LISTING

The Company's shares are listed on:
The Stock Exchange of Hong Kong Limited
Singapore Exchange Securities Trading Limited

The stock codes are:
The Stock Exchange of Hong Kong Limited – 123
Reuters – 123.HK
Bloomberg – 123 HK

INVESTOR RELATIONS

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ADR DEPOSITARY BANK

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American Depositary Receipts
620 Avenue of the Americas, 6th Floor
New York, NY 10011, USA
Telephone : (646) 885 3218
Facsimile : (646) 885 3043

List of Major Property Projects in Guangzhou Municipality: For Sales in 2005

Project	Land Use	Available Sales Area (sq. m)	Location
* Phase 1 and 2 of Jiang Nan New Mansion No. 40 Xin Gang Xi Road, Hai Zhu District, Guangzhou	Residential	49,400	Hai Zhu
* Phase I, II and III of Springland Garden Baogang South Street, Hai Zhu District, Guangzhou	Residential	50,100	Hai Zhu
* Xing Hui Ya Yuan (Happy Valley Project) Pin Jiang Road, Zhu Jiang Estate, Tian He District, Guangzhou	Residential	45,900	Tian He
* Phase I of Binjiang Yiyuan (Chi Gang Qiao Xi Area) Binjiang East Road, Hai Zhu District, Guangzhou	Residential	44,100	Hai Zhu
* Sanyuanli Project Airport West Road, Bai Yun District, Guangzhou	Residential	13,800	Bai Yun
Fortune Square Nos. 114-118 Ti Yu Dong Road, Guangzhou	Office	7,500	Tian He
* Xing Hui International Zhu Jiang Estate E1-1, Tian He District, Guangzhou	Apartment and office	11,300 25,700	Tian He
* Yue Xiu Building Dongfeng Zhong Road Yue Xiu District Guangzhou	Apartment and office	18,400 29,400	Yue Xiu
* Glade Village (Phase 1 of District B, District C, District D) Sheng Gong Town Cong Hua Guangzhou	Villa	77,400	Cong Hua
* Southern Le Sand (Initial Phase Area and Phase 2) Nansha Development Zone Panyu Guangzhou	Villa and apartment	78,700 28,700	Panyu
Junhui Shopping Mall (Annex Building) Nos. 5, 7, 9 Ti Yu Xi Road, Tian He District, Guangzhou	Commercial Carpark	8,600 9,000	Tian He

List of Major Property Projects in Guangzhou Municipality: For Sales in 2005

(cont'd)

Project	Land Use	Available Sales Area (sq. m)	Location
Galaxy City Shopping Centre (Annex Building)	Commercial	10,200	Tian He
Zhu Jiang Estate E2-1 and E2-2, Tian He District, Guangzhou	Carpark	23,000	
Xiangkang Commercial Plaza	Office, Commercial	28,600	Bai Yun
Sanyuan Li Main Street, Bai Yun District, Guangzhou	Carpark	3,400	

These projects were classified as properties under development or properties held for sale in the Financial Statement as at 31st December 2004.

List of Major Property Projects in Guangzhou Municipality: For Rental in 2005

Project	Land Use	Available Sales Area (sq. m)	Location
Victory Plaza No. 101 Ti Yu Xi Road, Tian He District, Guangzhou	Commercial/ Carpark	27,700 24,900	Tian He
Fortune Square Nos. 114-118 Ti Yu Dong Road, Tian He District, Guangzhou	Office Commercial Carpark	19,700 17,900 8,500	Tian He
City Development Plaza No. 189 Ti Yu Xi Road, Tian He District, Guangzhou	Office Commercial Carpark	32,600 11,300 12,300	Tian He
White Horse Building No. 16 Zhan Nan Road, Yue Xiu District, Guangzhou	Commercial Carpark	48,500 4,200	Yue Xiu
Hong Fa Building Nos. 19-21 Tian He Nan Er Road Tian He District, Guangzhou	Office Carpark	14,100 15,000	Tian He
Jiangxing Building No. 82 Jiangnan Main Road Central, Hai Zhu District, Guangzhou	Office	17,500	Hai Zhu
Xinchuangju Building (Portion) No. 123 Ti Yu Xi Road; Tian He District, Guangzhou	Office	5,800	Tian He
Guang Yuan Cultural Centre No. 33 Jing Tai Zhi Street, Bai Yun District, Guangzhou	Commercial Carpark	18,600 11,300	Bai Yun
Golden Arch Residence Er Sha Island, Dong Shan District Guangzhou	Residential/ Shopping units	9,160	Dong Shan

List of Major Property Projects in Guangzhou Municipality Under Development

(at Year End 2004)

Project	Land Use	Available Sales Area (sq. m)	Location
* Phase 2 of Jiang Nan New Mansion No. 40 Xingang Xi Road, Hai Zhu District, Guangzhou	Residential	48,900	Hai Zhu
	Others	11,300	
* Phase 2 and 3 of Springland Garden Gongye Main Road, Hai Zhu District, Guangzhou	Residential	48,200	Hai Zhu
	Commercial	25,500	
	Others	31,300	
* Phase 1 and 2 of Binjiang Yiyuan (Chi Gang Qiao Xi Area) Binjiang East Road, Hai Zhu District, Guangzhou	Residential	88,000	Hai Zhu
	Commercial	8,100	
	Others	19,400	
Victory Project (Tower Building portion) No. 101 Ti Yu Xi Road, Tian He District, Guangzhou	Office	88,700	Tian He
* Xing Hui Ya Yuan (Happy Valley Project) Pin Jiang Road, Zhu Jiang Estate, Tian He District, Guangzhou	Residential	45,900	Tian He
	Commercial	2,800	
	Others	9,900	
* Xing Hui International Zhu Jiang Estate E1-1, Tian He District, Guangzhou	Apartment	11,300	Tian He
	Office	25,700	
	Commercial	13,500	
	Club house	2,900	
	Others	12,700	
Commercial 12-1, 5 (Basement, portion of annex building) Tianhe Bei Road, Tian He District, Guangzhou	Commercial	48,900	Tian He
	Others	35,300	
No. RJ-1 MTR Project Junction of Zhongshan Road and Jiefang Bei Road, Yue Xiu District, Guangzhou	Office	53,500	Yue Xiu
	Commercial	16,700	
	Club house	1,800	
	Others	15,200	

List of Major Property Projects in Guangzhou Municipality Under Development (cont'd)

(at Year End 2004)

Project	Land Use	Available Sales Area (sq. m)	Location
* Yue Xiu Building Dongfeng Zhong Road, Yue Xiu District, Guangzhou	Apartment Office Commercial Others	18,400 42,300 24,500 21,400	Yue Xiu
* Sanyuanli Project Airport West Road, Bai Yun District, Guangzhou	Residential Commercial Others	13,800 1,000 3,200	Bai Yun
5-3 Huangshi Huangshi Road, Bai Yun District, Guangzhou	Carpark	21,300	Bai Yun
* Glade Village (District C, Hotel of District C) Sheng Gong Town, Cong Hua, Guangzhou	Residential Others	67,400 31,500	Cong Hua
* Southern Le Sand (Initial Phase Area Phase 2) Nansha Development Zone, Panyu, Guangzhou	Residential	64,600	Panyu

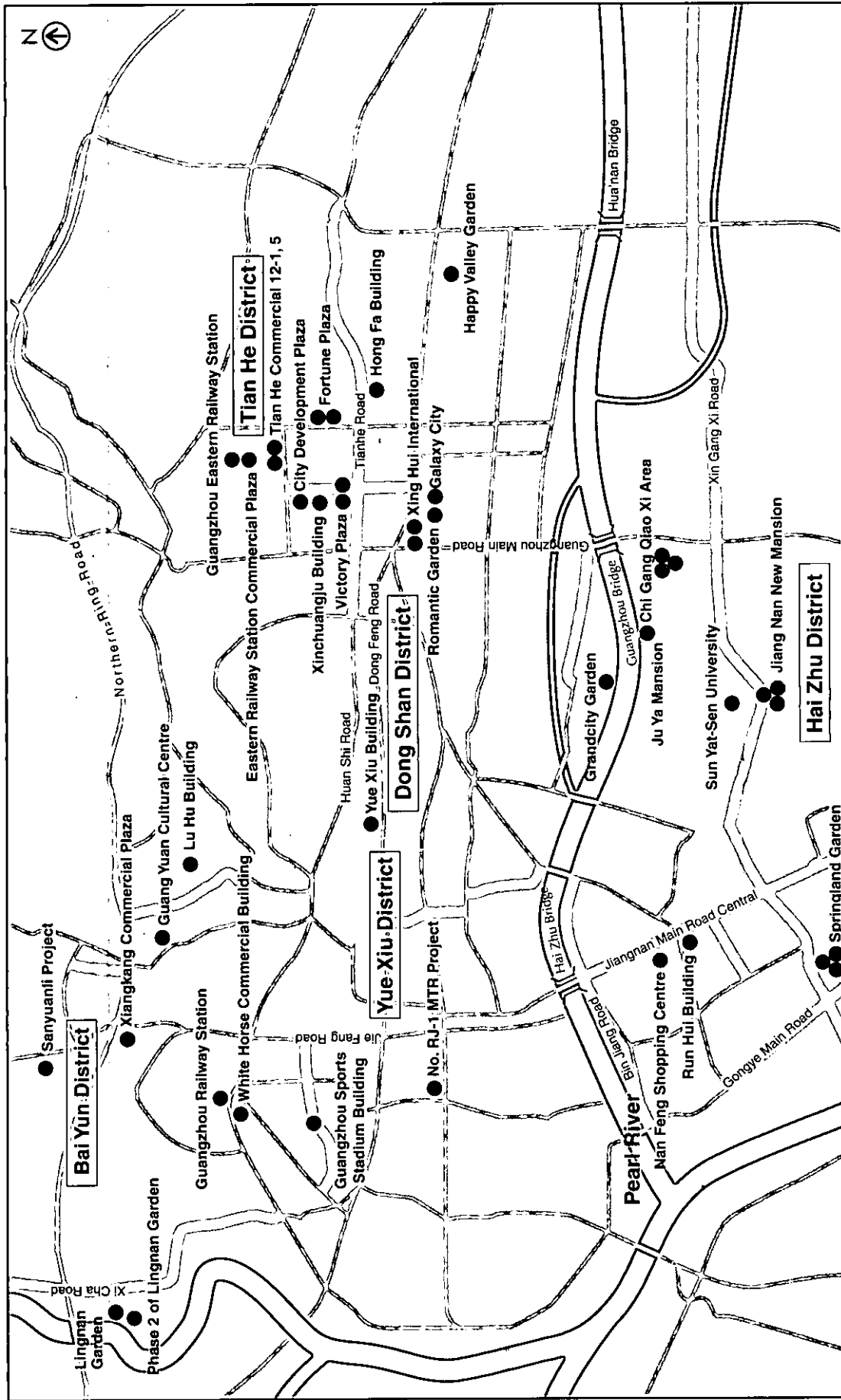
* These include projects intended to be launched for pre-sale in 2005.

List of Major Property Projects in Guangzhou Municipality : Land Bank

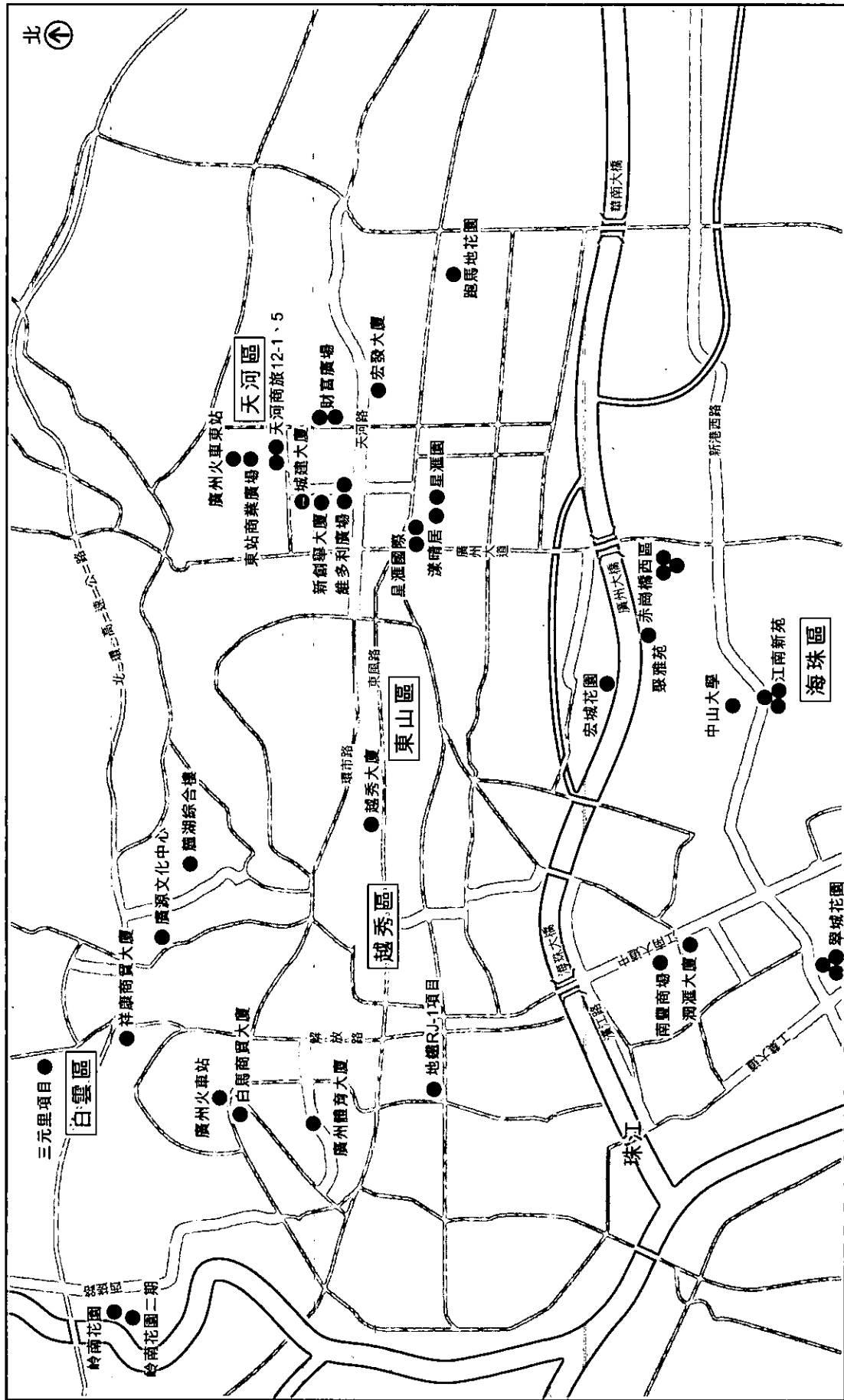
(at Year End 2004)

Project	Land Use	Available Sales Area (sq. m)	Location
Phase 3 of Jiangnan District 7 Jiangnan Xi Village, Hai Zhu District, Guangzhou	Residential	53,400	Hai Zhu
	Commercial	6,000	
	Others	14,000	
Phase 4 of Jiangnan Districts 1 and 4 Baogang Main Street Central, Hai Zhu District, Guangzhou	Residential	98,800	Hai Zhu
	Commercial	26,200	
	Others	16,400	
Jiang Nan New Mansion (Phase 3, Phase 4) No. 40 Xin Gang Xi Road, Guangzhou	Commercial and residential	227,000	Hai Zhu
Springland Garden (Phase 4, Phase 5) Baogang South Street, Hai Zhu District, Guangzhou	Commercial and residential	389,400	Hai Zhu
Fu Hai Garden (Phase 2 of Lingnan Garden) Zengcha Road, Bai Yun District, Guangzhou	Residential	69,600	Bai Yun
	Others	19,100	
Tian He Commercial 12-1, 5 (Tower Building portion) Tianhe Bei Road, Tian He District, Guangzhou	Office	108,200	Tian He
	Hotel	31,500	
Sports Stadium No.119 Liuhua Road, Yue Xiu District, Guangzhou	Commercial, Office	125,000	Yue Xiu
Land N4 At the crossing of Dongfeng Road and Jiefang Road, Yue Xiu District, Guangzhou	Office	45,000	Yue Xiu
Glade Village Sheng Gong Town, Cong Hua, Guangzhou	Residential	944,400	Cong Hua
Southern Le Sand Nansha Development Zone, Panyu, Guangzhou	Residential	1,106,500	Panyu
Huadu Villa Huadu, Guangzhou	Residential	90,500	Huadu

Location Map of Major Property Projects in Guangzhou Urban Area



廣州市區主要房地產項目位置分佈圖



● 出租物業 ● 出售物業 ● 在選中 ● 土地儲備 ● 地標

廣州市主要房地產項目名單：二〇〇四年底土地儲備

項目	用途	樓面面積 (平方米)	地點
江南三期七區 廣州市海珠區江南新村	住宅 商業 其它	53,400 6,000 14,000	海珠
江南四期1、4區 廣州市海珠區寶崗大道中	住宅 商業 其它	98,800 26,200 16,400	海珠
江南新苑(三、四期) 廣州市新港西路40號	商住	227,000	海珠
翠城花園(四、五期) 廣州市海珠區寶崗大道南	商住	389,400	海珠
富海花園(嶺南花園二期) 廣州市白雲區增槎路	住宅 其它	69,600 19,100	白雲
天河商旅12-1.5(塔樓部分) 廣州市天河區天河北路	寫字樓 酒店	108,200 31,500	天河
體育大廈 廣州市越秀區流花路119號	商業、寫字樓	125,000	越秀
解放北N4地塊 廣州市越秀區東風路與解放路交界	寫字樓	45,000	越秀
逸泉山莊 廣州市從化神崗鎮	住宅	944,400	從化
南沙濱海花園 廣州市番禺南沙開發區	住宅	1,106,500	番禺
花都別墅 廣州花都	住宅	90,500	花都

廣州市主要房地產項目名單：二〇〇四年底在建中（續）

項目	用途	樓面面積 (平方米)	地點
*越秀大廈 廣州市越秀區東風中路	公寓 寫字樓 商業 其它	18,400 42,300 24,500 21,400	越秀
*三元里項目 廣州市白雲區機場西路	住宅 商業 其它	13,800 1,000 3,200	白雲
黃石5-3 廣州市白雲區黃石路	停車場	21,300	白雲
*逸泉山莊(C區、C區酒店) 廣州市從化神崗鎮	住宅 其它	67,400 31,500	從化
*南沙濱海花園(啟動區二期) 廣州市番禺南沙開發區	住宅	64,600	番禺

* 包括在二〇〇五年計劃推出可預售的項目。

廣州市主要房地產項目名單：二〇〇四年底在建中

項目	用途	樓面面積 (平方米)	地點
* 江南新苑(二期) 廣州市海珠區新港西路40號	住宅 其它	48,900 11,300	海珠
* 翠城花園(二、三期) 廣州市海珠區工業大道	住宅 商業 其它	48,200 25,500 31,300	海珠
* 濱江怡苑一、二期(赤崗橋西項目) 廣州市海珠區濱江東路	住宅 商業 其它	88,000 8,100 19,400	海珠
維多利項目(塔樓部分) 廣州市天河區體育西路101號	寫字樓	88,700	天河
* 星滙雅苑(跑馬地項目) 廣州市天河區珠江新城平江路	住宅 商業 其它	45,900 2,800 9,900	天河
* 星滙國際 廣州市天河區珠江新城E1-1	公寓 寫字樓 商業 會所 其它	11,300 25,700 13,500 2,900 12,700	天河
商旅12-1, 5(地下室、裙樓部分) 廣州市天河區天河北路	商業 其它	48,900 35,300	天河
地鐵RJ-1 廣州市越秀區中山六路與解放路交界	寫字樓 商業 會所 其它	53,500 16,700 1,800 15,200	越秀

項目	用途	可供 出租面積 (平方米)	地點
維多利廣場 廣州市天河區體育西路101號	商業 停車場	27,700 24,900	天河
財富廣場 廣州市天河區體育東路114~118號	寫字樓 商業 停車場	19,700 17,900 8,500	天河
城建大廈 廣州市天河區體育西路189號	寫字樓 商業 停車場	32,600 11,300 12,300	天河
白馬大廈 廣州市越秀區站南路16號	商業 停車場	48,500 4,200	越秀
宏發大廈 廣州市天河區天河南二路19~21號	寫字樓 停車場	14,100 15,000	天河
江興大廈 廣州市海珠區江南大道中82號	寫字樓	17,500	海珠
新創舉大廈(部分) 廣州市天河區體育西路123號	寫字樓	5,800	天河
廣源文化中心 廣州市白雲區景泰直街33號	商業 停車場	18,600 11,300	白雲
金亞花園 廣州市東山區二沙島	別墅 公寓	9,160	東山

廣州市主要房地產項目名單：二〇〇五年內可出售（續）

項目	用途	可供 出售面積 (平方米)	地點
星滙園商鋪(裙樓)	商業	10,200	天河
廣州市天河區珠江新城E2-1及E2-2	停車場	23,000	
祥康商貿大廈	寫字樓·商業	28,600	白雲
廣州市白雲區三元里大道	停車場	3,400	

* 在二〇〇四年十二月三十一日財務報表中反映為持有作出售之物業或發展中物業。

項目	用途	可供 出售面積 (平方米)	地點
* 江南新苑(一、二期) 廣州市海珠區新港西路40號	住宅	49,400	海珠
* 翠城花園(一、二、三期) 廣州市海珠區寶崗大道南	住宅	50,100	海珠
* 星滙雅苑(跑馬地項目) 廣州市天河區珠江新城平江路	住宅	45,900	天河
* 濱江怡苑一期(赤崗橋西項目) 廣州市海珠區濱江東路	住宅	44,100	海珠
* 三元里項目 廣州市白雲區機場西路	住宅	13,800	白雲
財富廣場 廣州市體育東路114~118號	寫字樓	7,500	天河
* 星滙國際 廣州市天河區珠江新城E1-1	公寓 寫字樓	11,300 25,700	天河
* 越秀大廈 廣州市越秀區東風中路	公寓 寫字樓	18,400 29,400	越秀
* 逸泉山莊(B區一期、C區、D區) 廣州市從化神崗鎮	別墅	77,400	從化
* 南沙濱海花園(啟動區一二期、二期) 廣州市番禺南沙開發區	別墅 公寓	78,700 28,700	番禺
駿滙大廈商舖(裙樓) 廣州市天河區體育西路5, 7, 9號	商業 停車場	8,600 9,000	天河

董事會

執行董事

區秉昌 (董事長)

梁毅

陳光松

李飛

梁凝光

肖博彥

獨立非執行董事及 審核委員會成員

余立發

李家麟

劉漢銓

公司秘書

余達峯

核數師

羅兵咸永道會計師事務所
香港執業會計師

主要往來銀行

中國銀行(香港)有限公司
香港上海滙豐銀行有限公司

公司資料查閱網址

<http://www.gzinvestment.com.hk>

<http://www.hkex.com.hk>

註冊辦事處

香港灣仔
駱克道160-174號
越秀大廈
24樓

股份過戶登記處

雅柏勤證券登記有限公司
香港
灣仔告士打道56號
東亞銀行港灣中心地下

股份上市

本公司之股份於香港聯合交易所有限公司及
新加坡證券交易所上市

股票編號為：

香港聯合交易所有限公司－123
路透社－123.HK
彭博資訊－123 HK

股東關係

如欲進一步查詢越秀投資有限公司的資料，請聯絡：

何子勳

電話：(852) 2511 6671

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電郵：contact@gzinvestment.com.hk

美國預託證券託管銀行

紐約銀行

美國預託證券

620 Avenue of the Americas, 6th Floor
New York, NY 10011, USA

電話：(646) 885 3218

傳真：(646) 885 3043

給予聯屬公司之財務資助(續)

附註：

- (一) 該等貸款乃股東貸款，是本集團按佔該等實體及聯屬公司之股權比例注入之部份投資成本。此等貸款均無抵押，亦無固定還款期。本集團並無對上述實體及聯屬公司承諾注入資本及提供擔保。
- (二) 附息之貸款，其中約419,700,000港元之利息是按照美國最優惠利率計算，約105,200,000港元之利息按中國金融機構借貸利率計算，餘數之利息是按照香港最優惠利率計算。
- (三) 附息之貸款，其中約9,100,000港元之利息是按照香港最優惠利率計算，約34,300,000港元之利息按中國金融機構借貸利率計算。
- (四) 本集團向本公司之聯屬公司提供之財務資助總額超過市值之8.0%。
- (五) 市值指本公司於二〇〇四年十二月三十一日之市值達4,839,917,610港元，此乃按本公司於二〇〇四年十二月三十一日已發行股份合共6,351,597,914股，以及緊接二〇〇四年十二月三十一日前五個營業日之平均收市價每股0.762港元為基準計算。

● 聯屬公司的備考合併資產負債表

根據上市規則第13.22條，本公司相關的聯屬公司於二〇〇四年十二月三十一日的備考合併資產負債表及本集團的應佔權益載列如下：

	千港元
長期資產	5,953,102
流動資產	544,783
流動負債	(152,774)
長期負債	(4,126,080)
	2,219,031
資產淨值	2,219,031
	千港元
本集團應佔權益	
資產淨值	268,280
股東應收貸款	849,821
收購商譽減攤銷	158,083
	1,276,184

根據上市規則第13.21條作出之披露

茲提述二〇〇一年九月五日簽訂之定期貸款協議(「二〇〇一年貸款協議」)及二〇〇四年九月七日簽訂二〇〇一年貸款協議之補充協議有關15,000,000美元未付還本金的到期日延展至二〇〇五年九月、二〇〇二年九月二十三日簽訂之2,630,000,000港元貸款協議(將於二〇〇七年十二月到期)、二〇〇三年六月十六日簽訂之100,000,000港元貸款協議(將於二〇〇五年十二月到期)及二〇〇三年六月二十三日簽訂之300,000,000港元貸款協議(將於二〇〇八年六月到期)。根據上述各項協議之條款，一旦越秀企業直接或間接持有本公司已發行股本之權益低於40%(就二〇〇一年貸款協議而言)或30%(就其他三項貸款協議而言)時，將視作違約。此責任規定已獲履行。

給予若干實體之貸款

本集團於二〇〇四年十二月三十一日為下列實體提供之貸款超逾市值(附註五)8.0%。本公司根據香港聯合交易所有限公司之證券上市規則(「上市規則」)第13.20條披露之有關資料如下：

實體名稱	本公司 間接持有 權益應佔之 百分比	於二〇〇四年 十二月三十一日之貸款 (附註一)		利率	合計 (A+B) 百萬港元
		附息	免息		
		(A) 百萬港元	(B) 百萬港元		
廣東虎門大橋有限公司	8.58	525.0	—	(附註二)	525.0

給予聯屬公司之財務資助

本集團於二〇〇四年十二月三十一日向本公司之聯屬公司(「相關的聯屬公司」)提供財務資助，合共超逾市值(附註五)8.0%。本公司根據上市規則第13.22條披露之有關資料如下：

聯屬公司名稱	本公司 間接持有 權益應佔之 百分比	於二〇〇四年 十二月三十一日之貸款 (附註一)		利率	合計 (A+B) 百萬港元
		附息	免息		
		(A) 百萬港元	(B) 百萬港元		
廣東虎門大橋有限公司	8.58	525.0	—	(附註二)	525.0
廣東清連公路發展有限公司	8.10	—	219.0	—	219.0
廣東汕頭海灣大橋有限公司	10.30	43.4	—	(附註三)	43.4
海南華城房產開發有限公司	52.00	—	49.7	—	49.7
廣東新時代房地產有限公司	45.00	—	10.1	—	10.1
舟山鑫源房地產開發有限公司	38.00	—	2.6	—	2.6
合計(附註四)		568.4	281.4		849.8

主要聯營公司

於二〇〇四年十二月三十一日，本集團於下列主要聯營公司中持有股份/權益：

聯營公司名稱	註冊成立/ 成立及經營地點	實際持股百分比		主要業務
		2004	2003	
新致利建業有限公司	澳門	25	25	投資控股
國泰投資發展有限公司	澳門	50	50	物業發展
* 廣東虎門大橋有限公司	中國	8.58	8.58	開發及管理 虎門之虎門大橋
* 廣東清遠公路發展有限公司	中國	8.10	8.10	開發及管理連接 清遠與連州之 107國道
* 廣東汕頭海灣大橋有限公司	中國	10.30	10.30	開發及管理 汕頭之海灣大橋
* 廣州北環高速公路有限公司	中國	8.34	8.34	開發及管理廣州之 廣州市北環高速公路
廣州新越房地產開發有限公司	中國	28.20	28.20	物業發展

* 其為聯營公司乃由於本集團透過附屬公司持有該等公司超過20%之已發行投票權股本權益。

主要共同控制實體

於二〇〇四年十二月三十一日，本集團有下列之主要共同控制實體：

共同控制實體名稱	成立及經營地點	實際間接擁有權益／ 投票權／利潤分成 應佔之百分比		主要業務
		2004	2003	
廣東新時代房地產有限公司	中國	45 33.33 44	45 33.33 44	物業發展
廣州市北二環高速公路有限公司	中國	15.79 40 15.79	15.80 50 15.80	開發及管理廣州之 廣州市北二環 高速公路
廣州南方房產實業有限公司	中國	30 28.57 30	30 28.57 30	物業發展及管理
廣州市西二環高速公路有限公司	中國	12.02 33 12.02	— — —	開發及管理廣州之 廣州市西二環 高速公路
海南華城房產開發有限公司	中國	52 57.14 52	31.20 28.57 31.20	物業發展
舟山鑫源房地產開發有限公司	中國	38 33.33 38	38 33.33 38	物業發展

主要附屬公司(續)

附屬公司名稱	註冊成立/ 成立及經營 地點及法定地位	已發行及 繳足股本/ 註冊股本	本公司持有 權益應佔之百分比				主要業務
			2004		2003		
			直接	間接	直接	間接	
越秀物業代理有限公司	香港	2股普通股 每股1港元	—	100	—	100	物業代理服務
越秀物業顧問有限公司	香港	100股普通股 每股1港元 500,000股無投票權 遞延股每股1港元	—	100	—	100	物業管理 顧問服務
越秀物業管理有限公司	香港	10,000股普通股 每股1港元	—	100	—	100	樓宇管理 服務

董事認為，上表所包括之本公司之附屬公司，對本集團是年度業績有重大影響或構成資產淨值之主要部份。而倘提供其他附屬公司之詳情，董事認為則會使資料過於冗長。

* 其為附屬公司乃由於本集團透過其他附屬公司持有該等公司超過50%之已發行投票權股本權益。

主要附屬公司 (續)

附屬公司名稱	註冊成立/ 成立及經營 地點及法定地位	已發行及 繳足股本/ 註冊股本	本公司持有 權益應佔之百分比				主要業務
			2004		2003		
			直接	間接	直接	間接	
華苑置業有限公司	香港	1,000,000股普通股 每股1港元	—	100	—	60	投資控股
盛德發展有限公司	英屬處女群島	350,000股普通股 每股1港元	—	100	—	100	投資控股
力超發展有限公司	英屬處女群島	10,000股普通股 每股1港元	—	100	—	100	投資控股
德旺國際有限公司	香港	10,000股普通股 每股1港元	—	100	—	100	投資控股
達康國際有限公司	香港	10,000股普通股 每股1港元	—	100	—	100	投資控股
堅興有限公司	香港	100股普通股 每股100港元	—	100	—	100	物業投資
偉頓投資有限公司	香港	1股普通股 每股1港元	—	100	—	—	物業投資
華碧發展有限公司	香港	10,000股普通股 每股1港元	—	100	—	100	投資控股
越秀亞通停車場 有限公司	香港	10,000股普通股 每股1港元	—	100	—	100	停車場管理
越秀投資(中國) 有限公司	中國, 有限公司	註冊股本 人民幣 39,015,773.09元	100	—	100	—	投資控股

主要附屬公司(續)

附屬公司名稱	註冊成立/ 成立及經營 地點及法定地位	已發行及 繳足股本/ 註冊股本	本公司持有 權益應佔之百分比				主要業務
			2004		2003		
			直接	間接	直接	間接	
維美實業有限公司	香港	10,000股普通股 每股1港元	—	100	—	100	投資控股
堅柏發展有限公司	香港	1,000,000股普通股 每股1港元	—	100	—	100	投資控股
志登投資有限公司	香港	10,000股普通股 每股1港元	—	100	—	100	物業投資
圓桌控股有限公司	英屬處女群島	100股普通股 每股1港元	100	—	100	—	投資控股
* 陝西金秀交通有限公司	中國，有限公司	註冊股本 人民幣 100,000,000元	—	34.33	—	34.34	開發及管理 陝西省之 西安至臨潼 高速公路
華泰發展有限公司	香港	1股普通股 每股1港元	—	100	—	—	物業投資
俊雅發展有限公司	香港	100股普通股 每股1港元	—	100	—	100	物業投資
* 駿佳企業有限公司	香港	2股普通股 每股1港元	—	34.33	—	34.34	持有物業
高度發展(澳門) 有限公司	澳門	1股澳門幣99,000元 1股澳門幣1,000元	—	100	—	100	物業發展

主要附屬公司 (續)

附屬公司名稱	註冊成立/ 成立及經營 地點及法定地位	已發行及 繳足股本/ 註冊股本	本公司持有 權益應佔之百分比				主要業務
			2004		2003		
			直接	間接	直接	間接	
中詠發展有限公司	香港	5,000,000股普通股 每股1港元	—	100	—	100	投資控股
展升有限公司	香港	2股普通股 每股1港元	100	—	100	—	持有物業
展康國際有限公司	香港	10,000股普通股 每股1港元	—	100	—	100	投資控股
越宏發展有限公司	香港	2股普通股 每股1港元	—	100	—	100	物業投資
越成發展有限公司	香港, 新加坡	2股普通股 每股1港元	100	—	100	—	物業投資
錦漢投資有限公司	香港	10,000股普通股 每股100港元	—	100	—	100	投資控股
詠源有限公司	香港	1股普通股 每股1港元	—	100	—	—	物業投資
* 橋豐有限公司	英屬處女群島	2股普通股 每股1港元	—	34.33	—	34.34	投資控股
利鴻發展有限公司	香港	10,000股普通股 每股1港元	—	100	—	100	投資控股
越進發展有限公司	香港	100股普通股 每股1港元	—	100	—	100	物業投資
俊盛發展有限公司	香港	2股普通股 每股1港元	—	100	—	100	投資控股

主要附屬公司(續)

附屬公司名稱	註冊成立/ 成立及經營 地點及法定地位	已發行及 繳足股本/ 註冊股本	本公司持有 權益應佔之百分比				主要業務
			2004		2003		
			直接	間接	直接	間接	
* 廣州市新廣公路 發展有限公司	中國, 有限公司	註冊股本 人民幣 143,333,000元	—	18.88	—	18.89	發展及管理 連接廣州及 花都之廣花 公路
廣州怡城物業管理 有限公司	中國, 有限公司	註冊股本 人民幣 3,403,700元	—	85.68	—	85.68	物業管理
廣州市益豐城市 房產有限公司	中國, 有限公司	註冊股本 人民幣 14,083,200元	—	95	—	95	物業發展
* 廣州越鵬信息 有限公司	中國, 有限公司	註冊股本 人民幣 160,000,000元	—	34.33	—	34.33	投資控股
廣州市越秀物業 管理有限公司	中國, 有限公司	註冊股本 人民幣 1,000,000元	—	60	—	60	物業管理
廣州市致威城市 房產有限公司	中國, 有限公司	註冊股本 人民幣 59,618,800元	—	95	—	95	物業發展
越秀交通(控股) 有限公司	英屬處女群島	1,848,497,550股 普通股每股1港元	—	51	—	51	投資控股
* 越秀交通有限公司	百慕達	1,114,649,530股 普通股每股0.1港元	0.01	34.32	0.01	34.33	投資控股
Honstar Investments Limited	英屬處女群島	1股普通股 每股1美元	—	100	—	100	投資控股
* 湖南越通路橋 發展有限公司	中國, 有限公司	註冊股本 人民幣 21,000,000元	—	25.75	—	25.76	開發及管理 湖南省之 湘江二橋

主要附屬公司 (續)

附屬公司名稱	註冊成立/ 成立及經營 地點及法定地位	已發行及 繳足股本/ 註冊股本	本公司持有 權益應佔之百分比				主要業務
			2004		2003		
			直接	間接	直接	間接	
廣州市聚賢城市 房產有限公司	中國，有限公司	註冊股本 人民幣 11,952,000元	—	95	—	95	物業發展
廣州體育大廈 有限公司	中國，有限公司	註冊股本 26,700,000美元	—	100	—	100	物業發展 及投資
廣州市廣基城市 房產有限公司	中國，有限公司	註冊股本 人民幣 11,952,000元	—	95	—	95	物業發展
廣州市東威城市 房產有限公司	中國，有限公司	註冊股本 人民幣 11,952,000元	—	95	—	95	物業發展
廣州市聯威城市 房產有限公司	中國，有限公司	註冊股本 人民幣 19,776,700元	—	95	—	95	物業發展
* 廣州市維安公路 發展有限公司	中國，有限公司	註冊股本 人民幣 175,750,000元	—	27.46	—	27.47	發展及管理 連接廣州及 汕頭之廣汕 公路
廣州白馬服裝市場 有限公司	中國，有限公司	註冊股本 人民幣 118,873,900元	—	76.33	—	76.33	物業投資
廣州市勝基城市 房產有限公司	中國，有限公司	註冊股本 人民幣 11,952,000元	—	95	—	95	物業發展
廣州市永力城市 房產有限公司	中國，有限公司	註冊股本 人民幣 28,684,800元	—	95	—	95	物業發展
廣州市興城實業發展 有限公司	中國，有限公司	註冊股本 人民幣 154,612,700元	—	95	—	95	物業投資

主要附屬公司(續)

附屬公司名稱	註冊成立/ 成立及經營 地點及法定地位	已發行及 繳足股本/ 註冊股本	本公司持有 權益應佔之百分比				主要業務
			2004		2003		
			直接	間接	直接	間接	
廣州市峻威城市 房產有限公司	中國，有限公司	註冊股本 人民幣 14,448,600元	—	95	—	95	物業發展
* 廣州市橋威公路 發展有限公司	中國，有限公司	註冊股本 人民幣 12,326,000元	—	34.33	—	34.34	投資控股
廣州市灣華城市 房產有限公司	中國，有限公司	註冊股本 人民幣 23,074,600元	—	95	—	95	物業發展
廣州市誠安城市 房產有限公司	中國，有限公司	註冊股本 人民幣 14,083,200元	—	95	—	95	物業發展
* 廣州穗橋發展 有限公司	中國，有限公司	註冊股本 人民幣 1,000,000元	—	34.33	—	34.34	投資控股
廣州市瑞峰城市 房產有限公司	中國，有限公司	註冊股本 人民幣 14,440,300元	—	95	—	95	物業發展
* 廣州市太和公路 發展有限公司	中國，有限公司	註冊股本 人民幣 155,980,000元	—	27.46	—	27.47	發展及管理 連接廣州與 從化之廣從 公路一段
* 廣州市太龍公路 發展有限公司	中國，有限公司	註冊股本 人民幣 116,667,000元	—	17.50	—	17.51	開發及管理 連接廣州與 從化之廣從 公路第二段 以及連接從 化與龍潭之 1909省道

主要附屬公司 (續)

附屬公司名稱	註冊成立/ 成立及經營 地點及法定地位	已發行及 繳足股本/ 註冊股本	本公司持有 權益應佔之百分比				主要業務
			2004		2003		
			直接	間接	直接	間接	
越秀投資財務有限公司	香港	2股普通股 每股1港元	100	—	100	—	財務服務
Guangzhou Investment (HK Property) Company Limited	英屬處女群島	1股普通股 每股1港元	—	100	—	100	投資控股
Guangzhou Investment (Macau Property) Company Limited	英屬處女群島	1股普通股 每股1港元	—	100	—	100	投資控股
Guangzhou Investment Property Holdings Limited	英屬處女群島	1股普通股 每股1美元	100	—	100	—	投資控股
廣州捷雅城房地產 開發有限公司	中國，有限公司	註冊股本 92,000,000港元	—	92	—	92	物業發展
廣州市棋東城市 房產有限公司	中國，有限公司	註冊股本 人民幣 14,083,200元	—	95	—	95	物業發展
廣州市美華城市 房產有限公司	中國，有限公司	註冊股本 人民幣 12,853,900元	—	95	—	95	物業發展
廣州市萬升城市 房產有限公司	中國，有限公司	註冊股本 人民幣 28,684,800元	—	95	—	95	物業發展
* 廣州市南新公路 發展有限公司	中國，有限公司	註冊股本 人民幣 141,463,000元	—	27.46	—	27.47	發展及管理連 接廣州及深圳 之廣深公路
廣州造紙股份有限公司	中國，有限公司	註冊股本 人民幣 924,680,000元	—	51	—	51	製造及銷售 新聞紙

主要附屬公司(續)

附屬公司名稱	註冊成立/ 成立及經營 地點及法定地位	已發行及 繳足股本/ 註冊股本	本公司持有 權益應佔之百分比				主要業務
			2004		2003		
			直接	間接	直接	間接	
廣州城建開發偉城實業 有限公司	中國，有限公司	註冊股本 人民幣 955,300元	—	80	—	80	物業投資
廣州城建開發興業房 地產中介有限公司	中國，有限公司	註冊股本 人民幣 37,520,000元	—	52	—	52	地產代理
城市建設開發集團 (中國)有限公司	英屬處女群島	1股普通股 每股1美元	100	—	100	—	投資控股
廣州市廣運城市 房產有限公司	中國，有限公司	註冊股本 人民幣 28,684,800元	—	95	—	95	物業發展
廣州市東盛城市 房產有限公司	中國，有限公司	註冊股本 人民幣 12,734,400元	—	95	—	95	物業發展
廣州市忠勝城市 房產有限公司	中國，有限公司	註冊股本 人民幣 16,231,400元	—	95	—	95	物業發展
廣州宏城汽車服務 有限公司	中國，有限公司	註冊股本 人民幣 2,730,600元	—	81.26	—	81.26	停車場管理
廣州宏城發展有限公司	中國，有限公司	註冊股本 人民幣 539,578,600元	—	100	—	100	物業發展
廣州市廣秀城市 房產有限公司	中國，有限公司	註冊股本 人民幣 18,287,700元	—	95	—	95	物業發展
廣州市安威城市 房產有限公司	中國，有限公司	註冊股本 人民幣 16,386,800元	—	95	—	95	物業發展
Guangzhou Investment (China Property) Company Limited	英屬處女群島	5,000股普通股 每股1港元	—	100	—	100	投資控股

主要附屬公司 (續)

附屬公司名稱	註冊成立/ 成立及經營 地點及法定地位	已發行及 繳足股本/ 註冊股本	本公司持有 權益應佔之百分比				主要業務
			2004		2003		
			直接	間接	直接	間接	
廣州祥荷房地產 開發有限公司	中國，有限公司	註冊股本 5,000,000美元	—	100	—	100	物業發展
廣州市城市建設開發 有限公司	中國，有限公司	註冊股本 人民幣 1,631,012,700元	—	95	—	95	物業發展
廣州城建開發投資顧問 有限公司	中國，有限公司	註冊股本 人民幣 2,145,800元	—	98.13	—	98.13	物業發展 顧問服務
廣州城建開發裝飾 有限公司	中國，有限公司	註冊股本 人民幣 35,882,800元	—	98.62	—	98.62	裝飾及設計
廣州城建開發南沙 房地產有限公司	中國，有限公司	註冊股本 人民幣 8,000,000元	—	95	—	95	物業發展
廣州城建開發宏城連鎖 超級市場有限公司	中國，有限公司	註冊股本 人民幣 33,178,900元	—	98.13	—	98.13	經營超級市場
廣州城建開發景城房 地產有限公司	中國，有限公司	註冊股本 人民幣 13,712,500元	—	95	—	95	物業發展
廣州城建開發物業 有限公司	中國，有限公司	註冊股本 人民幣 12,994,800元	—	95	—	95	物業發展 及投資
廣州城建開發工程監理 有限公司	中國，有限公司	註冊股本 人民幣 8,921,500元	—	65	—	65	項目管理

主要附屬公司(續)

附屬公司名稱	註冊成立/ 成立及經營 地點及法定地位	已發行及 繳足股本/ 註冊股本	本公司持有 權益應佔之百分比				主要業務
			2004		2003		
			直接	間接	直接	間接	
創名國際有限公司	香港	10,000股普通股 每股1港元	—	100	—	100	投資控股
First-Win Group Limited	英屬處女群島	1股普通股 每股1美元	—	100	—	100	投資控股
拓富有限公司	香港	10,000股普通股 每股1港元	—	100	—	100	物業投資
港方發展有限公司	香港	500,000股普通股 每股1港元	—	100	—	100	物業投資
焯耀投資有限公司	香港	2股普通股 每股1港元	—	100	—	100	投資控股
Goldtech Worldwide Limited	英屬處女群島	1股普通股 每股1美元	—	100	—	100	投資控股
佳統發展有限公司	香港	10,000股普通股 每股1港元	—	100	—	100	投資控股
健栢發展有限公司	香港	1股普通股 每股1港元	—	100	—	—	物業投資
廣州市高展城市 房產有限公司	中國, 有限公司	註冊股本 人民幣 88,315,800元	—	95	—	95	物業發展
廣州市致勝城市 房產有限公司	中國, 有限公司	註冊股本 人民幣 28,684,800元	—	95	—	95	物業發展
廣州市中基城市 房產有限公司	中國, 有限公司	註冊股本 人民幣 37,236,300元	—	95	—	95	物業發展
廣州市祥港房地產 開發有限公司	中國, 有限公司	註冊股本 259,670,000港元	—	100	—	100	物業發展
廣州市祥發房地產 有限公司	中國, 有限公司	註冊資本 人民幣 111,450,000元	—	75	—	75	物業發展

主要附屬公司

於二〇〇四年十二月三十一日，本公司於下列主要附屬公司中持有股份／權益：

附屬公司名稱	註冊成立／ 成立及經營 地點及法定地位	已發行及 繳足股本／ 註冊股本	本公司持有 權益應佔之百分比				主要業務
			2004		2003		
			直接	間接	直接	間接	
凱榮投資有限公司	香港	1股普通股 每股1港元	—	100	—	—	物業投資
碧秀實業(深圳)有限公司	中國，有限公司	註冊股本 7,000,000港元	—	100	—	100	物業發展
貴康發展有限公司	香港	2股普通股 每股1港元	—	100	—	100	物業發展
經合有限公司	香港	1股普通股 每股1港元	—	100	—	—	物業投資
耀宏投資有限公司	香港	10,000股普通股 每股1港元	—	100	—	100	投資控股
祥港發展有限公司	香港	10,000股普通股 每股1港元	—	100	—	100	投資控股
俊英發展有限公司	香港	2股普通股 每股1港元	—	100	—	100	物業發展
越秀置業(澳門) 有限公司	澳門	1股澳門幣 198,000元 1股澳門幣2,000元	—	100	—	100	物業發展
恒秀物業管理有限公司	澳門	1股澳門幣 99,000元 1股澳門幣1,000元	—	100	—	100	物業管理
寶途投資有限公司	香港	1股普通股 每股1港元	—	100	—	—	物業投資
大連堅柏房地產 開發有限公司	中國，有限公司	註冊股本 7,500,000美元	—	100	—	100	物業發展
Elsburg Limited	香港	10,000股普通股 每股1港元	—	100	—	100	物業投資
永佳國際有限公司	香港	10,000股普通股 每股1港元	—	100	—	100	投資控股

39 有關連人士交易

重大有關連人士交易在本集團於日常業務過程中進行，詳情如下：

	二〇〇四年 千港元	二〇〇三年 千港元
支付予附屬公司少數股東之租金及公用設施開支(附註(a))	260,384	186,303
支付及應付予附屬公司少數股東之收費公路管理費(附註(b))	62,235	62,223
支付予最終控股公司之租金開支及物業管理費(附註(c))	1,025	1,056
支付予附屬公司少數股東權益之利息開支(附註(d))	4,643	—
	<u>332,287</u>	<u>250,582</u>

附註：

- (a) 於二〇〇二年十月十七日，本集團與廣州造紙集團有限公司訂立租賃合約及公用設施供應合約，據此，廣州造紙集團有限公司同意出租若干轉讓資產予本集團，為期二十年，月租人民幣1,446,000元(相當於約1,364,000港元)，及按若干預定價格供應電、水、熱予本集團，為期二十年。本公司股東於二〇〇二年十一月二十五日舉行之股東特別大會上批准該等交易。
- (b) 於二〇〇四年九月六日，本集團之附屬公司少數股東廣州市公路開發公司(「公路開發公司」)與若干在中國經營收費公路之附屬公司訂立關於收費公路管理費之管理協議，據此，公路開發公司負責廣汕公路、廣深公路、廣從公路第一段及第二段、1909省道及廣花公路之日常運作及保養服務，包括收取路費及維修保養，換取每年預先釐定之固定金額。該等管理協議之詳情已刊登於本公司及越秀交通有限公司於二〇〇四年九月六日刊發之聯合公佈中。
- (c) 支付予本公司最終控股公司越秀企業(集團)有限公司之物業管理費每年51,000港元及租金開支由一月至十月每月為88,000港元，由十一月至十二月每月為47,000港元(二〇〇三年：每月88,000港元)。
- (d) 附屬公司之少數股東廣州造紙集團有限公司提供之墊款於年內按年利率5.31厘計息。

40 最終控股公司

董事認為本公司之最終控股公司為在香港註冊成立之公司越秀企業(集團)有限公司。

41 賬目通過

本年度賬目已於二〇〇五年四月二十一日由董事會通過。

37 或然負債

	集團		公司	
	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元
(a) 授予本集團物業若干買家之按揭融資擔保(附註)	250,520	117,052	—	—
(b) 為附屬公司之銀行及貸款融資作出擔保	—	—	390,215	694,915
	<u>250,520</u>	<u>117,052</u>	<u>390,215</u>	<u>694,915</u>

- (c) 於二〇〇四年及二〇〇三年十二月三十一日，本集團就一間聯營公司之一名合營夥伴(「合營夥伴」)償還銀行貸款人民幣500,000,000元(相當於約467,000,000港元)及有關利息(統稱「有關貸款」)，向銀行抵押其從該聯營公司之24.3%實際權益所產生之收入。

該名合營夥伴已就因該抵押產生之一切負債向本集團提供反彌償保證。此外，越秀企業已向本集團發出彌償保證，據此，倘若該名合營夥伴向本集團提供之反彌償保證不足以彌補有關貸款，則越秀企業將向銀行清償/支付該名合營夥伴提供之反彌償保證與有關貸款之間之任何差額。

附註：

本集團為若干物業單位之買家安排銀行融資，並提供擔保以保證該等買家償還款項。該等擔保於發出《房地產權證》及《房地產他項權證》時終止。

38 資產抵押

於二〇〇四年十二月三十一日，本集團及本公司所獲授之若干銀行融資及貸款乃以下列各項作為抵押：

- (a) 本集團若干有待發展/發展中物業、持有作出售之物業、其他物業及投資物業，賬面總值分別為514,000,000港元(二〇〇三年：665,000,000港元)、291,000,000港元(二〇〇三年：246,000,000港元)及3,230,000,000港元(二〇〇三年：3,573,000,000港元)；
- (b) 若干附屬公司總賬面淨值(不包括公司間之貸款)4,086,000,000港元(二〇〇三年：3,849,000,000港元)若干資產之浮動押記；
- (c) 於若干附屬公司之本集團股權之抵押；及
- (d) 總額3,648,000,000港元(二〇〇三年：3,573,000,000港元)若干公司之間貸款的質押。

35 應收未來最低租金

於二〇〇四年十二月三十一日，本集團及本公司根據不可註銷租約應收未來最低租金如下：

	集團		公司	
	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元
第一年內	296,187	331,295	70	28
第二至第五年內	495,792	527,200	—	—
五年後	12,803	129,839	—	—
	<u>804,782</u>	<u>988,334</u>	<u>70</u>	<u>28</u>

36 其他承擔

	集團	
	二〇〇四年 千港元	二〇〇三年 千港元
有關固定資產之資本承擔：		
已簽約但未撥備	14,359	16,755
已批准但未簽約	—	—
	<u>14,359</u>	<u>16,755</u>

於二〇〇四年十二月三十一日，本集團就注資於共同控制實體之股本之財務承擔約為247,990,000港元(二〇〇三年：無)。

33 綜合現金流量表附註(續)

(d) 財務變動分析(續)

	股本(包括 股份溢價) 千港元	銀行貸款 千港元	應付 聯營公司 及共同控制 實體之款項 千港元	應付 附屬公司 少數股東 之款項 及其他 長期負債 千港元	少數股東 權益 千港元
於二〇〇四年一月一日	6,332,250	6,038,333	187,561	1,131,576	3,374,822
為換取現金而發行普通股	43,643	—	—	—	—
附屬公司少數股東權益的資本貢獻	—	—	—	—	4,476
少數股東應佔盈利	—	—	—	—	280,947
被視作收購附屬公司(附註33(b))	—	—	—	—	27,822
被視作出售附屬公司若干權益	—	—	—	—	799
少數股東應佔滙兌儲備	—	—	—	—	(2,066)
支付予少數股東之股息	—	—	—	—	(218,993)
新借款	—	932,996	48,031	177,745	—
還款	—	(1,801,602)	—	(231,818)	—
	<u>6,375,893</u>	<u>5,169,727</u>	<u>235,592</u>	<u>1,077,503</u>	<u>3,467,807</u>
二〇〇四年十二月三十一日	<u>6,375,893</u>	<u>5,169,727</u>	<u>235,592</u>	<u>1,077,503</u>	<u>3,467,807</u>

34 經營租賃承擔

集團根據有關土地及樓宇之不可撤銷之經營租賃而於未來支付之最低租賃付款總額(主要來自附註39(a)所述之有關連人士交易產生)如下:

	二〇〇四年 千港元	二〇〇三年 千港元
第一年內	26,380	31,591
第二至第五年內	97,388	85,560
五年後	215,354	254,977
	<u>339,122</u>	<u>372,128</u>

本公司於二〇〇四年十二月三十一日並無任何經營租賃承擔(二〇〇三年: 無)。

33 綜合現金流量表附註(續)

(d) 財務變動分析

	股本		銀行貸款	應付		少數股東
	(包括股份溢價)	可換股債券		聯營公司及共同控制實體之款項	附屬公司少數股東之款項及其他長期負債	
	千港元	千港元	千港元	千港元	千港元	少數股東權益
於二〇〇三年一月一日	6,261,219	200,623	6,763,073	185,162	764,922	3,403,865
就收購附屬公司發行普通股	27,306	—	—	—	—	—
為換取現金而發行普通股	43,725	—	—	—	—	—
贖回可換股債券	—	(200,623)	—	—	200,623	—
贖回可換股債券之溢價	—	—	—	—	1,950	—
附屬公司少數股東出資	—	—	—	—	—	6,037
於附屬公司之股權增加	—	—	—	—	—	(244,177)
收購附屬公司	—	—	28,037	—	—	617
於附屬公司之股權減少	—	—	—	—	—	18,494
少數股東應佔盈利	—	—	—	—	—	213,680
被視作出售附屬公司之若干權益	—	—	—	—	—	152,307
少數股東應佔匯兌儲備	—	—	—	—	—	668
支付予附屬公司少數股東之股息	—	—	—	—	—	(129,377)
轉撥自少數股東權益	—	—	—	—	344	(344)
新借貸	—	—	2,252,575	2,399	183,093	—
還款	—	—	(3,005,352)	—	(19,356)	(46,948)
	<u>6,332,250</u>	<u>—</u>	<u>6,038,333</u>	<u>187,561</u>	<u>1,131,576</u>	<u>3,374,822</u>
於二〇〇三年十二月三十一日	6,332,250	—	6,038,333	187,561	1,131,576	3,374,822

33 綜合現金流量表附註(續)

(b) 視為收購/收購附屬公司(續)

視為收購/收購附屬公司產生之現金及現金等價物流入淨額分析

	二〇〇四年 千港元	二〇〇三年 千港元
現金代價	—	—
購入之銀行結餘及現金	2,339	16,683
視為收購/收購附屬公司產生之現金及現金等價物之流入淨額	2,339	16,683

(c) 出售於附屬公司之若干權益

	二〇〇四年 千港元	二〇〇三年 千港元
本集團出售權益之資產淨值	—	18,494
於出售時釋放之負商譽	—	(8,857)
出售虧損	—	(998)
出售附屬公司若干權益之現金及現金等價物流入淨額	—	8,639

33 綜合現金流量表附註(續)

(b) 視為收購／收購附屬公司

	二〇〇四年 千港元	二〇〇三年 千港元
購入之淨資產		
固定資產	—	17,685
其他投資	—	1,402
於共同控制實體之權益	(24,242)	—
應收共同控制實體之款項	(350,628)	—
有待發展／發展中物業	471,115	—
存貨	—	21,938
其他應收款項、預付款項及按金	10,966	18,587
銀行結餘及現金	2,339	16,683
應付賬款、其他應付款項及應計費用	(81,728)	(15,330)
少數股東權益(附註33(d))	(27,822)	(617)
銀行貸款	—	(28,037)
	—	32,311
因收購產生之負商譽	—	(5,005)
收購成本總額	—	27,306
支付方式：		
發行股份	—	27,306
收購總成本	—	27,306

就合資協議條款改變而言，共同控制實體成為本集團之附屬公司。由於本集團應佔之股權並無變動，本集團並無就視作收購支付任何代價。

年內收購之附屬公司帶來之經營業務現金流出36,000,000港元(二〇〇三年：流出為3,000,000港元)、投資業務為零(二〇〇三年：流出為1,000,000港元)及理財活動流入37,000,000港元(二〇〇三年：零)。

33 綜合現金流量表附註

(a) 經營盈利與經營產生之現金流入淨額對賬表：

	二〇〇四年 千港元	二〇〇三年 千港元
經營盈利	743,486	721,591
折舊及攤銷	211,441	184,280
出售／被視作出售附屬公司若干權益之虧損	481	95,940
出售固定資產之虧損	6,436	27,628
出售其他投資之虧損	—	1,059
利息收入	(5,587)	(8,450)
股息收入	(14,904)	(3,483)
投資物業之重估盈餘	(76,750)	(165,840)
持有／在建物業(回撥)／撇減至可變現淨值	(44,546)	5,805
	<hr/>	<hr/>
未計營運資金變動前經營盈利	820,057	858,530
有待發展／發展中物業及持有作出售之物業 之減少淨額	857,212	982,306
存貨減少／(增加)	24,839	(28,438)
應收賬款、其他應收款項、預付款項及按金 (包括應收有關連公司款項)之增加	(63,133)	(71,033)
應付賬款、其他應付款項及應計費用減少	(206,700)	(749,618)
	<hr/>	<hr/>
經營產生之現金流入淨額	<u>1,432,275</u>	<u>991,747</u>

32 遞延稅項 (續)

遞延稅項負債：

	集團				
	物業重估 千港元	向稅務機構 呈報收入 及支出之 不同基準 千港元	加速折舊 千港元	其他 千港元	總額 千港元
於二〇〇三年一月一日	3,604,233	76,576	24,810	12,396	3,718,015
於損益表扣除／(計入)	(97,757)	84,984	(16,319)	8,060	(21,032)
於保留盈利計入	(40,728)	—	—	—	(40,728)
於二〇〇三年十二月三十一日	<u>3,465,748</u>	<u>161,560</u>	<u>8,491</u>	<u>20,456</u>	<u>3,656,255</u>
於二〇〇四年一月一日	3,465,748	161,560	8,491	20,456	3,656,255
於損益表扣除／(計入)	(81,366)	71,603	(218)	(4,420)	(14,401)
於保留盈利計入	(5,543)	—	—	—	(5,543)
於二〇〇四年十二月三十一日	<u>3,378,839</u>	<u>233,163</u>	<u>8,273</u>	<u>16,036</u>	<u>3,636,311</u>

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅盈利變現而就所結轉之稅損及物業價值重估作確認。於二〇〇四年十二月三十一日，本集團就香港利得稅有並無屆滿日期的未確認稅損967,000,000港元(二〇〇三年：752,000,000港元)，而因重估物業而產生之未確認稅務利益為251,000,000港元(二〇〇三年：459,000,000港元)。

於合法可強制執行權利將流動稅項資產與流動稅項負債對銷及於遞延所得稅與相同財政機構有關時，抵銷遞延稅項資產及負債。

	二〇〇四年 千港元	二〇〇三年 千港元
遞延稅項資產		
— 香港利得稅	10,054	12,712
— 中國企業所得稅	46,145	26,349
	<u>56,199</u>	<u>39,061</u>
遞延稅項負債		
— 香港利得稅	15,648	19,449
— 中國企業所得稅	1,576,982	1,506,745
— 中國土地增值稅	2,037,649	2,124,342
	<u>3,630,279</u>	<u>3,650,536</u>

32 遞延稅項

遞延稅項乃按負債法就短暫時差按適用所得稅率作全數撥備。

遞延稅項負債／(資產)賬之變動如下：

	二〇〇四年 千港元	二〇〇三年 千港元
於一月一日	3,611,475	3,684,171
於損益表計入／(扣除)之遞延稅項(附註8)	(31,852)	(31,968)
於權益計入稅項	(5,543)	(40,728)
於十二月三十一日	<u>3,574,080</u>	<u>3,611,475</u>

年內：遞延稅項資產及負債(對銷同一稅務司法權區內之結餘前)變動如下：

遞延稅項資產：

	集團				總額 千港元
	向稅務機構 呈報支出之 不同基準 千港元	物業重估 千港元	稅損 千港元	其他 千港元	
於二〇〇三年一月一日	9,725	16,800	3,065	4,254	33,844
於損益表計入／(扣除)	793	(1,645)	822	10,966	10,936
於二〇〇三年十二月三十一日	<u>10,518</u>	<u>15,155</u>	<u>3,887</u>	<u>15,220</u>	<u>44,780</u>
於二〇〇四年一月一日	10,518	15,155	3,887	15,220	44,780
於損益表計入	11,230	—	5,536	685	17,451
於二〇〇四年十二月三十一日	<u>21,748</u>	<u>15,155</u>	<u>9,423</u>	<u>15,905</u>	<u>62,231</u>

31 其他長期負債 (續)

(b) 公司

	二〇〇四年				二〇〇三年			
	融資租賃 承擔 千港元	最終控股 公司提供 之貸款 千港元	有關連 公司提供 之貸款 千港元	總額 千港元	融資 租賃承擔 千港元	最終控股 公司提供 之貸款 千港元	有關連 公司提供 之貸款 千港元	總額 千港元
一年內	25	—	—	25	14	—	—	14
第二年	25	—	—	25	29	—	—	29
第三至第五年	28	361,907	84,535	446,470	—	252,906	83,504	336,410
無固定還款期	—	61,180	1,673	62,853	—	7,944	1,467	9,411
	<u>78</u>	<u>423,087</u>	<u>86,208</u>	<u>509,373</u>	<u>43</u>	<u>260,850</u>	<u>84,971</u>	<u>345,864</u>
減：其他長期貸款 的即期部分	(25)	—	—	(25)	(14)	—	—	(14)
	<u>53</u>	<u>423,087</u>	<u>86,208</u>	<u>509,348</u>	<u>29</u>	<u>260,850</u>	<u>84,971</u>	<u>345,850</u>
餘額分析如下：								
計息	—	361,907	84,535	446,442	43	252,906	83,504	336,453
免息	78	61,180	1,673	62,931	—	7,944	1,467	9,411
	<u>78</u>	<u>423,087</u>	<u>86,208</u>	<u>509,373</u>	<u>43</u>	<u>260,850</u>	<u>84,971</u>	<u>345,864</u>

計息結餘按香港銀行同業拆息加年利率1厘計息。

31 其他長期負債(續)

(a) 集團(續)

	二〇〇四年				總額 千港元
	融資租賃 承擔 千港元	最終控股 公司提供 之貸款 千港元	有關連 公司提供 之貸款 千港元	附屬公司 少數 股東提供 之貸款 千港元	
一年內	25	—	—	—	25
第二年	25	—	—	—	25
第三年至第五年	28	267,459	—	—	267,487
無固定還款期	—	31,431	127,917	463,887	623,235
	78	298,890	127,917	463,887	890,772
減：其他長期貸款的即期部分	(25)	—	—	—	(25)
	53	298,890	127,917	463,887	890,747
餘額分析如下：					
計息	—	267,459	84,535	120,561	472,555
免息	78	31,431	43,382	343,326	418,217
	78	298,890	127,917	463,887	890,772

除了總額120,561,000港元(二〇〇三年：120,561,000港元)按中國財務機構現行借貸利率介乎年利率5.76至6.12厘計息外，計息結餘按香港銀行同業拆息加年利率1厘計息。

31 其他長期負債

其他長期貸款之還款期如下：

(a) 集團

	二〇〇三年					總額 千港元
	融資租賃 承擔 千港元	最終控股 公司提供 之貸款 千港元	有關連 公司提供 之貸款 千港元	附屬公司 少數 股東提供 之貸款 千港元	其他貸款 千港元	
一年內	14	—	—	—	—	14
第二年	29	—	—	—	—	29
第三至第五年	—	220,595	79,008	—	—	299,603
無固定還款期	—	10,066	65,809	561,420	15,600	652,895
	43	230,661	144,817	561,420	15,600	952,541
減：其他長期貸款之即期部分	(14)	—	—	—	—	(14)
	29	230,661	144,817	561,420	15,600	952,527
餘額分析如下：						
計息	43	220,595	83,504	120,561	—	424,703
免息	—	10,066	61,313	440,859	15,600	527,838
	43	230,661	144,817	561,420	15,600	952,541

30 長期負債

	集團		公司	
	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元
銀行貸款				
有抵押(附註38)	3,372,134	3,848,194	2,204,233	2,454,683
無抵押	735,030	669,650	117,000	117,000
	<u>4,107,164</u>	<u>4,517,844</u>	<u>2,321,233</u>	<u>2,571,683</u>
長期負債之一年內應償還額	(959,499)	(875,394)	(513,935)	(367,452)
	<u>3,147,665</u>	<u>3,642,450</u>	<u>1,807,298</u>	<u>2,204,231</u>

於二〇〇四年十二月三十一日，須於以下期間償還之長期負債如下：

	集團		公司	
	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元
一年內	959,499	875,394	513,935	367,452
第二年	1,324,388	878,627	367,258	396,934
第三至第五年	1,823,277	2,763,823	1,440,040	1,807,297
	<u>4,107,164</u>	<u>4,517,844</u>	<u>2,321,233</u>	<u>2,571,683</u>

29 儲備 (續)

(b) 公司

	股份溢價 千港元	資本贖回儲備 千港元	保留盈利 千港元	總計 千港元
於二〇〇三年一月一日	5,649,409	1,815	313,225	5,964,449
發行普通股所得款項淨額	57,969	—	—	57,969
年內盈利	—	—	62,170	62,170
已付股息	—	—	(49,502)	(49,502)
於二〇〇三年十二月三十一日	<u>5,707,378</u>	<u>1,815</u>	<u>325,893</u>	<u>6,035,086</u>
於二〇〇四年一月一日	5,707,378	1,815	325,893	6,035,086
發行普通股之所得款項淨額	33,355	—	—	33,355
本年度盈利	—	—	100,356	100,356
已派股息	—	—	(120,792)	(120,792)
於二〇〇四年十二月三十一日	<u>5,740,733</u>	<u>1,815</u>	<u>305,457</u>	<u>6,048,005</u>
相當於：				
二〇〇四年擬派末期股息			57,266	
其他			248,191	
於二〇〇四年十二月三十一日之保留盈利			<u>305,457</u>	

(c) 本集團之保留盈利包括聯營公司及共同控制實體之應佔保留盈利分別達801,941,000港元(二〇〇三年：613,138,000港元)及累計虧損294,922,000港元(二〇〇三年：265,856,000港元)。

(d) 法定儲備指在中國經營之附屬公司、聯營公司及共同控制實體所成立之企業發展及一般儲備基金。據中國法規所規定，本公司於中國成立及經營之附屬公司及聯營公司，須按其各自之董事會所釐定之比率，對企業擴充及一般儲備金撥出其一部份之除稅後盈利(經抵銷過往年度虧損後)。根據中國外資企業會計準則，經董事會批准後，一般儲備基金可用作補償虧損及增加資本，而企業發展基金可用作增加資本。本集團之法定儲備中，包括一間聯營公司應佔之538,000港元(二〇〇三年：538,000港元)。

29 儲備

(a) 集團

	股份溢價 千港元	資本贖回儲備 千港元	法定儲備 千港元	滙兌波動儲備 千港元	保留盈利 千港元	總額 千港元
於二〇〇三年一月一日	5,649,409	1,815	49,841	(80,183)	477,355	6,098,237
發行普通股所得款項淨額	57,969	—	—	—	—	57,969
滙兌差額	—	—	—	3,748	—	3,748
出售有待發展/發展中物業及持有作 出售之物業時釋放之儲備	—	—	—	—	(66,070)	(66,070)
被視作出售一間附屬公司若干權益時 釋放之儲備	—	—	(273)	(274)	—	(547)
轉撥	—	—	13,038	—	(13,038)	—
股東應佔盈利	—	—	—	—	300,653	300,653
已付股息	—	—	—	—	(49,502)	(49,502)
於二〇〇三年十二月三十一日	<u>5,707,378</u>	<u>1,815</u>	<u>62,606</u>	<u>(76,709)</u>	<u>649,398</u>	<u>6,344,488</u>
於二〇〇四年一月一日	5,707,378	1,815	62,606	(76,709)	649,398	6,344,488
發行普通股所得款項淨額	33,355	—	—	—	—	33,355
滙兌差額	—	—	—	(1,588)	—	(1,588)
出售有待發展/發展中物業及持有作 出售之物業時釋放之儲備	—	—	—	—	(30,675)	(30,675)
被視作出售一間附屬公司若干權益時 釋放之儲備	—	—	(1)	(2)	—	(3)
商譽減值撥備	—	—	—	—	43,533	43,533
轉撥	—	—	16,792	—	(16,792)	—
股東應佔盈利	—	—	—	—	330,823	330,823
已付股息	—	—	—	—	(120,792)	(120,792)
於二〇〇四年十二月三十一日	<u>5,740,733</u>	<u>1,815</u>	<u>79,397</u>	<u>(78,299)</u>	<u>855,495</u>	<u>6,599,141</u>
相當於：						
二〇〇四年擬派末期股息					57,266	
其他					798,229	
於二〇〇四年十二月三十一日之保留盈利					<u>855,495</u>	

28 購股權

於二〇〇二年六月二十六日，本公司採納新購股權計劃，據此，本公司可向僱員(包括本公司董事)授出購股權以認購本公司的股份，惟上限為於二〇〇二年六月二十六日已發行之股份數目之10%。行使價將由本公司之董事會釐定，最少將為(i)本公司股份於購股權授出日期之收市價，(ii)本公司股份於緊接購股權授出日期前五個營業日之平均收市價，及(iii)本公司股份之面值(以較高者為準)。

於二〇〇四年十二月三十一日，根據舊購股權計劃授出之尚未行使購股權，可認購本公司股份合共9,626,000股。根據舊購股權計劃之規定，所有根據舊購股權計劃授出之購股權將繼續有效及可行使。

年內，購股權計劃之詳情及變動如下：

授出日期	行使期	行使價 港元	購股權數目				於二〇〇四年
			於二〇〇四年 一月一日 千股	已授出 千股	已行使 千股	失效 千股	十二月 三十一日 千股
舊購股權計劃							
一九九八年九月四日	一九九八年九月四日至 二〇〇四年九月三日	0.3936	52,000	—	(46,600)	(5,400)	—
一九九九年十二月十四日	一九九九年十二月十四日至 二〇〇五年十二月十三日	0.5008	14,174	—	(4,548)	—	9,626
新購股權計劃							
二〇〇三年五月二日	二〇〇三年五月二日至 二〇一三年五月一日	0.4100	152,150	—	(42,970)	—	109,180
二〇〇三年六月二日	二〇〇三年六月二日至 二〇一三年六月一日	0.5400	61,950	—	(1,800)	—	60,150
二〇〇三年十月二十七日	二〇〇三年十月二十七日至 二〇一三年十月二十六日	0.8140	12,620	—	(216)	—	12,404
二〇〇三年十二月二十三日	二〇〇三年十二月二十三日至 二〇一三年十二月二十二日	0.8460	100,632	—	(170)	(228)	100,234
二〇〇四年六月二十三日	二〇〇四年六月二十三日至 二〇一四年六月二十二日	0.6300	—	320,310	(6,576)	(1,320)	312,414
			<u>393,526</u>	<u>320,310</u>	<u>(102,880)</u>	<u>(6,948)</u>	<u>604,008</u>

26 應付賬款

應付賬款包括債權人之貿易結餘及就建築合約應付之工程保修金。

貿易應付款之賬齡分析如下：

	集團	
	二〇〇四年 千港元	二〇〇三年 千港元
零至三十日	32,433	75,453
三十一日至九十日	70,560	16,247
九十一日至一百八十日	24,008	40,828
一百八十一日至三百六十五日	65,755	62,674
一年至兩年	39,243	203,040
超過兩年	182,494	49,358
	<u>414,493</u>	<u>447,600</u>

27 股本

	股份數目 千股	千港元
法定股本：		
10,000,000,000股每股面值0.10港元之普通股	<u>10,000,000</u>	<u>1,000,000</u>
已發行及繳足股本：		
於二〇〇三年一月一日	6,118,102	611,810
就收購附屬公司發行股份	31,386	3,139
於行使購股權時發行股份	99,230	9,923
	<u>6,248,718</u>	<u>624,872</u>
於二〇〇三年十二月三十一日	6,248,718	624,872
於二〇〇四年一月一日	6,248,718	624,872
於行使購股權時發行股份(附註a)	102,880	10,288
	<u>6,351,598</u>	<u>635,160</u>
於二〇〇四年十二月三十一日	6,351,598	635,160

附註：

(a) 年內行使購股權(請參閱附註28)，因而發行每股面值0.1港元之普通股102,880,000股。

23 應收有關連公司及應付附屬公司少數股東之款項

- (a) 應收有關連公司及應付附屬公司少數股東之款項均無抵押、免息及無固定還款期。
- (b) 應收有關連公司款項詳情如下：

	集團		年內最高 未償還結餘 千港元
	二〇〇四年 千港元	二〇〇三年 千港元	
應收有關連公司款項			
應收有關連公司款項，由本公司 最終控股公司實益擁有	3,234	3,678	3,766

24 應收賬款

本集團對不同業務採用既定信貸政策。本集團之信貸期一般為三個月內。貿易應收款之賬齡分析如下：

	集團	
	二〇〇四年 千港元	二〇〇三年 千港元
零至三十日	174,569	213,938
三十一日至九十日	76,788	249,337
九十一日至一百八十日	81,345	48,372
一百八十一日至三百六十五日	43,789	89,711
超過一年	186,277	65,736
	<u>562,768</u>	<u>667,094</u>

25 銀行及現金結餘

本集團與本公司之銀行及現金結餘包括存入中國多間銀行之人民幣存款分別約757,369,000港元(二〇〇三年：803,021,000港元)及59,000港元(二〇〇三年：4,026,000港元)。該等人民幣結餘兌換為外幣時，須受中國政府頒佈之外匯管制規則及規定所限制。

於二〇〇四年十二月三十一日，本集團之銀行存款70,747,000港元(二〇〇三年：56,143,000港元)根據有關預售中國物業之條例而被限制使用。

19 於聯營公司之權益(續)

- (a) 除了合共568,414,000港元(二〇〇三年: 653,816,000港元)貸款按香港最優惠利率年利率介乎5至5.125厘; 美元最優惠利率介乎年利率4至5.25厘及中國財務機構主要利率介乎5.31至6.12厘計息外, 其餘結餘為無抵押、免息及無固定還款期。
- (b) 應收/(應付)聯營公司之款項為無抵押、免息及無固定還款期。
- (c) 有關本集團主要聯營公司於二〇〇四年十二月三十一日之詳情載於第92頁。

20 其他投資

	集團	
	二〇〇四年 千港元	二〇〇三年 千港元
其他投資, 成本值	317,555	316,059
減: 減值撥備	(56,208)	(56,208)
	<u>261,347</u>	<u>259,851</u>

其他投資主要指本集團投資於在中國成立之共同合作合資公司, 以發展及管理公路和發展物業。

21 有待發展/發展中物業及持有作出售之物業

有待發展物業包括有待發展之若干土地。本集團按可變現價值淨值入賬之有待發展/發展中物業及持有作出售之物業之金額約為2,130,000,000港元(二〇〇三年: 2,575,000,000港元)。

22 存貨

	集團	
	二〇〇四年 千港元	二〇〇三年 千港元
原材料	103,982	59,113
在製品	78,335	113,327
製成品	12,971	47,687
	<u>195,288</u>	<u>220,127</u>

於二〇〇四年及二〇〇三年十二月三十一日, 所有存貨按成本列賬。

18 於共同控制實體之權益

	集團	
	二〇〇四年 千港元	二〇〇三年 千港元
應佔資產淨值	470,976	384,439
收購一間共同控制實體產生之商譽減累計攤銷	20,077	20,265
	<u>491,053</u>	<u>404,704</u>
應收共同控制實體款項(附註(a))	188,843	411,825
減：應收共同控制實體款項撥備	(33,179)	(18,465)
	<u>155,664</u>	<u>393,360</u>
	<u>646,717</u>	<u>798,064</u>
應付共同控制實體款項(附註(a))	(123,442)	(75,340)

(a) 應收／(應付)共同控制實體之款項為無抵押、免息及無固定還款期。

(b) 於二〇〇四年十二月三十一日，本集團之附屬公司越秀交通有限公司擁有35%權益之廣州市西二環高速公路有限公司之資本承擔為2,528,000,000港元。

(c) 於二〇〇四年十二月三十一日，本集團之主要共同控制實體之詳情載於第91頁。

19 於聯營公司之權益

	集團	
	二〇〇四年 千港元	二〇〇三年 千港元
應佔資產淨值	747,987	651,060
收購一間聯營公司產之商譽減累計攤銷	158,083	164,670
	<u>906,070</u>	<u>815,730</u>
應收聯營公司貸款(附註(a))	787,421	872,606
應收聯營公司款項(附註(b))	86,765	84,681
減：應收聯營公司款項撥備	(19,908)	(19,908)
	<u>854,278</u>	<u>937,379</u>
	<u>1,760,348</u>	<u>1,753,109</u>
應付聯營公司款項(附註(b))	(112,150)	(112,221)

16 固定資產(續)

(c) 本集團及本公司於投資物業及其他物業之權益乃按彼等之賬面淨值分析如下：

	集團		公司	
	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元
以下列租約於香港持有：				
10年至50年之租約	724,500	720,000	—	—
50年以上之租約	131,850	156,416	20,747	18,900
於香港以外地區*持有：				
10年至50年之租約	25,524	183	175	183
50年以上之租約	4,260,750	4,229,500	—	—
	<u>5,142,624</u>	<u>5,106,099</u>	<u>20,922</u>	<u>19,083</u>

* 於香港以外的物業主要由位於中國的物業組成。

- (d) 本集團及本公司之投資物業已於二〇〇四年十二月三十一日由本集團聘用之獨立專業估值師行漢華評值有限公司按其公開市值進行重估。本集團及本公司之其他固定資產乃按成本減累計折舊列賬。
- (e) 於二〇〇四年十二月三十一日，本集團及本公司根據融資租賃持有之固定資產之賬面淨值為83,000港元(二〇〇三年：46,000港元)。

17 於附屬公司之投資

	公司	
	二〇〇四年 千港元	二〇〇三年 千港元
非上市股份投資，成本值	29,332	36,587
應收附屬公司之款項(附註(a))	<u>9,928,354</u>	<u>9,814,643</u>
	<u>9,957,686</u>	<u>9,851,230</u>
應付附屬公司之款項(附註(b))	<u>(377,464)</u>	<u>(354,938)</u>

- (a) 應收附屬公司之款項為無抵押及無固定還款期。除為數約7,405,982,000港元(二〇〇三年：約7,353,575,000港元)之應收附屬公司款項為免息外，所有應收附屬公司款項附有年息介乎2.5至5.5厘之利息。
- (b) 應付附屬公司之款項為無抵押及無固定還款期。除了約31,464,000港元(二〇〇三年：約31,445,000港元)為免息外，應付附屬公司之所有款項均為按香港銀行同業拆息加0.6%香港銀行同業拆息，再加年利率1.25厘。
- (c) 本公司於二〇〇四年十二月三十一日之主要附屬公司之詳情載於第79至90頁。
- (d) 截至二〇〇四年十二月三十一日止年度任何時間內，並無附屬公司擁有任何已發行借貸股本(二〇〇三年：無)。

16 固定資產(續)

(b) 公司

	投資物業 千港元	其他物業 千港元	租賃 物業裝修、 傢俬、裝置及 辦公室設備 千港元	汽車 千港元	總額 千港元
成本值或估值					
於二〇〇四年一月一日	9,375	14,338	9,234	4,465	37,412
添置	—	—	765	—	765
估值盈餘	2,200	—	—	—	2,200
轉撥	(1,275)	1,275	—	—	—
於二〇〇四年十二月三十一日	<u>10,300</u>	<u>15,613</u>	<u>9,999</u>	<u>4,465</u>	<u>40,377</u>
累積折舊					
於二〇〇四年一月一日	—	4,630	8,149	4,059	16,838
年內支出	—	361	469	146	976
於二〇〇四年十二月三十一日	<u>—</u>	<u>4,991</u>	<u>8,618</u>	<u>4,205</u>	<u>17,814</u>
賬面淨值					
於二〇〇四年十二月三十一日	<u>10,300</u>	<u>10,622</u>	<u>1,381</u>	<u>260</u>	<u>22,563</u>
於二〇〇三年十二月三十一日	<u>9,375</u>	<u>9,708</u>	<u>1,085</u>	<u>406</u>	<u>20,574</u>

16 固定資產

(a) 集團

	投資物業 千港元	其他物業 千港元	在建之 生產設施 千港元	廠房及機 器及工具 千港元	租賃物業 裝修、傢俬、 裝置及 辦公室設備 千港元		汽車 千港元	總額 千港元
成本值或估值								
於二〇〇四年一月一日	4,845,537	366,760	259,378	1,247,023	211,432	72,030	7,002,160	
添置	122,978	985	66,340	1,706	7,322	3,007	202,338	
轉撥(自)/往有待發展/ 發展中售物業	(164,825)	46,260	—	—	—	—	(118,565)	
重估虧絀	76,750	—	—	—	—	—	76,750	
轉撥	(76,729)	73,904	—	—	—	—	(2,825)	
於完成時轉撥	—	13,447	(237,413)	187,740	36,226	—	—	
出售	(28,406)	(35,440)	—	(22,028)	(7,017)	(4,933)	(97,824)	
於二〇〇四年十二月三十一日	4,775,305	465,916	88,305	1,414,441	247,963	70,104	7,062,034	
累積折舊								
於二〇〇四年一月一日	—	106,198	—	470,436	128,822	45,622	751,078	
年內支出	—	15,809	—	106,773	19,987	5,998	148,567	
轉撥	—	(2,825)	—	—	—	—	(2,825)	
出售	—	(20,585)	—	(25,549)	(1,941)	(3,341)	(51,416)	
於二〇〇四年十二月三十一日	—	98,597	—	551,660	146,868	48,279	845,404	
賬面淨值								
於二〇〇四年十二月三十一日	4,775,305	367,319	88,305	862,781	101,095	21,825	6,216,630	
於二〇〇三年十二月三十一日	4,845,537	260,562	259,378	776,587	82,610	26,408	6,251,082	

15 其他無形資產

	集團		
	商譽 千港元	負商譽 千港元	總計 千港元
於二〇〇四年一月一日	40,453	(575,706)	(535,253)
攤銷支出	(3,674)	48,967	45,293
二〇〇四年十二月三十一日	<u>36,779</u>	<u>(526,739)</u>	<u>(489,960)</u>
二〇〇四年十二月三十一日			
成本	51,310	(629,602)	(578,292)
累計攤銷	(14,531)	102,863	88,332
	<u>36,779</u>	<u>(526,739)</u>	<u>(489,960)</u>
於二〇〇三年十二月三十一日			
成本	51,310	(629,602)	(578,292)
累計攤銷	(10,857)	53,896	43,039
	<u>40,453</u>	<u>(575,706)</u>	<u>(535,253)</u>

14 於收費公路及橋樑之權益

	集團		
	無形 經營權 千港元	有形 基本建設 千港元	總額 千港元
於二〇〇四年一月一日	1,750,864	348,783	2,099,647
添置	3,121	—	3,121
攤銷/折舊支出	(88,945)	(12,447)	(101,392)
於二〇〇四年十二月三十一日	<u>1,665,040</u>	<u>336,336</u>	<u>2,001,376</u>
於二〇〇四年十二月三十一日			
成本	2,146,227	403,755	2,549,982
累積攤銷/折舊	(481,187)	(67,419)	(548,606)
賬面淨值	<u>1,665,040</u>	<u>336,336</u>	<u>2,001,376</u>
於二〇〇三年十二月三十一日			
成本	2,143,106	403,755	2,546,861
累積攤銷/折舊	(392,242)	(54,972)	(447,214)
賬面淨值	<u>1,750,864</u>	<u>348,783</u>	<u>2,099,647</u>

無形經營權及有形基本建設位於中國。

13 董事及高級管理人員酬金 (續)

(b) 酬金介乎以下幅度內之本公司董事數目如下：

酬金組別	董事人數	
	二〇〇四年	二〇〇三年
零港元 — 1,000,000港元	5 ¹	12 ¹
1,000,001港元 — 1,500,000港元	1	2
1,500,001港元 — 2,000,000港元	2	2
2,000,001港元 — 2,500,000港元	1	3
2,500,001港元 — 3,000,000港元	1	—
3,000,001港元 — 3,500,000港元	1	—
3,500,001港元 — 4,000,000港元	1	—
	<u>12</u>	<u>19</u>

¹ 包括三名(二〇〇三年：兩名)獨立非執行董事。

於截至二〇〇四年及二〇〇三年十二月三十一日止年度概無董事放棄酬金。本集團年內並無已付或應付任何酬金，作為吸引加入或加入本集團時之酬金，或作為截至二〇〇四年及二〇〇三年十二月三十一日止年度離職補償。

(c) 截至二〇〇四年十二月三十一日止年度集團內五名最高薪酬人士亦為董事，其酬金已載於上文分析。

12 員工成本(包括董事酬金)(續)

退休金計劃安排(續)

本公司於中國經營業務之附屬公司，須參加由廣州市人民政府設立之定額供款退休計劃。所有中國員工於彼等之退休日期，有權收取相當於彼等最後一個月基本薪金金額之固定比例作為退休金，惟由當地合夥人廣州市公路開發公司(「公路開發公司」)僱用之五間中國附屬公司之大部份員工除外。該等員工乃根據此等附屬公司與公路開發公司簽訂之公路管理協議(「管理協議」)而聘用。根據管理協議(詳情於賬目附註39(b)披露)，公路開發公司承諾全權負責向由公路開發公司聘用為履行管理協議所定職務之員工及職工，支付根據中國有關法律及法規規定支付之薪金及一切法定福利、保險及公益金。其他附屬公司須按其僱員基本薪金16%至24%之比率，向該退休計劃供款。

本集團供款已自其損益表中扣除，而年內本集團支付之費用為38,528,000港元(二〇〇三年：21,363,000港元)。

13 董事及高級管理人員酬金

(a) 年內本公司向董事支付或應付之酬金總額如下：

	二〇〇四年 千港元	二〇〇三年 千港元
袍金(附註(i))	86	76
其他酬金：		
基本薪金、房屋津貼、其他津貼及實物利益	5,767	8,004
酌情花紅	10,772	7,434
董事退休金	109	162
	<u>16,734</u>	<u>15,676</u>

附註：

(i) 董事袍金乃支付予獨立非執行董事之款項。

11 每股盈利

每股基本及攤薄盈利是根據本集團股東應佔盈利330,823,000港元(二〇〇三年：300,653,000港元)計算。

每股基本盈利乃按年內已發行普通股的加權平均數6,318,186,352股(二〇〇三年：6,146,494,166股)計算。每股攤薄盈利乃按6,424,401,643股(二〇〇三年：6,223,195,777股)計算，即年內已發行普通股的加權平均數，加上假設所有未行使的購股權已行使而被視作無償發行的普通股加權平均數106,215,291股(二〇〇三年：76,701,611股)計算。

12 員工成本(包括董事酬金)

	二〇〇四年 千港元	二〇〇三年 千港元
薪酬工資	221,989	198,757
退休成本(界定供款計劃)	38,528	22,585
醫療福利成本(界定供款計劃)	5,492	4,561
社會保障成本	15,674	14,405
解僱補償	1,554	763
員工福利	16,405	18,315
	<u>299,642</u>	<u>259,386</u>

退休金計劃安排

本集團為香港僱員設立一項退休金計劃。該計劃乃是定額供款計劃，並由獨立信託人管理。就每一位參與僱員而言，該僱員及本集團分別向該計劃提供僱員基本薪金5%及5%至15%之供款。於年內及於二〇〇四年十二月三十一日，概無任何重大沒收有權全數獲得供款前離開該計劃之僱員之供款(二〇〇三年：無)。

本集團為香港僱員參與強制性公積金計劃(「強積金計劃」)。根據香港強制性公積金計劃條例所界定，本集團的強積金計劃的供款為參與僱員有關收入的5%，對每名僱員每月最高的供款額為1,000港元。如僱員的有關收入每月超過5,000港元，則僱員亦可於強積金計劃作出相應供款。只要僱員繳付供款，則強積金供款將全數及即時歸僱員所有，並計作應計收益。

8 稅項 (續)

本集團有關除稅前溢利之稅項與假若採用中國(本集團的本國)企業所得稅之稅率而計算之理論稅額之差額如下:

	二〇〇四年 千港元	二〇〇三年 千港元
除稅前溢利	822,335	628,932
按中國企業所得稅稅率33%(附註(i))(二〇〇三年:33%) 計算之稅項	271,371	207,548
不同稅率之影響	(81,351)	(53,250)
稅率提高產生之期初遞延稅項資產淨額之增加	—	(1,019)
免稅期稅項寬減之影響	(201)	(263)
無須課稅之收入	(22,132)	(29,677)
不可扣稅之支出	36,246	44,051
未確認稅損之影響淨額及使用早前未有確認之稅損 過往年度撥備不足/(超額撥備)	13,663	(8,094)
就計算所得稅可扣稅之土地增值稅之影響	5,296	(6,051)
	6,071	19,035
土地增值稅	228,963	172,280
稅項支出	(18,398)	(57,681)
	210,565	114,599

附註:

(i) 因本集團大部份之經營均於中國進行而採納之中國企業所得稅稅率。

9 股東應佔盈利

計入本公司賬目之股東應佔盈利,為100,356,000港元(二〇〇三年:62,170,000港元)。

10 股息

	二〇〇四年 千港元	二〇〇三年 千港元
已付中期股息,每股普通股0.0083港元(二〇〇三年:0.008港元)	52,531	49,502
擬派末期股息,每股普通股0.009港元(二〇〇三年:0.0108港元)	57,266	68,038
	109,797	117,540

於二〇〇五年四月二十一日舉行之大會上,董事擬宣派末期股息每股普通股0.009港元。截至二〇〇五年十二月三十一日止年度,擬派股息並未作為應付股息計入該等賬目,但將會作為保留盈利撥款計入。

8 稅項 (續)

(d) 在綜合損益表內扣除的稅項金額為：

	二〇〇四年 千港元	二〇〇三年 千港元
本公司及附屬公司		
本期稅項		
香港利得稅	1,547	1,627
中國企業所得稅	135,656	78,974
中國土地增值稅	68,295	42,544
以往年度撥備不足／(超額撥備)	5,296	(6,051)
與沖回暫時差額有關的遞延稅項	(31,852)	(30,949)
因稅率增加而導致的遞延稅項	—	(1,019)
	<u>178,942</u>	<u>85,126</u>
聯營公司		
應佔中國企業所得稅	13,990	5,814
應佔遞延稅項	11,589	17,782
共同控制實體		
應佔遞延稅項	6,044	5,877
稅項開支	<u><u>210,565</u></u>	<u><u>114,599</u></u>

7 理財成本

	二〇〇四年 千港元	二〇〇三年 千港元
銀行貸款及透支之利息	135,656	230,458
融資租賃承擔之利息	—	70
贖回可換股債券溢價	—	1,950
利息		
— 欠附屬公司少數股東之款額	4,643	—
— 最終控股公司之貸款	3,455	3,977
— 一有關連公司之貸款	1,031	721
— 可換股債券	—	3,544
— 其他貸款	23,126	3,285
	<hr/>	<hr/>
產生之借貸成本總額	167,911	244,005
減：資本化作為有待發展／發展中物業之金額(附註(i))	(55,399)	(19,272)
	<hr/>	<hr/>
	112,512	224,733
	<hr/> <hr/>	<hr/> <hr/>

附註：

- (i) 截至二〇〇四年十二月三十一日止年度，資本化借貸成本之平均利率約為年息4.76厘(二〇〇三年：年息5.31厘)。

8 稅項

- (a) 年內的香港利得稅已按17.5%稅率(二〇〇三年：17.5%)及按估計應課稅溢利計提撥備。
- (b) 本集團根據中國外商投資企業所得稅法(「中國稅法」)，按介乎18%至33%稅率，就中國附屬公司、聯營公司及共同控制實體的盈利作出中國企業所得稅準備。根據中國稅法，本集團的若干附屬公司、聯營公司及共同控制實體由首個獲利年度起的兩年至五年獲享免繳所得稅，在免稅期後三年至五年享有所得稅減半的優惠。
- (c) 中國土地增值稅按介乎30%至60%的累進稅率及按土地增值價值(即出售物業所得款項減可扣減的開支，包括土地的成本，以及發展及建設開支)徵收。

6 經營盈利

經營盈利已扣除下列目項：

	二〇〇四年 千港元	二〇〇三年 千港元
計入		
投資物業租金收入總額	300,747	292,380
減：直接支出	(27,486)	(29,530)
投資物業租金收入淨額	273,261	262,850
負商譽攤銷		
— 計入銷售成本	42,007	37,811
— 計入行政開支	6,960	6,959
其他應付款之撥回	1,300	45,527
滙兌收益淨額	2,275	6,367
扣除		
核數師酬金	4,607	4,944
廣告開支	129,997	96,443
售出存貨成本	3,202,685	2,508,535
折舊		
— 自置固定資產	148,544	119,521
— 租賃固定資產	23	14
收費公路及橋樑之權益攤銷／折舊 (計入銷售成本)	101,392	98,163
商譽攤銷 (計入行政成本)	10,449	11,352
出售附屬公司若干權益之虧損	—	998
出售固定資產之虧損	6,436	27,628
出售其他投資之虧損	—	1,059
員工成本 (附註12)	299,642	259,386
經營租賃		
— 租賃廠房及工作坊 (附註39(a))	16,215	17,350
— 土地及樓宇	47,783	43,654
呆賬準備	5,933	68,659

2 營業額、收益及分類資料(續)

從屬分部報告形式－地區分部資料

	營業額		總資產		資本性開支	
	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元
香港	448,891	180,674	1,407,288	1,490,990	28,253	1,611
中國	4,051,641	3,741,675	22,730,719	23,121,470	177,206	228,097
海外	26,147	2,760	46,582	52,587	—	106
	<u>4,526,679</u>	<u>3,925,109</u>	<u>24,184,589</u>	<u>24,665,047</u>	<u>205,459</u>	<u>229,814</u>
未分配資產			<u>1,016,434</u>	<u>1,120,871</u>		
總資產			<u>25,201,023</u>	<u>25,785,918</u>		

3 撥回呆賬撥備

此乃有關於以往年度就應收款項悉數撥備，猶如不肯定其最終可收回。年內，集團董事重新評估，確定導致該撥備之情況不再存在，因此作出撥回。

4 被視作出售附屬公司若干權益之虧損

截至二〇〇四年十二月三十一日止年度，越秀交通有限公司(「越秀交通」)於越秀交通僱員購股權獲行使後發行416,000股(二〇〇三年：64,448,000股)股份，其後，本公司於越秀交通之實利減少0.02%(二〇〇三年：2.66%)。這導致被視作出售虧損481,000港元(二〇〇三年：94,942,000港元)。

5 將持有／在建物業撥回／(撇減)至可變現價值淨額

	二〇〇四年 千港元	二〇〇三年 千港元
將有待發展／發展中物業撥回／(撇減)至可變現價值淨額	<u>44,546</u>	<u>(5,805)</u>

若干持有／在建物業於過往年度撇減至可變現淨值。由於年內該等物業之市值增加，因此撥回所作撥備。

2 營業額、收益及分類資料(續)

從屬分部報告形式－地區分部資料

本集團的三項業務範疇主要在香港及中國管理：

香港－房地產

中國－收費公路業務、房地產及紙張

其他－房地產

地區分部之間並無重大銷售。

主要分部報告－業務分部資料

	收費公路業務		房地產		造紙		本集團	
	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元
營業額	400,212	428,873	2,885,774	2,489,973	1,240,693	1,006,263	4,526,679	3,925,109
分部業績	148,790	185,289	530,881	591,423	95,296	90,293	774,967	867,005
利息收入							5,587	8,450
被視作出售附屬公司若干權益的虧損							(481)	(94,942)
未分配經營成本							(36,587)	(58,922)
理財成本							(112,512)	(224,733)
分佔下列公司的盈利減(虧損)：								
共同控制實體	13,772	(20,419)	(36,793)	(29,274)	—	—	(23,021)	(49,693)
聯營公司	214,382	181,607	—	160	—	—	214,382	181,767
除稅前盈利							822,335	628,932
稅項							(210,565)	(114,599)
除稅後盈利							611,770	514,333
少數股東權益							(280,947)	(213,680)
股東應佔盈利							330,823	300,653
分部資產	2,229,404	2,335,043	18,052,478	18,062,645	1,495,642	1,716,186	21,777,524	22,113,874
於共同控制實體之權益	422,892	330,621	223,825	467,443	—	—	646,717	798,064
於聯營公司之權益	1,671,842	1,671,076	88,506	82,033	—	—	1,760,348	1,753,109
未分配資產							1,016,434	1,120,871
總資產							25,201,023	25,785,918
分部負債	565,843	575,491	4,350,840	4,513,596	221,621	245,410	5,138,304	5,334,497
未分配負債							9,360,611	10,107,239
總負債							14,498,915	15,441,736
資本性開支	3,788	20,703	133,368	101,407	68,303	107,704	205,459	229,814
折舊及攤銷	113,871	111,113	(21,361)	(29,791)	118,931	102,958	211,441	184,280

2 營業額、收益及分類資料

本集團主要從事發展、經營及管理收費公路及橋樑；發展、出售及管理物業及持有投資物業及製造及買賣新聞紙業務。已確認的收益如下：

	二〇〇四年 千港元	二〇〇三年 千港元
營業額		
來自收費公路業務的路費收入	400,212	428,873
物業管理費收入	114,610	70,760
租金收入		
— 物業	367,050	319,066
— 停車位	65,339	58,908
銷售收入		
— 出售物業	1,987,231	1,955,105
— 新聞紙銷售	1,240,693	1,006,263
— 其他	351,544	86,134
	<u>4,526,679</u>	<u>3,925,109</u>
其他收益		
利息收入	5,587	8,450
股息收入	14,904	3,483
物業銷售及租賃的佣金	15,065	19,616
	<u>35,556</u>	<u>31,549</u>
總收益	<u><u>4,562,235</u></u>	<u><u>3,956,658</u></u>

期內營業額及分類業績如下：

主要分部報告－業務分部資料

本集團主要在香港及中國內地（「中國」）經營業務，並分為三項主要業務：

- 房地產－發展、出售及管理物業及持有投資物業
- 收費公路業務－發展、經營及管理收費公路及橋樑
- 造紙－製造及出售新聞紙

各項業務之間並無重大銷售。

1 主要會計政策 (續)

(r) 借貸成本

凡直接與購置、興建或生產某項資產(該資產必須經過頗長時間籌備以作預定用途或出售)有關之借貸成本，均資本化為資產之部分成本。

所有其他借貸成本均於發生年度內在損益賬支銷。

(s) 分部報告

按照本集團之內部財務報告，本集團已決定將業務分部資料作為主要分部報告，而地區分佈資料則作為從屬形式呈列。

未分配成本指集團整體性開支。分部資產主要包括無形資產、固定資產、存貨、有待發展／發展中物業、持有作出售物業、物業發展項目、應收款，以及於共同控制實體及聯營公司之權益。分部負債指經營負債，並且不包括例如稅項及若干集團整體性之借款等項目。資本性開支包括收費公路及橋樑權益(附註14)及固定資產添置(附註16)。

至於地區分部報告，銷售額乃按照客戶所在國家計算。總資產及資本性開支按資產所在地計算。

1 主要會計政策 (續)**(p) 政府補貼**

當能夠合理地保證本集團會符合附帶條件以及補貼將可收取時，政府補貼確認入賬。

與收入有關之補貼遞延及按擬補償之成本配合所需期間在損益賬中記賬。

與購買固定資產有關之政府補貼列作非流動負債下之遞延收入，並按有關資產之預期可用年期以直線法撥入損益賬。

(q) 收入及盈利之確認

(i) 出售持有作出售物業所得之收入，於簽立受法律約束之銷售合約時確認入賬。

(ii) 於落成前出售有待發展／發展中物業所得之收入，於簽立受法律約束之銷售合時確認入賬。

當有待發展／發展中作出售之物業於落成前已預先售出，而對該物業發展項目之結果亦可合理肯定，則估計盈利之總額將按整段建築期間內攤分，以反映該項發展之進度。盈利將每年按完成時之估計盈利總額之比率而計算，而所採用之比率乃於結算日所產生之建築成本與落成前之估計建築成本總額之比率，惟以已收取之分期付款之款項為限，並須就或有費用作出適當準備。

倘買方於落成時未能支付購買價之餘額，而本集團行使轉售物業之權利，則落成前已收取之銷售訂金將予沒收並列入經營盈利，任何已確認之盈利會按上述之政策予以撥回。

(iii) 經營租賃之租金收入按直線法基準確認。

(iv) 物業管理收入在提供服務之年度確認。

(v) 銷貨收益在擁有權之風險及回報轉移時確認，通常亦即為貨品付運予客戶及所有權轉讓時。

(vi) 扣除收益稅之路費收入乃在收訖時予以確認。

(vii) 利息收入依據未償還本金額及適用利率按時間比例確認。

(viii) 股息收入在收取股息之權利確定時確認。

(ix) 物業經紀的代理費收入於有關協議成為無條件或不可撤回時確認。

1 主要會計政策 (續)

(m) 或然負債及或然資產

或然負債指因已發生的事件而可能引起之責任，此等責任需就某一宗或多宗事件會否發生才能確認，而集團並不能完全控制這些未來事件會否實現。或然負債亦可能是因已發生的事件引致之現有責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地衡量而未有入賬。

或然負債不會被確認，但會在賬目附註中披露。假若消耗資源之可能性改變導致可能出現資源消耗，此等負債將被確立為撥備。

或然資產指因已發生的事件而可能產生之資產，此等資產需就某一宗或多宗事件會否發生才能確認，而集團並不能完全控制這些未來事件會否實現。

或然資產不會被確認，但會於可能收到經濟效益時在賬目附註中披露。若實質確定有收到經濟效益時，此等效益才被確立為資產。

(n) 遞延稅項

遞延稅項採用負債法就資產負債之稅基與它們在財務報表之賬面值兩者之短暫時差作全數撥備。主要臨時性差額因固定資產折舊、若干非流動資產及投資之重估、退休金及其他退休後福利之撥備及稅項虧損結轉而產生，而就收購而言，則於所收購之資產淨值之公平值與其稅基兩者之間之差額而產生。遞延稅項採用在結算日前已頒佈或實質頒佈之稅率釐定。

遞延稅項資產乃就有可能將未來應課稅溢利與可動用之短暫時差抵銷而確認。

遞延稅項乃就附屬公司、聯營公司及合營企業之短暫時差而撥備，但假若可以控制時差之撥回，並有可能在可預見未來不會撥回則除外。

(o) 僱員福利

(i) 僱員應享假期

僱員在年假和長期服務休假之權利在僱員應享有時確認。根據截至結算日止僱員已提供之服務而估計之年假及長期服務休假之負債已作出撥備。

僱員之病假及產假或陪妻分娩假不作確認，直至僱員正式休假為止。

(ii) 退休金責任

本集團向界定供款退休計劃作出之供款在發生時作為費用支銷，而員工在全數取得既得之利益前退出計劃而被沒收之僱主供款將會用作扣減此供款。退休計劃之資產與集團之資產分開持有，由獨立管理基金保管。

(iii) 醫療福利

本集團向界定供款醫療福利計劃作出之供款在發生時作為費用支銷。

1 主要會計政策 (續)

(g) 投資證券及其他投資

持有作長期項目之其他投資，乃按成本值減累積減值虧損後列賬。個別投資項目之賬面值於每個結算日審閱，以評估公平值是否已下降至低於賬面值。當非暫時性之下降出現，該項投資之賬面值將減至其公平值。減值虧損於損益賬中確認為開支。當不再存在導致撇減或撇銷之情況及事件，及有足夠證據顯示在可預見未來將出現新情況及事件，此項減值虧損會撥回盈利或虧損。

倘本集團於有關合營期終時放棄投資之權利與權益，投資之攤銷乃按其合營年期以直線法撇銷其成本計算。其他投資之業績乃按已收取及應收取之股息基準列賬。

(h) 有待發展／發展中物業

有待發展／發展中物業按成本列賬，其中包括土地之成本、發展及建築開支（經扣除附帶租金收入）、撥作資本之借貸成本及發展應佔之其他直接成本，加上計至當日按附註1(q)(ii)所載基準確認之應佔盈利，減可預見虧損之撥備及已收之分期付款銷售額。

(i) 持有作出售用途之物業

持有作出售用途之物業按成本及可變現淨值兩者中之較低者列賬。成本包括土地成本、發展及建築費用、撥作資本之借貸成本及其他附帶費用。可變現淨值乃物業可變現之估計價格減有關費用。

(j) 存貨

存貨包括製成品及在製品，按成本值與可變現淨值二者之較低者入賬。成本值以加權平均法計算，並包括原材料、直接人工及所有生產經常開支之應佔部份。可變現淨值乃按預計銷售所得款項扣除估計營銷費用計算。

(k) 應收賬款

凡被視為呆賬之應收賬款，均提撥準備。在資產負債表內列賬之應收賬款已扣除有關之準備金。

(l) 現金及現金等價物

現金及現金等價物按成本在資產負債表內列賬。在現金流量表中，現金及現金等價物包括庫存現金、銀行通知存款及銀行透支。

1 主要會計政策 (續)

(f) 無形資產 (續)

(i) 商譽／負商譽 (續)

不涉及可識別之預期未來虧損及開支並能可靠地量度之商譽，收購從事收費公路或橋樑之附屬公司／聯營公司／共同控制實體之收購負商譽，以直線法於不超過二十年期間攤銷，而就收購從事物業投資之附屬公司／聯營公司／共同控制實體產生之負商譽而言，以不超過購入非貨幣性資產之公平值為限，並按下列基礎攤銷：

- 發展中及持有作出售之物業 — 按已售物業之實際面積與可供銷售之實用面積總數之比率計算攤銷。
- 投資物業 — 採用直線法按最長達二十年之方式計算攤銷。

超出該等非貨幣性資產公平值之負商譽會即時在損益賬中確認。

在二〇〇一年一月一日之前產生之收購商譽／負商譽，已與儲備抵銷。商譽所產生之任何減值，均記入損益賬。

出售某實體之損益，包括與所出售實體有關商譽之未攤銷結餘，或倘若於二〇〇一年一月一日前進行收購，則包括已於儲備中撇銷但從未於損益表內變現之有關商譽。

(ii) 研究及發展成本

研究成本在發生時作為費用支銷。當能夠證明開發中產品技術之可行性及有意完成該產品，而亦有資源協助、成本可予識別，及有能力出售或使用該資產而能賺取盈利，則將新產品或改良產品之設計及測試之開發所涉及之成本確認為無形資產，並以直線法按不超過五年之期間攤銷，以反映將相關經濟效益確認之模式。不符合上述條件之發展成本在發生時作為費用支銷。已入賬為支出之開發成本不會在往後期間確認為資產。

(iii) 無形資產減值

如有跡象顯示出現減值，則無形資產之賬面值，包括之前已在儲備記賬之商譽，均需評估及即時撇減至可收回價值。

1 主要會計政策(續)

(d) 租賃資產(續)

(ii) 經營租賃

經營租賃是指擁有資產之風險及回報實質上由出租公司保留之租賃。租賃款額在扣除自出租公司收取之任何獎勵金後，於租賃期內以直線法在損益表中支銷。

(e) 收費公路及橋樑之權益

收費公路及橋樑之權益包括有形基本建設及無形經營權。有形基本建設之折舊乃根據資產可使用期內於指定期間之車流量除以預測總流量為基準，按單位使用基準攤銷彼等之成本計算。集團會定期審閱於各資產可使用期各有形基本建設之預測總流量及(如適用)考慮所取得之獨立專業交通調查。倘出現重大變動，則會作出適當調整。有形經營權之攤銷乃根據持有經營權之期間按直線法除以20至30年計算撥備。

於各結算日，收費公路及橋樑均透過內部及外界所獲得之資訊，評核有權益有否耗蝕。如有跡象顯示出現耗蝕，則估算其可收回價值，及在合適情況下確認減值虧損以將資產減值至其可收回金額。有關減值虧損乃於損益賬中確認。

(f) 無形資產

(i) 商譽/負商譽

商譽指收購成本超出於收購日集團應佔所收購附屬公司/聯營公司/共同控制實體之淨資產之數額。收購從事收費公路或橋樑之附屬公司/聯營公司/共同控制實體之收購商譽，以直線法於不超過二十年期間攤銷。倘有跡象顯示減值存在，將會評估商譽之賬面值，並即時將其撇減為可收回金額。

負商譽指本集團應佔所購淨資產之公平值超出收購成本之數額，於資產負債表內之分類方式與商譽一樣。

涉及本集團收購計劃內已識別之預期未來虧損及開支並能可靠地量度之負商譽，於未來虧損及開支可予確認時在損益賬確認，惟此等負商譽不代表收購日之可予識別負債。

1 主要會計政策 (續)

(c) 固定資產 (續)

(iv) 其他固定資產

其他固定資產，包括廠房及機器及工具、租賃物業裝修、傢俬、裝置及辦公室設備及汽車，以成本值減累積折舊及累積減值虧損列賬。

其他固定資產以直線法於其估計可用年限內將其成本值減累積減值虧損折舊。主要之折舊年率如下：

廠房及機器及工具	5至33%
租賃物業裝修、傢俬、裝置及辦公室設備	20%
汽車	20至33%

機器零件按維修期折舊。將機器零件重修至其正常運作狀態使整體資產可繼續使用之重大支出均資本化，並按零件下次維修期限折舊。

資產改良支出均資本化，並按其對本集團之預計可用年期折舊。

(v) 減值與出售固定資產之收益或虧損

在每年結算日，固定資產項內之資產皆透過集團內部及外界所獲得的資訊，評核該等資產有否耗蝕。如有跡象顯示該等資產出現耗蝕，則估算其可收回價值，及在合適情況下將減值虧損入賬以將資產減至其可收回價值。此等減值虧損在損益表入賬，但假若某資產乃按估值列賬，而減值虧損不超過該資產之重估盈餘，此等虧損則當作重估減值。

除出售投資物業之收益或虧損外，出售固定資產之收益或虧損將列算於損益表內。出售固定資產之收益或虧損乃出售所得收入淨額與資產賬面值之差額。任何屬於被出售之資產之重估儲備結餘均轉撥至保留盈餘，並列作儲備變動。

(d) 租賃資產

(i) 融資租賃

融資租賃是指將擁有資產之風險及回報實質上轉讓予集團之租賃。融資租賃之資產在開始時按租賃資產之公平值或最低租賃付款之現值，以較低者入賬。每期租金均分攤為資本性支出及財務費用，以達到資本結欠額之常數比率。相應租賃承擔在扣除財務費用後計入非流動負債內。財務費用於租約期內在損益表中支銷。

以融資租賃持有之資產按資產之估計可用年限或租約期 (以較短者為準) 計算折舊。

1. 主要會計政策 (續)

(c) 固定資產

(i) 投資物業

投資物業乃在土地及樓宇中所佔之權益，而該等土地及樓宇之建築工程及發展經已完成，因其具有投資價值而持有，任何租金收入均按公平原則磋商。

持有之投資物業，若其租約尚餘年期超過20年，皆由獨立估值師每年估值一次。估值是以個別物業之公開市值為計算基準，而土地及樓宇並不分開估值。估值會用於年度賬目內。重估之增值撥入投資物業重估儲備，減值則首先以整個組合為基礎與先前之增值對銷，然後從經營盈利中扣除。其後任何增值將撥入經營盈利，惟最高以先前扣減之金額為限。

租約尚餘20年或以下年期之投資物業均按租約尚餘年期折舊。

在出售投資物業時，重估儲備中與先前估值有關之已變現部分，將從投資物業重估儲備轉撥至損益表。

(ii) 其他物業

其他物業為投資物業以外之土地及樓宇權益，並按成本值減累積折舊及累積減值虧損後列賬。租約土地及樓宇乃按租約尚餘年期或其對本集團之預計可使用年期(以較短者為準)計算折舊，以撇銷其成本值減累積減值虧損之數額。就此而採用之主要年率如下：

租賃土地	2至3%
樓宇	2至4%

(iii) 在建之生產設施

在建之生產設施乃按成本列賬，其中包括建造成本、購入廠房與待安裝之機械之成本，及用於工程融資貸款之利息支出。

除非已完成及已作商業用途，否則在建之生產設施不會作折舊撥備。

1 主要會計政策 (續)

(b) 集團會計 (續)

(ii) 共同控制實體

共同控制實體指集團與其他人士以合約協議方式共同進行經濟活動，該活動受雙方共同控制，任何一方均沒有單方面之控制權。

綜合損益表包括集團應佔共同控制實體本年度業績，而綜合資產負債表則包括集團應佔共同控制實體之資產淨值及收購產生之商譽/負商譽(扣除累計攤銷)。

(iii) 聯營公司

聯營公司為附屬公司以外，集團持有其股權作長期投資，並對其管理具有重大影響力之公司。

綜合損益表包括集團應佔聯營公司之本年度業績，而綜合資產負債表則包括集團應佔聯營公司之資產淨值及收購產生之商譽/負商譽(扣除累計攤銷)。

當聯營公司之投資賬面值已全數撇銷，便不再採用權益會計法，除非集團就該聯營公司已產生承擔或有擔保之承擔。

(iv) 外幣換算

以外幣為本位之交易，均按交易當日之匯率折算。於結算日以外幣顯示之貨幣資產與負債則按結算日之匯率折算。由此產生之匯兌盈虧均計入損益表。

附屬公司、共同控制實體及聯營公司以外幣顯示之資產負債表均按結算日之匯率折算，而損益表則按平均匯率折算。由此產生之匯兌盈虧作為儲備變動入賬。

1 主要會計政策

本賬目乃按照香港普遍採納之會計原則及香港會計師公會頒佈之準則編製。賬目並依據歷史成本常規法編製，惟投資物業乃按公平值列賬。

香港會計師公會已發出若干新及經修訂的香港財務報告準則（「新香港財務報告準則」），由二〇〇五年一月一日或以後開始的會計期間生效。本集團並無於截至二〇〇四年十二月三十一日止年度的賬目提前採納該等新香港財務報告準則。本集團已開始評估該等新香港財務報告準則的影響，但仍未能評論該等新香港財務報告準則會否對其營運業績及財務狀況造成重大影響。

採納用以編製該等賬目之主要會計政策載於下文：

(a) 編製基準

賬目根據持續基準編製，因公司董事及集團管理層相信，集團之短期借貸及長期銀行借貸的即期部分將於到期日滾存或以新融資資源取代。

(b) 集團會計

(i) 綜合賬目

綜合賬目包括本公司及各附屬公司截至十二月三十一日止之賬目。

附屬公司指集團控制董事會之組成、超過半數投票權或持有過半數發行股本之公司。

在年內購入或售出之附屬公司，其業績由收購生效日起計或計至出售生效日止列入綜合損益表內。

所有集團內公司間之重大交易及結餘已於綜合賬目時對銷。

出售附屬公司之收益或虧損指出售所得之收入與集團應佔該公司資產淨值之差額，連同任何未攤銷商譽／負商譽之前並未在綜合損益表內支銷或入賬但已在儲備記賬之商譽／負商譽。

少數股東權益指外界股東在附屬公司之經營業績及資產淨值中擁有之權益。

在本公司之資產負債表內，附屬公司之投資以成本值扣除減值虧損準備入賬。本公司將附屬公司之業績按已收及應收股息入賬。

綜合權益變動表

截至二〇〇四年十二月三十一日止年度

	附註	二〇〇四年 千港元	二〇〇三年 千港元
於一月一日之權益總額		6,969,360	6,710,047
換算海外附屬公司、聯營公司及共同控制實體賬目產生之滙兌差額	29	(1,588)	3,748
出售有待發展／發展中物業及持有作出售之物業時釋放之儲備	29	(30,675)	(66,070)
被視作出售附屬公司若干權益時釋放之儲備	29	(3)	(547)
商譽減值撥備	29	43,533	—
未於損益賬確認之收益／(虧損)淨額		11,267	(62,869)
股東應佔盈利	29	330,823	300,653
已付股息	29	(120,792)	(49,502)
發行股份扣除發行費用	27及29	43,643	71,031
於十二月三十一日之權益總額		7,234,301	6,969,360

綜合現金流量表

截至二〇〇四年十二月三十一日止年度

	附註	二〇〇四年 千港元	二〇〇三年 千港元
理財活動	33(d)		
發行普通股		43,643	43,725
附屬公司少數股東之出資額		4,476	6,037
提供墊款予聯營公司		48,031	2,399
新借銀行貸款		932,996	2,252,575
償還銀行貸款		(1,801,602)	(3,005,352)
增添其他貸款		177,745	183,093
償還其他貸款		(231,818)	(19,356)
已付股息		(120,792)	(49,502)
已付附屬公司少數股東股息		(218,993)	(176,325)
理財項目產生之現金流出淨額		<u>(1,166,314)</u>	<u>(762,706)</u>
現金及現金等價物之減少 年初之現金及現金等價物		(158,914)	(9,527)
		<u>1,035,808</u>	<u>1,045,335</u>
年終之現金及現金等價物		<u>876,894</u>	<u>1,035,808</u>
現金及現金等價物結餘分析			
銀行結餘及現金		901,657	1,075,294
銀行透支		(24,763)	(39,486)
		<u>876,894</u>	<u>1,035,808</u>

綜合現金流量表

截至二〇〇四年十二月三十一日止年度

	附註	二〇〇四年 千港元	二〇〇三年 千港元
經營業務產生之現金流入淨額	33(a)	1,432,275	991,747
收取利息		5,587	8,450
支付利息		(167,911)	(242,055)
支付香港利得稅		(1,558)	(2,059)
支付中國企業所得稅及支付土地增值稅		(118,344)	(108,110)
經營業務所得之現金流入淨額		<u>1,150,049</u>	<u>647,973</u>
投資業務			
收取共同控制實體及聯營公司之股息		94,060	125,012
收取其他投資之股息		14,904	32,392
收費公路及橋樑之投資		(3,121)	(11,223)
購買固定資產		(202,338)	(200,906)
出售固定資產		39,972	7,036
收購附屬公司	33(b)	2,339	16,683
出售附屬公司之若干權益	33(c)	—	8,639
發行附屬公司股份予其少數股東		315	56,818
注資於共同控制實體		(82,160)	—
出售共同控制實體		—	59,346
購買其他投資		(1,496)	—
聯營公司及共同控制實體(提供之墊款)／還款		(5,124)	11,409
投資業務之現金(流出)／流入淨額		<u>(142,649)</u>	<u>105,206</u>

資產負債表

二〇〇四年十二月三十一日

	附註	二〇〇四年 千港元	二〇〇三年 千港元
非流動資產			
固定資產	16	22,563	20,574
於附屬公司之投資	17	9,957,686	9,851,230
		<u>9,980,249</u>	<u>9,871,804</u>
流動資產			
其他應收款項、預付款項及按金、 銀行及現金結餘	25	30,595 39,832	42,733 190,394
		<u>70,427</u>	<u>233,127</u>
流動負債			
應付附屬公司款項	17	377,464	354,938
其他應付款項及應計費用		39,441	42,495
銀行貸款—已抵押	38	120,000	120,000
銀行透支—無抵押		—	9,993
長期負債一年內應償還額	30	513,935	367,452
其他長期負債一年內應償還額	31	25	14
		<u>1,050,865</u>	<u>894,892</u>
流動負債淨額		<u>(980,438)</u>	<u>(661,765)</u>
總資產減流動負債		<u>8,999,811</u>	<u>9,210,039</u>
非流動負債			
長期銀行負債	30	1,807,298	2,204,231
其他長期負債	31	509,348	345,850
		<u>2,316,646</u>	<u>2,550,081</u>
淨資產		<u>6,683,165</u>	<u>6,659,958</u>
資金來源：			
股本	27	635,160	624,872
儲備	29	6,048,005	6,035,086
股東權益		<u>6,683,165</u>	<u>6,659,958</u>
代表董事會			
陳光松		梁凝光	
董事		董事	

綜合資產負債表

二〇〇四年十二月三十一日

	附註	二〇〇四年 千港元	二〇〇三年 千港元
非流動負債			
長期銀行負債	30	3,147,665	3,642,450
其他長期負債	31	890,747	952,527
遞延稅項負債	32	3,630,279	3,650,536
		<u>7,668,691</u>	<u>8,245,513</u>
少數股東權益		<u>3,467,807</u>	<u>3,374,822</u>
淨資產		<u>7,234,301</u>	<u>6,969,360</u>
資金來源：			
股本	27	635,160	624,872
儲備	29	6,599,141	6,344,488
股東權益		<u>7,234,301</u>	<u>6,969,360</u>

代表董事會

陳光松
董事

梁凝光
董事

綜合資產負債表

二〇〇四年十二月三十一日

	附註	二〇〇四年 千港元	二〇〇三年 千港元
非流動資產			
於收費公路及橋樑之權益	14	2,001,376	2,099,647
其他無形資產	15	(489,960)	(535,253)
固定資產	16	6,216,630	6,251,082
遞延稅項資產	32	56,199	39,061
於共同控制實體之權益	18	646,717	798,064
於聯營公司之權益	19	1,760,348	1,753,109
其他投資	20	261,347	259,851
		<u>10,452,657</u>	<u>10,665,561</u>
流動資產			
有待發展／發展中物業	21	10,302,017	10,244,614
持有作出售之物業	21	2,189,758	2,455,354
存貨	22	195,288	220,127
有關連公司欠款	23	3,234	3,678
應收賬款	24	562,768	667,094
其他應收款項、預付款項及按金		593,644	454,196
銀行及現金結餘	25	901,657	1,075,294
		<u>14,748,366</u>	<u>15,120,357</u>
流動負債			
應付賬款	26	414,493	447,600
應付地價		729,410	708,300
其他應付款項及應計費用		3,083,250	3,195,338
應付共同控制實體款項	18	123,442	75,340
應付聯營公司款項	19	112,150	112,221
應付附屬公司少數股東之款項	23	186,831	179,135
銀行貸款			
— 有抵押	38	453,644	838,692
— 無抵押		608,919	681,797
銀行透支—無抵押		24,763	39,486
長期負債—一年內應償還額	30	959,499	875,394
其他長期負債—一年內應償還額	31	25	14
應付稅項		133,798	42,906
		<u>6,830,224</u>	<u>7,196,223</u>
流動資產淨值		<u>7,918,142</u>	<u>7,924,134</u>
總資產減流動負債		<u>18,370,799</u>	<u>18,589,695</u>

綜合損益表

截至二〇〇四年十二月三十一日止年度

	附註	二〇〇四年 千港元	二〇〇三年 千港元
營業額	2	4,526,679	3,925,109
銷售成本		(3,473,912)	(2,758,973)
毛利		1,052,767	1,166,136
其他收益	2	35,556	31,549
銷售及分銷開支		(178,451)	(127,154)
一般及行政開支		(392,143)	(414,033)
撥回呆賬撥備	3	104,942	—
被視作出售附屬公司若干權益的虧損	4	(481)	(94,942)
持有／在建物業撥回／(撤減)至可變現淨值	5	44,546	(5,805)
投資物業的重估盈餘		76,750	165,840
經營盈利	6	743,486	721,591
理財成本	7	(112,512)	(224,733)
應佔以下公司盈利減虧損			
— 共同控制實體		(23,021)	(49,693)
— 聯營公司		214,382	181,767
除稅前盈利		822,335	628,932
稅項	8	(210,565)	(114,599)
除稅後盈利		611,770	514,333
少數股東權益		(280,947)	(213,680)
股東應佔盈利	9	330,823	300,653
股息	10	109,797	117,540
每股盈利	11		
基本		5.24港仙	4.89港仙
全面攤薄		5.15港仙	4.83港仙



羅兵咸永道會計師事務所

羅兵咸永道會計師事務所
香港中環
太子大廈22樓

核數師報告

致越秀投資有限公司

(於香港註冊成立之有限公司)

全體股東

本核數師已完成審核第26至第92頁之賬目，該等賬目乃按照香港普遍採納之會計原則編製。

董事及核數師各自之責任

香港公司條例規定董事須編製真實兼公平之賬目。在編製該等真實兼公平之賬目時，董事必須採用適當之會計政策，並且貫徹應用該等會計政策。

本核數師之責任是根據審核之結果，對該等賬目出具獨立意見，並按照香港公司條例第141條僅向整體股東報告，除此之外本報告別無其他目的。本核數師不會就本報告的內容向任何其他人士負上或承擔任何責任。

意見之基礎

本核數師已按照香港會計師公會所頒佈之核數準則進行審核工作。審核範圍包括以抽查方式查核與賬目所載數額及披露事項有關之憑證，亦包括評審董事於編製賬目時所作之重大估計和判斷，所採用之會計政策是否適合 貴公司與 貴集團之具體情況，及有否貫徹應用並足夠披露該等會計政策。

本核數師在策劃和進行審核工作時，均以取得所有本核數師認為必需之資料及解釋為目標，以便獲得充分憑證，就該等賬目是否存有重大錯誤陳述，作出合理之確定。在作出意見時，本核數師亦已評估該等賬目所載之資料在整體上是否足夠。本核數師相信我們之審核工作已為下列意見提供合理之基礎。

意見

本核數師認為，上述之賬目足以真實兼公平地顯示 貴公司與 貴集團於二〇〇四年十二月三十一日結算時之財務狀況，及 貴集團截至該日止年度之盈利及現金流量，並按照香港公司條例之披露規定妥為編製。

羅兵咸永道會計師事務所

香港執業會計師

香港，二〇〇五年四月二十一日

公眾持股量

根據於本報告編製日期可提供本公司之公開資料及就本公司董事所知，本公司的證券根據上市規則規定有足夠的公眾持股量。

主要客戶及供應商

由於本集團之五大客戶及供應商之銷售及採購總百分比所佔本集團總銷售及採購額均分別少於30%，故並無就主要客戶及供應商作進一步之披露。

遵守上市規則最佳應用守則

董事會認為，除有關本公司獨立非執行董事的任期並無特定外，截至二〇〇四年十二月三十一日止年度全年，本公司均遵守上市規則附錄十四最佳應用守則。本公司獨立非執行董事須依據本公司之公司組織章程之規定，於本公司股東週年大會上輪席告退。董事會認為此規定與最佳應用守則的宗旨相符。

審核委員會

根據上市規則，審核委員會（「審核委員會」）已告成立，成員包括三名獨立非執行董事余立發先生、李家麟先生及劉漢銓先生。

經參考香港會計師公會頒佈之「成立審核委員會指引」後，本公司之董事會已編製並採納有關審核委員會權力及職責的職權範圍書。審核委員會之主要工作包括審查及監管本集團之財務匯報程序及內部監控運作。

核數師

賬目已經由羅兵咸永道會計師事務所審核。該核數師任滿告退，惟願再度受聘。

董事會代表

董事長

區秉昌

香港，二〇〇五年四月二十一日

(ii) 越秀交通

根據於一九九七年一月三日獲越秀交通股東通過的一項購股權計劃(「越秀交通計劃」)：越秀交通董事會(「越秀交通董事會」)可酌情授予越秀交通或其任何附屬公司之董事及僱員購股權認購越秀交通之普通股。越秀交通計劃可作為越秀交通及其附屬公司給予僱員及行政人員的獎勵。行使價由越秀交通董事會釐訂，相等於下列兩項中較高者：(a) 股份之面值；及(b)不低於緊接提供購股權日期前五個營業日股份在聯交所每日報價表上之平均收市價的80%。每次授出購股權之現金代價為10港元，而行使價將於行使購股權時悉數支付。

越秀交通股東於二〇〇二年六月二十五日通過有關終止越秀交通計劃及採納新購股權計劃(「二〇〇二年越秀交通計劃」)的決議案。於終止越秀交通計劃後，越秀交通不會就此進一步授出購股權，但於終止越秀交通計劃前授出的所有未行使購股權繼續生效，並可根據越秀交通計劃予以行使，而僅有使尚未行使購股權生效所需的該等越秀交通計劃條文會就此目的繼續有效。二〇〇二年越秀交通計劃符合上市規則第17章的修訂。

根據與二〇〇二年購股權計劃的條款及條件相同的二〇〇二年越秀交通計劃，越秀交通董事會可授予本公司、越秀企業、越秀交通或任何彼等附屬公司的僱員、高級職員、董事、代理人、顧問或代表購股權認購越秀交通股份。

年內根據越秀交通計劃授予本集團僱員的購股權之變動情況如下：

購股權數目

於二〇〇四年 一月一日 尚未行使	於二〇〇四年 十二月三十一日		每股 行使價 港元	授出日期	行使期 (c)	加權平均 收市價 (d) 港元
	年內行使	尚未行使				
1,530,000	416,000	1,114,000	0.7520	07/04/2000	07/04/2001 - 06/04/2006	2.272

附註：

- (a) 年內並無購股權授出、註銷或失效。
- (b) 所有購股權分三階段行使。
- (c) 倘購股權行使期之最後一日並非營業日，購股權行使期須於該日前一個營業日屆滿。
- (d) 越秀交通股份在緊接購股權行使日期前一天的每股加權平均收市價。

獨立非執行董事之袍金

截至二〇〇四年十二月三十一日止年度，兩位本公司之獨立非執行董事各自均收取董事袍金38,000港元，另一位獨立非執行董事收取董事袍金10,000港元。

管理合約

於年內，本公司概無訂立與本公司整體或任何主要部份業務有關之管理及行政合約或有此類合約存在。

年內根據本公司購股權計劃授予本集團僱員(本公司董事除外,詳情已於第19頁披露)的購股權之變動情況如下:

購股權數目					每股 行使價 港元	授出日期	行使期	加權平均 收市價 (d) 港元
於二〇〇四年 一月一日 尚未行使	年內授予	年內行使	年內失效	於二〇〇四年 十二月三十一日 尚未行使				
52,000,000	—	46,600,000	5,400,000	—	0.3936	04/09/1998	04/09/1999 - 03/09/2004 (b)	0.941
13,374,000	—	3,748,000	—	9,626,000	0.5008	14/12/1999	14/12/2000 - 13/12/2005 (b)	0.840
152,150,000	—	42,970,000	—	109,180,000	0.4100	02/05/2003	02/05/2003 - 01/05/2013 (c)	0.688
8,000,000	—	—	—	8,000,000	0.5400	02/06/2003	02/06/2003 - 01/06/2013 (c)	不適用
12,620,000	—	216,000	—	12,404,000	0.8140	27/10/2003	27/10/2003 - 26/10/2013 (c)	0.942
100,632,000	—	170,000	228,000	100,234,000	0.8460	23/12/2003	23/12/2003 - 22/12/2013 (c)	0.896
—	320,310,000	6,576,000	1,320,000	312,414,000	0.6300	23/06/2004	23/06/2004 - 22/06/2014 (c)	0.723

附註:

- (a) 年內並無購股權註銷。
- (b) 授出之購股權分兩階段行使,倘購股權行使期之最後一日並非營業日,購股權行使期須於該日前一個營業日屆滿。
- (c) 授出之購股權分三階段行使。
- (d) 股份在緊接購股權行使日期前一天的每股加權平均收市價。

於年內股份在緊接購股權授出日期前一天之收市價如下:

授出日期	緊接授出日期 前一天之收市價
23/06/2004	0.62港元

董事認為,由於多項重要估值因素未能準確釐定,所以評估購股權的價值並不適當。按多項推測的假設計算來評估購股權的價值將不具意義,及會誤導股東。

購股權

(i) 本公司

根據於一九九八年六月二十三日獲本公司股東通過的購股權計劃（「購股權計劃」），本公司董事會（「董事會」）可酌情授予本公司或其任何附屬公司之董事及僱員購股權認購本公司之普通股。購股權計劃可作為本集團給予僱員及行政人員的獎勵。行使價由董事會釐訂，相等於下列兩項中較高者：(a) 股份之面值；及(b) 不低於緊接授出購股權日期前五個營業日股份在聯交所每日報價表所報之平均收市價的80%。每次授出購股權之現金代價為10港元，而行使價將於行使購股權時悉數支付。

本公司股東於二〇〇二年六月二十六日通過有關終止購股權計劃及採納新購股權計劃（「二〇〇二年購股權計劃」）的決議案。於終止購股權計劃後，本公司不會就此進一步授出購股權，但於終止購股權計劃前授出的所有未行使購股權繼續生效，並可根據購股權計劃予以行使，而僅有使尚未行使購股權生效所需的該等購股權計劃條文會就此目的繼續有效。二〇〇二年購股權計劃符合上市規則第17章的修訂。

根據二〇〇二年購股權計劃，董事會可授予越秀企業、本公司或任何彼等附屬公司的僱員、高級職員、董事、代理人、顧問或代表（「參與人士」）購股權認購股份。二〇〇二年購股權計劃旨在獎勵參與人士對本集團作出貢獻，並讓本集團聘請、挽留及鼓勵能幹的僱員及吸納對本集團而言屬寶貴的人力資源。根據二〇〇二年購股權計劃將予授出的購股權而可予發行的股份總數為本公司於批准二〇〇二年購股權計劃日期已發行股份數目的10%。惟本公司可於股東大會上徵求股東批准續新10%上限。本公司股東於二〇〇四年六月二日通過有關續新二〇〇二年購股權計劃10%上限。因二〇〇二年購股權計劃及本公司任何其他計劃項下已授出但未獲行使的所有購股權獲行使而可予發行的股份總數，不得超過不時已發行股份數目的30%。各參與人士在於緊接建議授出任何購股權日期前十二個月期間內獲授及將獲授的購股權予以行使時的上限為建議授出該等購股權日期已發行股份數目的1%，任何進一步授出超過此限額的購股權須待股東於股東大會上批准後，始可作實。購股權可於購股權期限開始日期行使（購股權期限指董事會於授出購股權時通知的期限，該期限於授出日期或董事會可能決定的較後日期開始，直至該期限的最後一日屆滿止，惟於任何情況下，不能超過由授出日期起計10年），惟限於(i) 直至購股權期限開始日期首週年的期間內，行使最多達有關授出項下所授出購股權的30%；及(ii) 直至購股權期限開始日期第二週年的期間內，行使最多達有關授出項下所授出購股權的60%（包括根據(i)項行使的任何購股權）。於購股權期限開始日期第二週年後，該等限制將終止。就身為越秀企業、本公司或任何彼等附屬公司僱員的參與人士而言，上文所述行使購股權的相同限額亦適用，惟上文(i)及(ii)項所指的期間應由(a) 該名參與人士持續受僱於越秀企業、本公司或任何彼等附屬公司（視情況而定）作為全職員工一年的完成日期；及(b) 購股權期限的開始日期（以較後發生為準）起開始，而當限制終止時的日期應據此作出相應修訂。行使價由董事會釐訂，而且該行使價不得低於下列三者中的最高金額：(a) 授出日期股份在聯交所每日報價表所列的收市價；(b) 緊接授出日期前五個營業日股份在聯交所每日報價表所列的平均收市價；及(c) 股份的面值。每次授出購股權的現金代價為10港元，而行使價將於行使購股權時悉數支付。

主要股東權益

於二〇〇四年十二月三十一日，下列人士擁有以下須記錄本公司根據證券及期貨條例第336條規定置存之登記冊中之股份或相關股份之權益或淡倉：

名稱	好倉股份	權益 百分率概約
越秀企業(集團)有限公司(「越秀企業」)(附註1)	3,229,435,248	50.99
JPMorgan Chase & Co. (附註2)	423,978,000	6.68

附註：

- 1) 越秀企業持有3,229,435,248股股份權益之身分包括10,928,184股為實益擁有人，3,218,507,064股藉屬所控制法團的權益。由越秀企業所持有的股份詳列如下：

名稱	好倉股份
越秀企業	3,229,435,248
Excellence Enterprises Co., Ltd. (「Excellence」)	3,174,015,064
Bosworth International Limited (「Bosworth」)	2,279,312,904
Sun Peak Enterprises Ltd. (「Sun Peak」)	565,683,000
Novena Pacific Limited (「Novena」)	565,683,000
Shine Wah Worldwide Limited (「Shine Wah」)	158,049,000
Morrison Pacific Limited (「Morrison」)	158,049,000
Perfect Goal Development Co., Ltd. (「Perfect Goal」)	135,737,000
Greenwood Pacific Limited (「Greenwood」)	135,737,000
越秀財務有限公司(「越秀財務」)	44,492,000
Seaport Development Limited (「Seaport」)	35,233,160
Goldstock International Limited (「Goldstock」)	35,233,160

- (i) Bosworth持有2,279,312,904股。Bosworth為Excellence全資擁有，而Excellence乃由越秀企業全資擁有。
- (ii) Novena持有565,683,000股。Novena為Sun Peak全資擁有，而Sun Peak乃由Excellence全資擁有。
- (iii) Morrison持有158,049,000股。Morrison為Shine Wah全資擁有，而Shine Wah乃由Excellence全資擁有。
- (iv) Greenwood持有135,737,000股。Greenwood為Perfect Goal全資擁有，而Perfect Goal乃由Excellence全資擁有。
- (v) 越秀財務持有44,492,000股，越秀財務為越秀企業全資擁有。
- (vi) Goldstock持有35,233,160股。Goldstock為Seaport全資擁有，而Seaport乃由Excellence全資擁有。
- 2) JPMorgan Chase & Co.持有423,978,000股股份權益之身份，包括400,010,000股為投資經理，23,968,000股為核准借出代理人。

2. 於本公司股本衍生工具之相關股份中之好倉：

董事姓名	授出日期	每股 行使價 港元	購股權數目		
			於二〇〇四年 一月一日 尚未行使	於年內行使	於二〇〇四年 十二月三十一日 尚未行使
區秉昌先生	02/06/2003 (b)	0.5400	9,000,000	—	9,000,000
梁毅先生	02/06/2003 (b)	0.5400	7,000,000	—	7,000,000
陳光松先生	02/06/2003 (b)	0.5400	8,000,000	—	8,000,000
李飛先生	02/06/2003 (b)	0.5400	7,000,000	—	7,000,000
梁凝光先生	02/06/2003 (b)	0.5400	7,000,000	—	7,000,000
肖博彥先生	02/06/2003 (b)	0.5400	7,000,000	—	7,000,000
甄玉鳳小姐*	14/12/1999 (a)	0.5008	800,000	800,000 (c)	—
	02/06/2003 (b)	0.5400	3,000,000	1,800,000 (d)	1,200,000
余立發先生	02/06/2003 (b)	0.5400	3,500,000	—	3,500,000
李家麟先生	02/06/2003 (b)	0.5400	2,450,000	—	2,450,000

附註：

- (a) 購股權可由授出日期一週年即二〇〇〇年十二月十四日起至授出日期六週年前一個營業日止期間內隨時行使，並分別可於授出日期首週年及二週年起行使最多30%及100%。
- (b) 購股權可由二〇〇三年六月二日起至二〇一三年六月一日止期間內隨時行使，惟限於(i)直至購股權授出日期首週年的期間內，行使最多達所授予購股權的30%；及(ii)直至購股權授出日期第二週年的期間內，行使最多達所授予購股權的60% (包括根據(i)項行使的任何購股權)。
- (c) 股份在緊接購股權行使日期之前的每股加權平均收市價為0.69港元。
- (d) 股份在緊接購股權行使日期之前的每股加權平均收市價為0.66港元。

* 甄玉鳳小姐已於二〇〇四年七月八日辭任本公司董事之職務

除本文所披露者外，於二〇〇四年十二月三十一日，本公司董事概無擁有或被視作擁有本公司或其任何相聯法團 (按證券及期貨條例第XV部之涵義) 之股份、相關股份及債權證之權益或淡倉權益而須根據證券及期貨條例第352條載入本公司置存之登記冊；或根據上市公司董事進行證券交易的標準守則知會本公司及聯交所。

除本文所披露者外，本公司、或其控股公司、或其附屬公司或其同集團附屬公司概無於年內任何時間參與任何安排，致令本公司之董事 (包括彼等配偶及未滿十八歲子女) 可藉認購本公司或任何其他法人團體之股份或債券而獲取利益。

董事於合約之權益

在年終或年內任何時間，本公司各董事均無於本公司、其附屬公司或其同集團附屬公司所訂立任何與本集團之業務有關之重要合約中直接或間接擁有重大權益。

關連交易

聯交所上市規則，重大有關連人士交易並構成關連交易者，須根據上市規則予以披露，其亦已在賬目附註37(c)及39(a)至(b)內披露。就附註39(a)至(b)披露之交易而言，本公司之獨立非執行董事余立發先生、李家麟先生及劉漢銓先生已確認該等交易乃根據監管該等交易之有關協議條款訂立。

本公司之核數師亦於其致董事之函件中確認，賬目附註39(a)至(b)所披露之交易(i)已獲董事會批准；(ii)已根據監管該等交易之有關協議之條款訂立；及(iii)不超過交易的上限。

董事權益

於二〇〇四年十二月三十一日，本公司董事在本公司及其相聯法團(按證券及期貨條例第XV部之定義)之股份、相關股份及債權證之權益及淡倉而須根據證券及期貨條例(「證券及期貨條例」)第352條載入本公司置存之登記冊或知會本公司及聯交所如下：

1. 本公司股份之好倉：

董事姓名	權益性質	股份實益權益	權益百分率 概約
梁凝光先生	個人	400,000	0.01
肖博彥先生	個人	500,000	0.01
李家麟先生	個人	1,050,000	0.02

董事

於年內截至本報告日期為止之在任董事為：

區秉昌先生
梁毅先生
陳光松先生
李飛先生
梁凝光先生
肖博彥先生
尹輝先生
黃之強先生
甄玉鳳小姐
余立發先生*
李家麟先生*
劉漢銓先生*

— 於二〇〇四年三月十八日辭任

— 於二〇〇四年十月五日辭任

— 於二〇〇四年七月八日辭任

— 於二〇〇四年九月三十日獲委任

* 獨立非執行董事

根據本公司之公司組織章程第91條之規定，於即將舉行之股東週年大會上，肖博彥先生、余立發先生及李家麟先生輪席告退，惟彼等均願膺選連任。根據本公司之公司組織章程第97條之規定，於即將舉行之股東週年大會上，劉漢銓先生依章告退，惟彼願膺選連任。

本公司已接獲本公司三位獨立非執行董事根據聯交所證券上市規則（「上市規則」）第3.13條發出之年度獨立性確認書，而本公司對全體獨立非執行董事之獨立性表示認同。

董事簡介載於第13至第14頁。

董事之服務合約

區秉昌先生及梁毅先生均已與本公司之附屬公司越秀交通有限公司（「越秀交通」）訂立服務協議，分別於二〇〇三年一月八日及二〇〇三年二月二十八日起計的最初固定年期一年屆滿後，已再續期兩年，除非越秀交通向有關董事發出三個月之事先書面通知或有關董事給予越秀交通六個月之事先書面通知予以提早終止。

除本文所披露者外，本公司董事概無與本公司訂立不可由僱主在一年內免付補償（法定補償除外）而予以終止之服務合約。

五年財務概要

本集團在過去五個財政年度之業績及資產與負債之概要如下。

	截至十二月三十一日止年度				
	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇二年 千港元	二〇〇一年 千港元	二〇〇〇年 千港元
業績					
股東應佔盈利／(虧損)	<u>330,823</u>	<u>300,653</u>	<u>(960,230)</u>	<u>39,782</u>	<u>53,582</u>
資產及負債					
總資產	25,201,023	25,785,918	26,685,015	19,961,555	19,604,175
總負債	(14,498,915)	(15,441,736)	(16,571,103)	(7,005,499)	(6,424,889)
少數股東權益	<u>(3,467,807)</u>	<u>(3,374,822)</u>	<u>(3,403,865)</u>	<u>(6,425,518)</u>	<u>(6,693,740)</u>
淨資產	<u>7,234,301</u>	<u>6,969,360</u>	<u>6,710,047</u>	<u>6,530,538</u>	<u>6,485,546</u>

購買、出售及贖回本公司股份

年內，本公司並無贖回任何股份，而本公司或其任何附屬公司於年內並無購買或出售本公司任何股份。

已撥作資本之利息

年內，撥作為有待發展／發展中物業及聯營公司之利息資本化，約達55,399,000港元(二〇〇三年：19,272,000港元)。

可供分派儲備

於二〇〇四年十二月三十一日，本公司之可供分派儲備為305,457,000港元(二〇〇三年：325,893,000港元)。

董事會謹提呈截至二〇〇四年十二月三十一日止年度報告連同經審核之賬目。

主要業務

本集團之主要業務包括三項主要業務：房地產、收費公路及造紙。本集團主要附屬公司、共同控制實體及聯營公司之主要業務載於第79頁至第92頁「集團結構」一節內。

本集團年內之表現按業務及地區分部分分析載於賬目附註2。

業績及分派

本集團年內之業績載於第26頁綜合損益表。

董事會已宣佈於二〇〇四年十一月八日派付中期股息每股普通股0.0083港元，合共52,531,000港元。

董事會建議派付末期股息每股普通股0.009港元，合共57,266,000港元。

儲備

本集團及本公司年內之儲備變動情況載於賬目附註29。

捐款

本集團在本年度作出之慈善捐款達10,000港元。

固定資產

本集團及本公司之固定資產之變動詳情載於賬目附註16。

主要房地產項目

本集團在廣州市持作日後發展、發展中、出售及投資用途之主要房地產項目詳情載於第96頁至第102頁「廣州市主要房地產項目名單」一節內。

股本

年內有關本公司股本之變動詳情載於賬目附註27。

優先購買權

本公司之公司組織章程並無對優先購買權作出任何規定，而香港公司條例並無對優先購買權作出任何限制。

獨立非執行董事

余立發先生，57歲，自一九九二年起出任為本公司獨立非執行董事。余先生現為易貿通集團有限公司主席，並負責易貿通集團的企業財務發展及策略業務規劃。余先生持有澳洲Macquarie University應用財務碩士學位及香港大學管理學文憑。余先生在投資、銀行及財務方面擁有逾36年經驗。

李家麟先生，50歲，自二〇〇〇年起出任為本公司獨立非執行董事。李先生現為專業會計師，任職萊斯銀行香港分行副行政總裁。李先生為英國特許公認會計師公會資深會員，並於銀行界及審計界方面有20多年經驗。

劉漢銓先生，57歲，自二〇〇四年起出任為本公司獨立非執行董事，亦為越秀交通獨立非執行董事。彼擁有倫敦大學法律學士學位，是香港特別行政區高等法院律師、中國司法部委托公證人、國際公證人。彼為劉漢銓律師行之高級合夥人。在劉先生參與之多項公職中，其中計有中國人民政治協商會議全國委員會常務委員，香港特別行政區首屆政府推選委員會成員及非官守太平紳士，彼獲香港特別行政區政府頒授金紫荊星章勳銜。彼亦是香港按揭證券有限公司董事，以及僑福建設企業機構、北京控股有限公司、旭日企業有限公司、勤十綠媒體服務有限公司及永亨銀行之非執行董事，後五間公司均在香港聯合交易所有限公司上市。

執行董事

區秉昌先生，58歲，二〇〇三年獲委任為本公司執行董事、董事長兼總經理，亦為本公司之控股公司越秀企業(集團)有限公司(「越秀企業」)董事長兼總經理及越秀交通有限公司(「越秀交通」)董事長。區先生畢業於中國藥科大學。於二〇〇二年十一月加入越秀企業前，先後在廣州制藥廠、廣州市經濟協作辦公室、廣州市人民政府辦公廳擔任領導職務，在擔任廣州市交通委員會主任職務期間，曾為廣州市的交通規劃、建設、發展和管理工作做出過突出貢獻，在工業技術、交通網絡、企業及經濟管理方面積逾30年的經驗。

梁毅先生，52歲，二〇〇三年獲委任為本公司執行董事，亦為本公司副董事長、越秀企業及越秀交通董事。梁先生於中國人民解放軍工程兵大學行政管理專業本科畢業。於二〇〇一年六月加入越秀企業前，先後在廣州市化工局和廣州市委機關擔任領導職務，曾為建立廣州市的行政監察系統做出較大貢獻，在行政管理方面有20多年的實際工作經驗。

陳光松先生，62歲，二〇〇一年獲委任為本公司執行董事，亦為越秀企業副董事長及越秀交通董事。陳先生畢業於中國華南理工大學。曾任廣州味精食品廠廠長及廣州市輕工業集團董事長兼總經理。加入本集團以前，陳先生由一九九八年至二〇〇一年四月期間，為廣州市經濟委員會主任，具有超過33年企業管理經驗。

李飛先生，52歲，二〇〇二年獲委任本公司執行董事，亦為越秀企業董事。李先生畢業於中國華南師範大學中文系，負責本公司地產集團的策略性策劃、業務發展及營運。

梁凝光先生，51歲，一九九二年獲委任為本公司執行董事兼副總經理，亦為越秀交通董事。梁先生畢業於中國中央廣播電視大學，主修財務，並獲澳洲梅鐸大學頒發工商管理碩士學位。彼亦為中國註冊會計師協會會員及高級會計師。梁先生為根據香港證券及期貨條例註冊之負責人員(交易董事及投資顧問)。他曾任廣州市稅務局副局長，於一九八九年加入越秀企業前，在財務及管理方面積逾20年經驗。

肖博彥先生，60歲，一九九七年獲委任為本公司執行董事兼副總經理，亦為越秀企業之董事兼副總經理。肖先生畢業於中國華南工學院硅酸鹽專業，是水泥工程師。一九九七年加入越秀企業前，曾任廣州水泥廠廠長及廣州水泥股份有限公司董事長兼總經理。他在企業經營管理方面積逾27年經驗。

資本及其他承擔

於二〇〇四年五月二十四日，本集團的附屬公司越秀交通有限公司訂立一項合營企業協議，成立廣州市西二環高速公路有限公司（「廣州市西二環高速公路公司」），持有35.0%股權，於二〇〇四年十二月三十一日，本集團未償還的股本注資承諾為248,000,000港元。

或然負債

年內，本集團已為若干物業單位之買家安排銀行融資，以及提供擔保以保證償還貸款之責任達250,000,000港元（二〇〇三：117,000,000港元）。

資本結構

下表概述本集團資本架構成分：

	二〇〇四年十二月三十一日		二〇〇三年十二月三十一日	
	千港元	%	千港元	%
銀行借款(浮息)				
以人民幣結算	2,382,496	18	2,687,883	20
以美元結算	117,000	1	125,067	1
以港元結算	2,670,231	21	3,225,383	23
銀行借款	5,169,727	40	6,038,333	44
股東權益加負商譽	7,761,040	60	7,545,066	56
資本總值	12,930,767	100	13,583,399	100
總資本負債比率	40%		44%	

於二〇〇四年十二月三十一日，銀行借款減少約14%至5,170,000,000港元，使總資本負債比率由44%改善至40%。

利息保障倍數

二〇〇四年年度之利息保障倍數為5.80倍（二〇〇三年：4.47倍），乃按計入應佔聯營公司及共同控制實體的盈利減虧損後的經營溢利，並就非現金項目作出調整後計算得出。利息保障倍數獲得改善，是由於計入應佔聯營公司及共同控制實體的盈利減虧損後的經營溢利增加，加上利息開支下降所致。

僱員

於二〇〇四年十二月三十一日，本集團聘用約7,080名僱員，其中約6,980名僱員主要參與地產、收費公路及造紙的業務。

本集團給予員工的薪酬主要根據行內慣例，提供包括供款之公積金及其他員工福利。本集團亦已採納購股權計劃，根據本集團的業績及個別員工之表現而授出購股權。

鑑於二〇〇二年年底業務重組後財務狀況獲改善，本集團之信貸對銀行界已明顯變得更具吸引力。本集團之流動資金風險已透過提前融資及延長貸款期限進一步降低。管理層深信，短期貸款(特別是人民幣貸款)可按計劃於到期時獲再融資或再延期一至三年。

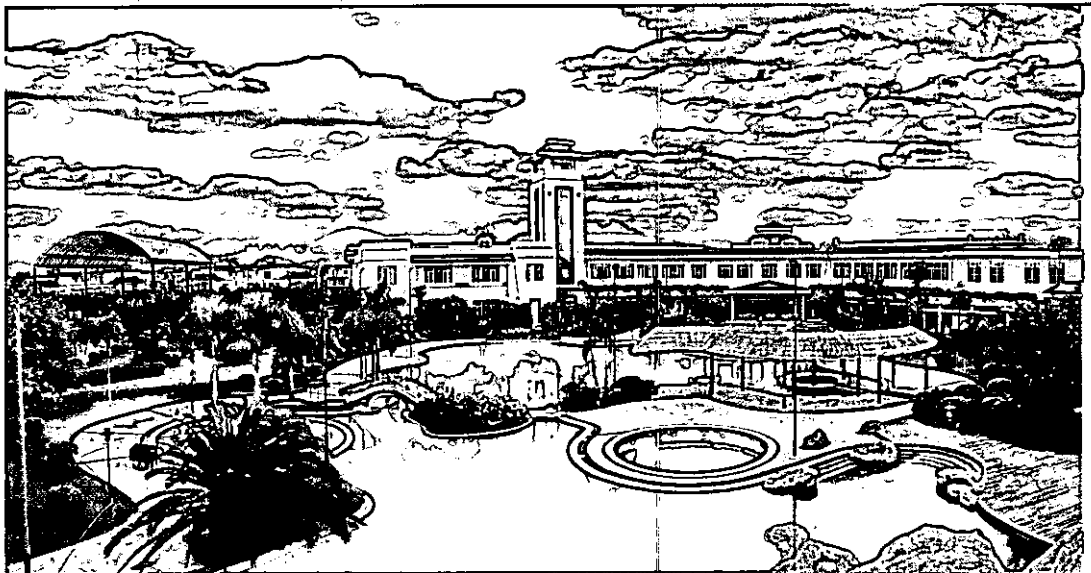
財務政策

本集團的整體財務及融資政策着重風險管理及資金流量控制。銀行結餘一般會存放於香港及中國的銀行戶口作短期定息銀行存款，並無資金存放於非銀行機構或作證券投資。

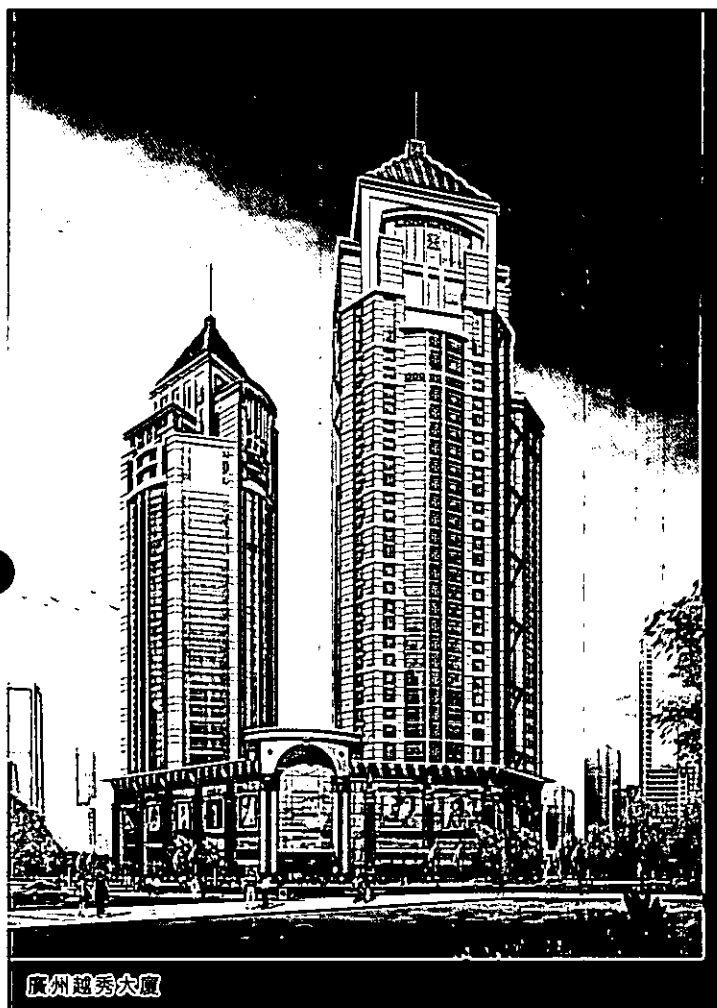
本集團安排之融資主要以港元結算。就本集團於中國透過其中國附屬公司進行之業務活動而言，一部分借款以人民幣結算，為回顧財務年度之中國物業項目提供資金。因此，整體而言，本集團之核心業務被認為毋須承擔大幅度之外匯風險。本集團於回顧財務年度內並無訂立任何貨幣對沖協議。

資本性開支

年內，本集團的資本開支總額為82,200,000港元，該等開支為對新投資項目廣州市西二環高速公路的首筆股本注資。購買固定資產資本開支約為202,000,000港元。



逸泉山莊



廣州越秀大廈

現金流量分析

於二〇〇四年，本集團經營業務所得之現金流入淨額大幅增加至1,150,000,000港元(二〇〇三年：648,000,000港元)，增加主要不斷來自本集團的地產及造紙業務。此外，利息支出已因償還銀行借款而減少約31%。投資活動之現金流出淨額為143,000,000港元(二〇〇三年：現金流入淨額105,000,000港元)，主要由於進一步向本集團之聯營公司及共同控制實體注資及墊支和於年內購買固定資產。融資活動之現金流出淨額為1,166,000,000港元(二〇〇三年：763,000,000港元)，主要由於二〇〇四年內償還銀行及其他借貸、支付股息及還款予少數股東而產生。

流動資金及資本資源

本集團繼續維持穩健之流動資金水平。於二〇〇四年十二月三十一日，本集團之銀行存款、現金及銀行結餘約為902,000,000港元(二〇〇三年：1,075,000,000港元)。與去年一樣，銀行結餘及現金中，大部分為人民幣存款及現金。

於二〇〇四年十二月三十一日，本集團之未償還銀行借款(不包括銀行透支)(「銀行借款」)約為5,170,000,000港元(二〇〇三年：6,038,000,000港元)，較去年明顯減少14%。銀行借款中約52%以港元結算、46%以人民幣結算及2%以美元結算。

年內，並無新增之有期融資，重點放於償還及預付現有銀行借款。管理層相信，經集團於香港及中國之附屬公司、聯營公司及共同控制實體撥回之手頭現金、銀行結餘及／或股息足夠滿足本集團之短期營運資金及其他短期人民幣、港元及美元銀行借款、理財成本及股息付款。鑑於預計新投資或銀行借款之到期，管理層在保持適當之資本借貸水平之同時，亦將考慮更具競爭力之條款的新銀行融資。

下表顯示銀行借款還款時間表：

於以下期限內償還	千港元
一年	2,022,062
一年至兩年	1,324,388
兩年至五年	1,823,277
總計	5,169,727

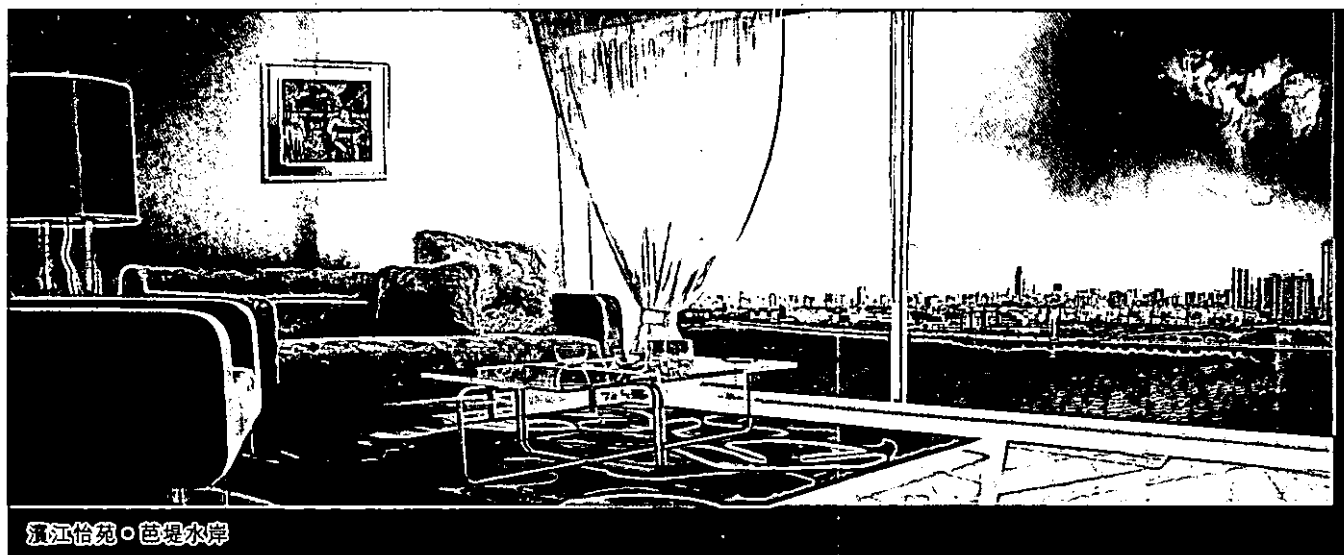
末期股息

董事會建議派發末期股息每股0.009港元(二〇〇三年：0.0108港元)予於二〇〇五年五月二十六日名列本公司股東名冊的股東。待股東於二〇〇五年五月二十六日舉行的股東週年大會上批准後，末期股息將於二〇〇五年六月十六日派付。連同中期股息每股0.0083港元(二〇〇三年：0.008港元)計算，截至二〇〇四年十二月三十一日止年度的股息總額將為每股0.0173港元(二〇〇三年：0.0188港元)，派息率相當於33%。

每股盈利

	截至十二月三十一日止年度	
	二〇〇四年	二〇〇三年
已發行股份加權平均數	6,318,186,352	6,146,494,166
股東應佔盈利(港元)	330,823,000	300,653,000
每股基本盈利(港仙)	5.24	4.89
每股全面攤薄盈利(港仙)	5.15	4.83

年內，因行使購股權而發行102,880,000股股份。於二〇〇四年十二月三十一日已發行股份總數為6,351,597,914股。



濱江怡苑·芭堤水岸



江南新苑

財務回顧

業績分析

於二〇〇四年，本集團的營業額大幅增加15.3%至4,526,679,000港元，其中房地產物業銷售收入及租賃業務佔營業額的比例為52%。營業額增加主要來源於地產業務銷售香港物業富臨軒項目。

本集團房地產業務方面，雖然二〇〇四年廣州市的房地產市場競爭仍然激烈，但本集團穗港物業的銷售收入及租賃業務仍有不同程度的增長，其中物業銷售收入輕微上升1.6%至1,987,231,000港元，物業租金收入則大幅上升15%至367,050,000港元，反映本集團收租物業的貢獻繼續增加。收費公路業務方面，雖然廣州公路網絡的形成及新高速公路帶來的持續分流對一級及二級公路的交通流量造成不利影響，拖累本集團

收費公路業務營業額下降6.7%至400,212,000港元，但本集團的部分高速公路受惠於新通車的京珠高速公路和廣惠高速公路，其車流量及收入呈高速增長之勢。至於新聞紙業務，由於國內新聞紙需求持續上升，令新聞紙業務營業額大幅上升23.3%至1,240,693,000港元。

由於二〇〇四年國內原材料價格的上升及地產業務部分項目銷售成本的增加，導致本集團的整體毛利下降9.7%至1,052,767,000港元。

本集團於二〇〇四年採取嚴格控制費用支出的措施，但由於城建宏城超級市場全年的銷售開支及行政開支計算在內，令本集團銷售開支及行政開支輕微上升5.4%至570,594,000港元。此外，投資物業重估升值為76,750,000港元，在建項目減值撥回為44,546,000港元，以及在二〇〇四年撥回為過往年度所作的呆賬撥備104,942,000港元。

本集團二〇〇四年理財成本下降49.9%至112,512,000港元，主要由於本集團繼續償還銀行借款及地產業務在建項目利息資本化所致。

本集團應佔聯營公司盈利於二〇〇四年大幅上升17.9%至214,382,000港元，主要是本集團收費公路業務旗下收費公路項目盈利增長所致，包括虎門大橋、北環高速公路及汕頭海灣大橋等。雖然收費公路業務應佔共同控制實體北二環公路錄得盈利13,772,000港元，但由於地產業務應佔共同控制實體進行一項減值準備，令本集團二〇〇四年應佔共同控制實體仍然虧損23,021,000港元。

本集團二〇〇四年的稅項支出為210,565,000港元，較二〇〇三年增加83.7%，主要是由於本年度除稅前盈利增加所致。

本集團二〇〇四年的少數股東權益增加31.5%至280,947,000港元，主要是本年度除稅後盈利增加相應增加少數股東權益。

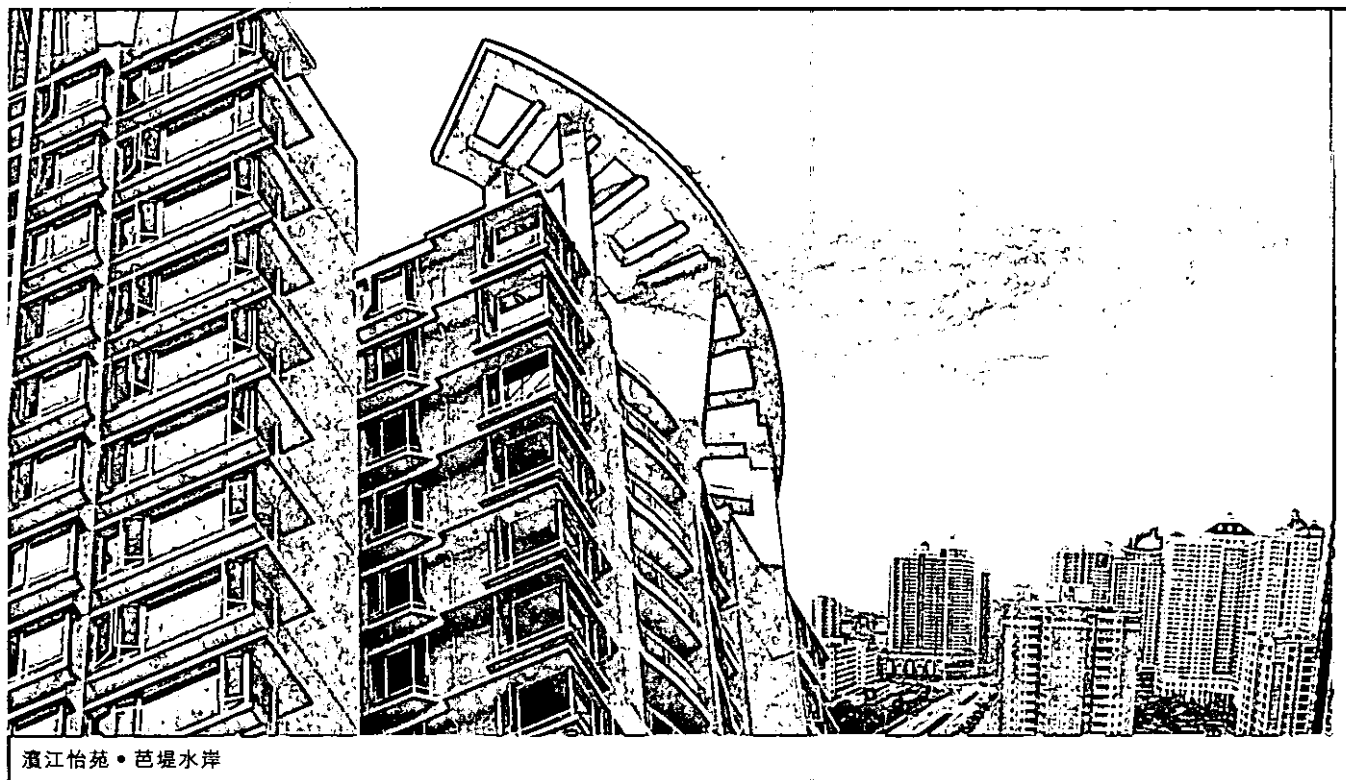
截至二〇〇四年十二月三十一日止年度，本集團的股東應佔盈利增長10%至330,823,000港元，每股基本盈利為5.24港仙。

其它業務

收費公路盈利繼續增長，造紙業務產銷大幅度增長。

二〇〇四年雖然本集團部分非高速公路受新建道路引致的交通分流影響而收入下降，但受惠於整個廣東省，尤其是泛珠三角經濟的蓬勃發展，京珠高速公路全線開通，加上生活水平提高，家庭擁有的汽車數目大幅增加，令到越秀交通聯營擁有的高速公路車流量高速增長。本年度與二〇〇三年相比，廣州市北二環高速公路日均車流量增幅147.9%，虎門大橋運營收入增長21.8%，西臨高速公路運營收入增長37.4%，令越秀交通的股東應佔盈利比二〇〇三年上升23.5%至約2.76億港元。

廣州造紙在本年度繼續維持在國內新聞紙市場較大的佔有率。隨著國內新聞紙需求持續上升，廣州造紙通過成本控制及加強各項管理，優化生產工藝流程，令廣州造紙全年生產超過30.18萬噸新聞紙，銷售量達到31.12萬噸，比二〇〇三年增加19.6%。同時通過開展降低各項原材料消耗、大力壓縮人員編製和提前償還銀行貸款以減低財務費用等一系列管理措施，大大化解了本年度因原料、能源等價格大幅度上升帶來的成本壓力，令廣州造紙經營繼續保持穩定的發展，二〇〇四年度內實現約12.41億港元的營業額，較二〇〇三年增加23.3%。



濱江怡苑 • 芭堤水岸

業務回顧

二〇〇四年，本集團各項業務均取得理想的業績。穗港兩地的物業總銷售額約為19.87億港元；本集團收費公路附屬公司越秀交通有限公司的股東應佔盈利約為2.76億港元，較二〇〇三年增長23.5%；廣州造紙股份有限公司（「廣州造紙」）銷售收入約為12.41億港元，較二〇〇三年增長23.3%。



南沙濱海花園

地產業務

抓住廣州市房地產價格二〇〇四年突破多年橫行的格局而呈現升勢及香港地產市道復蘇的良好機遇，及時推出樓盤銷售，減低了建築原材料價格大幅上升的影響，繼續保持理想業績。

其中，本集團穗港物業銷售面積達31.15萬平方米，主要住宅樓盤包括江南新苑一、二期、翠城花園三期、南沙濱海花園一期、二期、從化逸泉山莊及星滙國際公寓等，這些物業多位於地鐵站出口或擁有優越的社區居住環境，因此成交相當暢旺。期內基本完成了潤滙大廈、聚雅苑、文德雅軒、翠城花園23棟等項目剩餘單位的銷售，令本集團有效降低了現樓存貨的數量，降至歷史新低。

在本港，集團在二〇〇四年度內推出位於薄扶林的住宅項目富臨軒，市場反應熱烈。銷售樓面面積約7,700平方米，銷售額為3.26億港元。

因應未來提高企業核心競爭力和規避市場風險的要求，本集團地產業務經營策略定位為「住宅開發和商業地產經營並重、保持長期穩定的發展和收益」。

因應國內宏觀調控的環境，本集團將依靠優質物業和品牌影響力，逐步從單一房地產開發銷售模式轉向以房地產銷售和物業經營並重的綜合型商業地產模式，通過適當把商業板塊做大，借助商業地產的輻射能力，打通房地產上下產業鏈，從而帶動各個配套產業的發展。本年度由於維多利廣場、財富廣場等新項目正式投入經營，令本集團出租物業面積上升到約60萬平方米，租金收入約為3.67億港元，較二〇〇三年上升15%。本集團會通過尋求將房地產開發的鏈條橫向和縱向延伸，為股東帶來長期穩定的收益。

充分利用本集團擁有的龐大土地儲備，應對廣州市作為泛珠三角經濟區域中心的發展勢頭，適當增加商業及寫字樓的開發。

隨著廣州市經濟持續快速增長和其作為泛珠三角區域經濟中心輻射力的增強，整個市場對高質素的辦公環境、住房條件及基礎設施要求不斷提高，本集團充分利用擁有的龐大土地儲備優勢，在保證以住宅開發為主的前提下，適度地增加了中高端住宅、商場、寫字樓及酒店的開發，本年度陸續進行維多利廣場塔樓、地鐵RJ-1、天河商旅12-1、5等項目的開發，以多種不同的產品滿足未來市場的需要。

二〇〇四年，國家陸續推出政策，以控制土地供應和房地產信貸，進一步規範房地產市場，確保房地產市場持續健康發展。國家這些新政策對本集團這樣有實力有品牌的發展商而言無疑是一個重大的發展機遇。二〇〇四年，本集團積極配合整個市場的調整，整體策略進一步明晰為以廣州房地產為主，適當加大商業地產的開發和經營，由集中單向房地產開發逐漸轉向開發與物業經營並重，突破單純的項目開發概念，逐步實現「商業地產經營」的產業模式。

廣州的經濟發展將進入一個新的階段，在基礎設施建設等方面加大投入，積極推動珠三角城際軌道建設，進一步打造包括港澳在內的「珠三角一小時經濟圈」，以及加快啟動南沙開發，大力發展資本密集型產業，這些政策和城市建設都將有利於本集團各項業務未來的發展。

今後，本集團將抓住機遇，以實力打造商業地產，儘快形成以房地產開發和經營投資物業並重，同時加強物業管理及增加物業配套超市的綜合型商業地產經營策略。在確保現有中高檔住宅項目開發量的前提下，適應市場需要，適度加大商場、寫字樓及酒店等在內產品組合的開發業務，形成一個中高端產品的均衡開發結構；收費公路業務以優質高速公路為擴張重點；新聞紙業務則通過內部資源整合，提高產能，增加市場份額。在未來的發展中，本集團將一如既往地提高自身競爭能力，提升營運效率，致力降低成本，為股東帶來更豐厚的投資回報。

本人藉此機會向各位董事、高級管理層及全體員工致謝，感謝他們在過去一年對業務發展所作出的辛勤努力。本人亦感謝全體股東、銀行家及商業夥伴對本集團的大力支持。

董事長
區秉昌

香港，二〇〇五年四月二十一日



二〇〇四年本集團的各項業務均取得理想業績，股東應佔盈利上升至約330,823,000港元，較二〇〇三年增長10%。每股基本盈利約5.24港仙，較二〇〇三年增長7.2%。

本集團的業務主要集中於廣州及周邊地區，所以本集團業績得益於廣州市經濟持續快速增長。二〇〇四年廣州市國內生產總值(GDP)突破4,100億元人民幣，較二〇〇三年增長15%，已經實現連續兩年增長15%以上；按戶籍人口計算，人均GDP超過6,000美元，城鎮失業率創5年來最低。隨著廣州申辦二〇一〇年亞運會成功，「9+2」泛珠三角經濟合作逐步開展，廣州新白雲國際機場啟用及新火車站開工建設，廣州市經濟進入一個新的發展階段，市民對辦公條件、住房環境以及文化生活的需求不斷增長，令本集團二〇〇四年地產、收費公路及新聞紙業務取得理想業績。與二〇〇三年相比，房地產物業銷售及物業租賃業務營業額共約23.54億港元，增長3.5%；收費公路股東應佔盈利約2.76億港元，增長23.5%；新聞紙業務營業額約12.41億港元，增長23.3%。

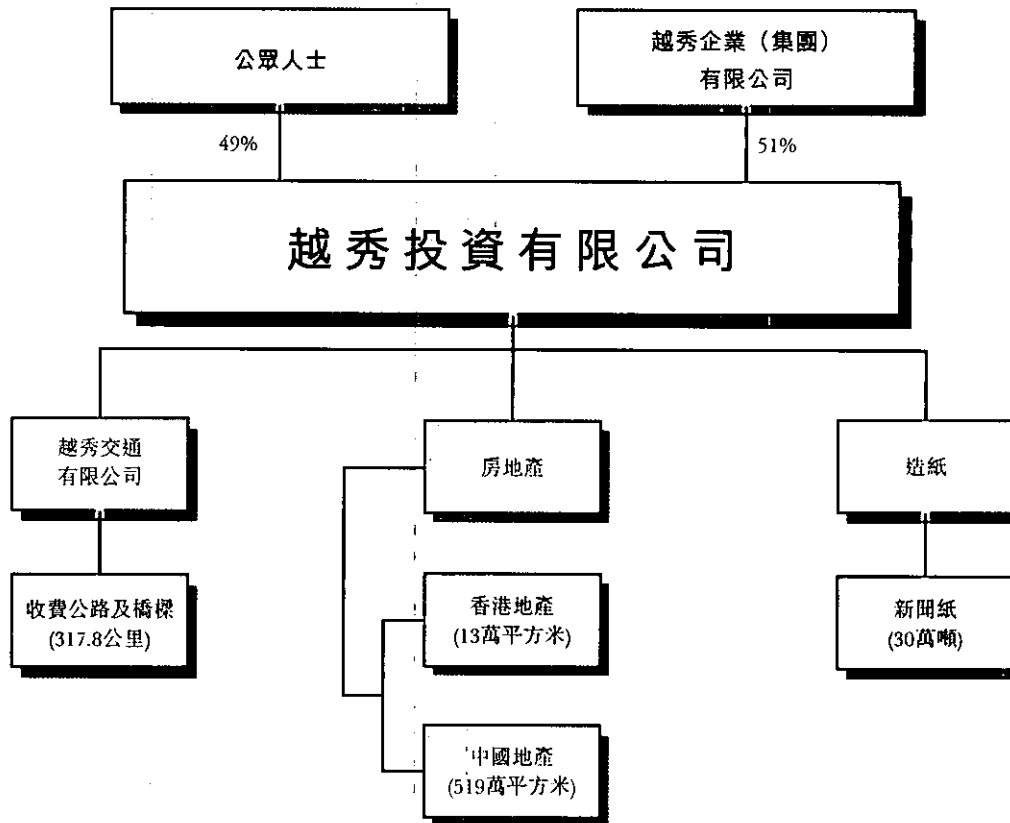
截至十二月三十一日止年度

	截至十二月三十一日止年度	
	二〇〇四年 千港元	二〇〇三年 千港元
營業額	4,526,679	3,925,109
經營盈利	743,486	721,591
應佔盈利減(虧損)		
共同控制實體	(23,021)	(49,693)
聯營公司	214,382	181,767
股東應佔盈利	330,823	300,653
每股基本盈利	5.24港仙	4.89港仙
全面攤薄每股盈利	5.15港仙	4.83港仙
利息保障倍數	5.80倍	4.47倍

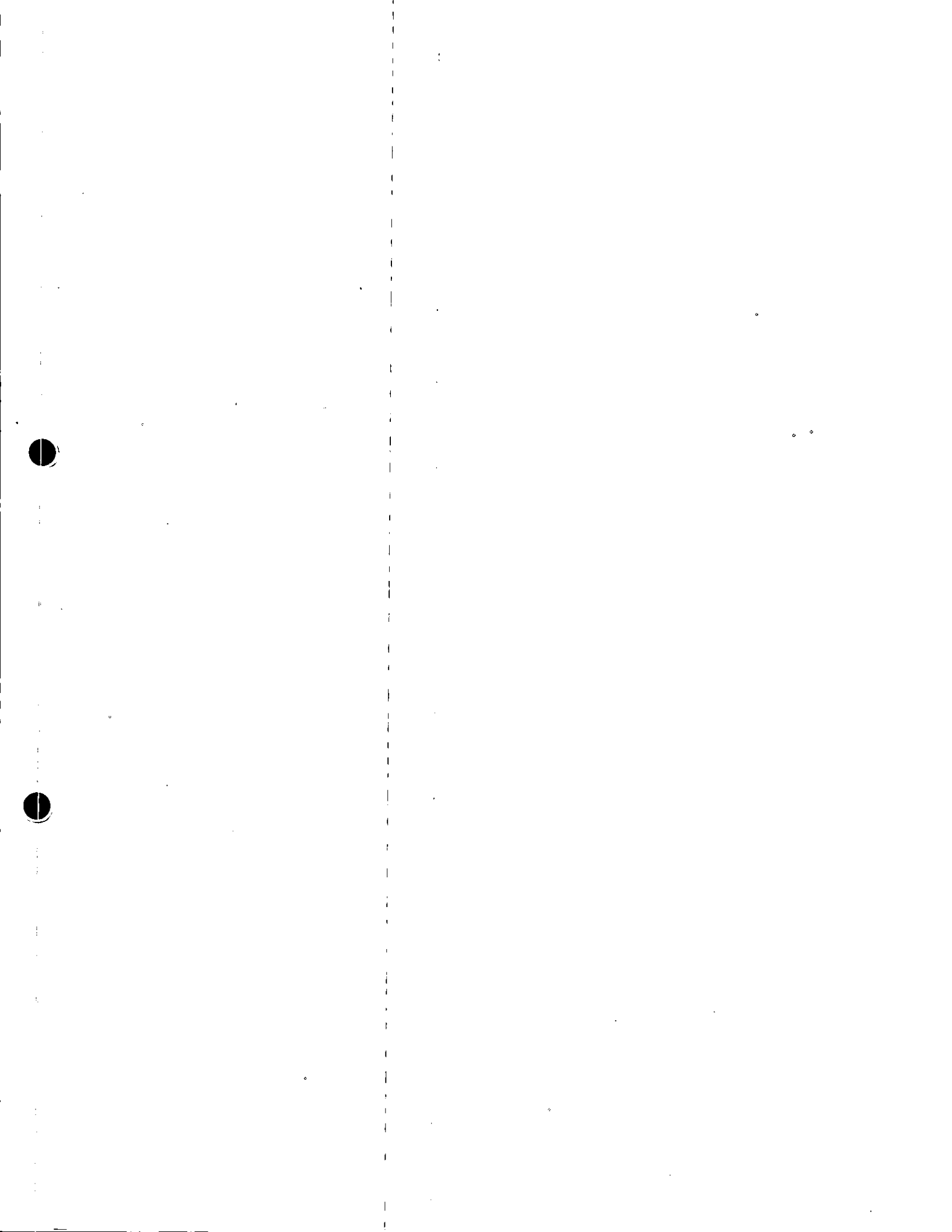
於十二月三十一日

	於十二月三十一日	
	二〇〇四年 千港元	二〇〇三年 千港元
總資產	25,201,023	25,785,918
總負債(包括少數股東權益)	17,966,722	18,816,558
股東權益	7,234,301	6,969,360
每股淨資產	1.14港元	1.12港元
總資本負債比率	40%	44%

越秀投資有限公司(「本公司」)於一九九二年十二月在香港聯合交易所有限公司(「聯交所」)上市。本公司的控權股東越秀企業(集團)有限公司是廣州市人民政府駐香港企業。本公司及其附屬公司(「本集團」)建立了多項業務，包括主要位於中國內地(「中國」)廣東省的房地產、造紙及收費公路。這些業務在華南地區均有龐大的市場佔有率。中國房地產業務方面，本集團目前在廣州市的房地產項目及土地儲備，總樓面面積為5,190,000平方米。新聞紙廠的年生產能力為300,000噸。收費公路業務是透過於一九九七年在聯交所獨立上市的本公司附屬公司：越秀交通有限公司經營，越秀交通有限公司目前在廣東及中國個別的其他省份經營應佔約317.8公里的收費公路及橋樑項目。



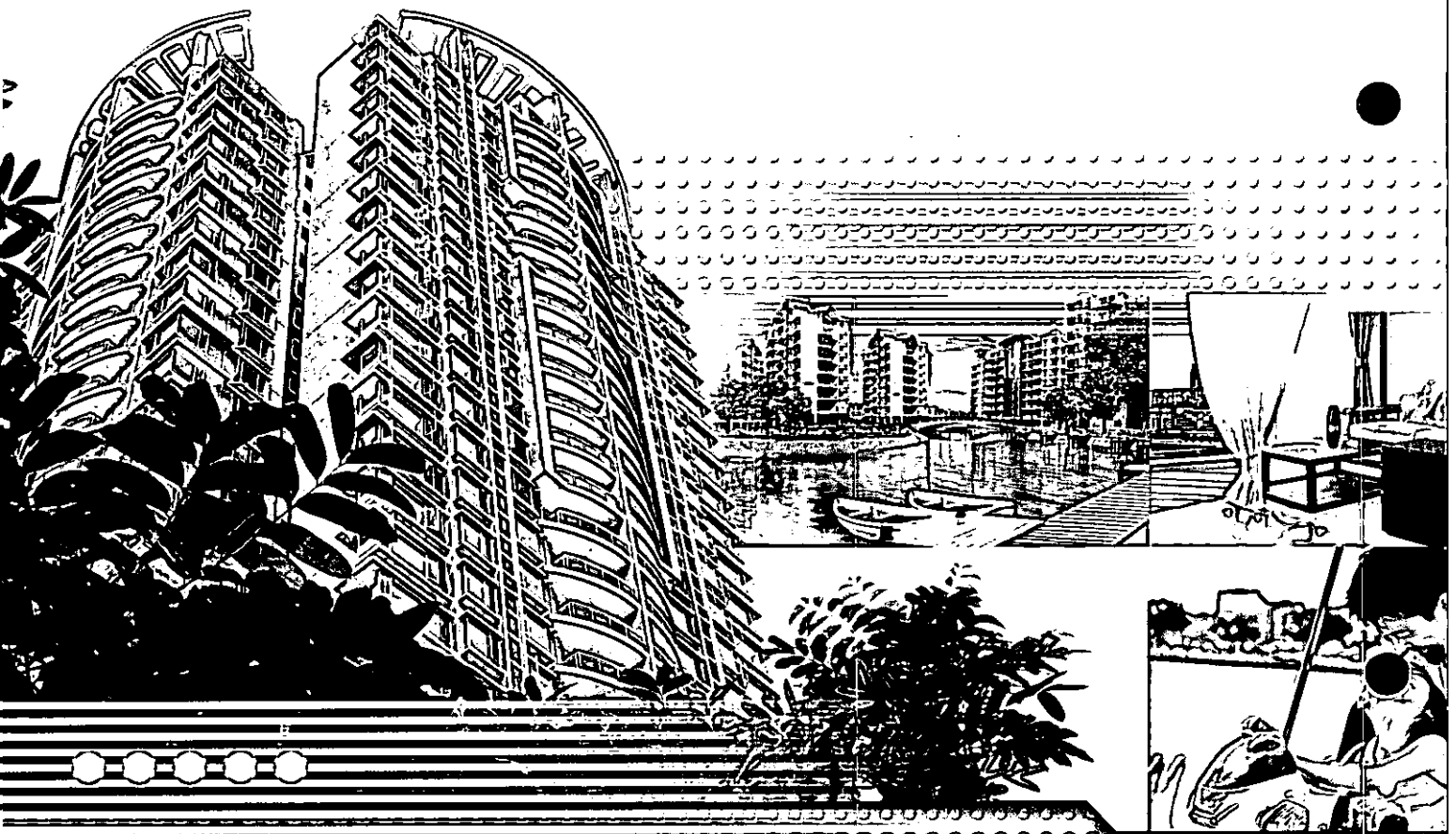
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GUANGZHOU INVESTMENT COMPANY LIMITED

越秀投資有限公司



THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Guangzhou Investment Company Limited ("Company"), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

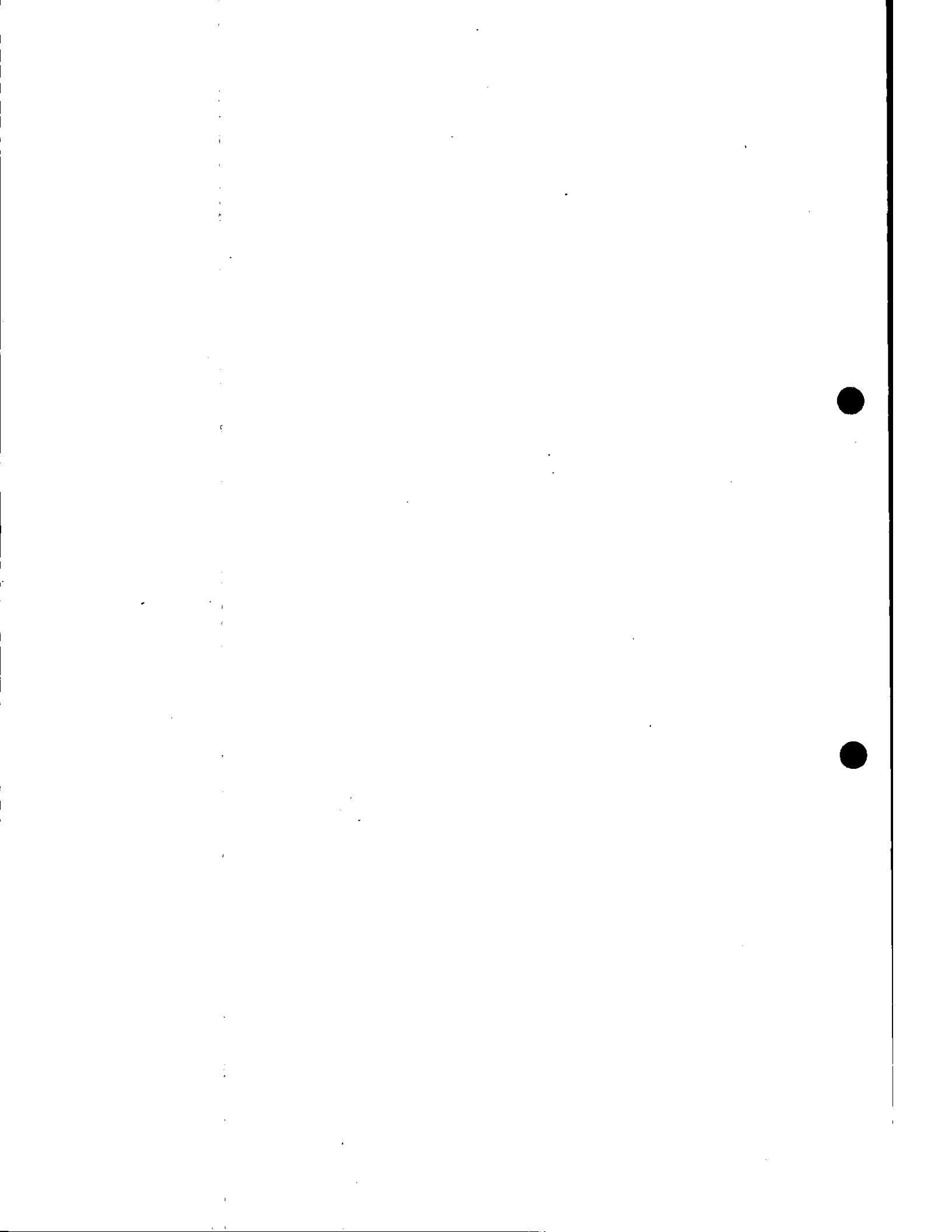
(Stock Code: 123)

**PROPOSED GENERAL MANDATES TO ISSUE
NEW SHARES AND REPURCHASE SHARES
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

RECEIVED
2005 MAY 19 P 1:45
OFFICE OF INTERNATIONAL
CORPORATE FINANCE

A notice convening an annual general meeting of the Company to be held at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong on Thursday, 26th May, 2005 at 10:00 a.m. is set out in this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's share registrar, Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting (or any adjourned meeting thereof).

29th April, 2005



維多利廣場之面積細分概括如下：

層數	用途	建築面積 (平方米)
地庫一層至四層	停車場	24,870.5
地庫一層	商業	1,809.2
一層	商業(包括架空層)	3,033.5
二層	商業	3,968.9
三層	商業	4,756.7
四層	商業	4,756.7
五層	商業	4,769.9
六層	商業	4,603.2
	總計：	<u>52,568.6</u>

於檢查時，零售中心上蓋正興建兩幢辦公樓。據越秀投資所告知，該兩幢52層高及36層高辦公樓將於二〇〇七年落成。該兩幢辦公樓為東塔及西塔，估計於落成時樓面面積分別為58,823.0平方米及30,772.0平方米。

維多利廣場之地盤面積約10,477.0平方米，購物中心之地盤包括一幅主要臨路部分面向體育西路之標準地皮，其上建有一幢於二〇〇三年落成之六層高商業零售中心連同四層地庫。

維多利廣場之主要入口面向體育西路，由於體育西路沿路有巴士及的士等公共交通工具，故此，維多利廣場整體上交通方便。

相對區內其他購物中心而言，維多利廣場之佈局設計合理。

2.6 越秀投資集團將出售之權益

越秀投資集團現正出售該發展物業一部分，將出售之權益詳情列載如下：

層數	用途	建築面積 (平方米)	套內樓面 面積 (平方米)
部分地庫一層	商業	1,809.2	1,503.6
一樓(101)	商業	473.7	442.3
一樓(102)	商業	1,553.5	1,451.0
一層	商業(架空層)	1,006.3	978.2
二層	商業	3,968.9	3,058.1
三層	商業	4,756.7	3,833.0
四層	商業	4,756.7	3,833.0
五層	商業	4,769.9	3,875.8
六層	商業	4,603.2	3,872.9
	總計：	<u>27,698.1</u>	<u>22,847.9</u>

附註：建築面積及用途之細分乃以房地產權證及中國法律意見為基礎。

2.7 發展物業規格、服務設施及裝修

維多利廣場由強化混凝土結構建成，一層至四層之公共部分用相同花崗岩地面及牆磚裝修，五層至六層之公共用花崗岩地磚裝修，而牆壁則用塑膠或塗上油漆及鋪牆紙。主要服務設施(包括水電及電訊)接駁至樓宇。

該大廈全部層數再分為多個單位，設有四部載客升降機，兩部扶手電梯供地庫至四樓使用，並設有六條樓梯。

相比鄰近其他購物中心，該發展物業之服務設施及裝修水平乃屬合理。

該大廈維持在與其樓齡相符之合理狀況。該大廈由廣州怡城物業管理有限公司管理，廣州怡城物業管理有限公司負責向租戶收取所有管理費，並處理有關該發展物業之日常運作及支銷。

消防安全措施包括整幢大廈安裝了自動灑水頭、煙霧偵測器、火警警報系統及滅火器。關於樓宇狀況之進一步資料，請參考《樓宇狀況調查報告》。

2.8 發展物業樓宇狀況

根據《樓宇狀況調查報告》，該大廈維持在合理狀況。該大廈被發現某些輕微損壞，狀況整體上符合其樓齡，於二〇〇五年九月進行檢查時並無發現結構性損壞。關於樓宇狀況之進一步資料，請參考《樓宇狀況調查報告》。

至於不符規劃之處，樓宇測量師發現某些輕微偏差，例如增建螺旋樓梯及天台樓梯口與竣工圖不符。

關於樓宇狀況之進一步資料，請參考《樓宇狀況調查報告》。

吾等認為該等不符規劃之處對相關物業之價值並無重大影響。

2.9 目前租金收入

於估值日，相關物業已全部租出。根據於估值日所提供之租金登記冊（吾等已檢查其中50%租約（即佔現時租金收入總數約60%）之樣本並認為它們妥當正常），現有月租收入淨額及相等之年租收入淨額如下：

建築面積 (平方米)	月租收入淨額 (人民幣)	年租收入淨額 (人民幣)
27,698.1	2,575,219	30,902,628

於估值日，相關物業租予22名租戶。

據所提供資料，吾等明白租金收入不包括物業管理費及其他支銷，例如水電、煤氣、電話、冷氣費等。

於估值日，相關物業內十大主要租賃協議(按租金收入計)佔用總建築面積52.2%，佔已收租金收入淨額53.0%。租賃協議之詳情列載如下：

單位	建築面積 (平方米)	月租 收入淨額 (人民幣)	估計 單價月租 收入淨額 (每平方米 人民幣)	估目前 單價月租 收入淨額 (每平方米 人民幣)	月租收入 淨額之百分比	租期 由 至	
001號	1,918.0	306,877	160	162	11.9%	二〇〇五年 三月一日	二〇一一年 五月三十一日
107、108、 210Q號	775.6	156,669	202	306	6.3%	二〇〇三年 十月一日	二〇〇八年 十月十七日
309-313、 315-323、 325、326、 358L-363L、 365L-368L、 371-373、 375-382、 388K、393K、 396K號	1,643.2	147,888	90	216	5.7%	二〇〇五年 八月二十四日	二〇一〇年 三月三十一日
102、103、 119號	840.0	145,000	173	342	5.6%	二〇〇三年 十月十日	二〇一三年 十二月九日
603號	2,817.1	135,222	48	126	5.3%	二〇〇三年 十月一日	二〇一三年 十二月九日
501A號	2,500.0	130,000	52	144	5.0%	二〇〇四年 二月一日	二〇一四年 四月三十日
111、112號	378.2	121,024	320	360	4.7%	二〇〇三年 九月十二日	二〇〇六年 十月十七日
502號	1,800.0	93,600	52	162	3.6%	二〇〇四年 二月一日	二〇一四年 四月三十日
113、115A、 215Q、216Q、 270K號	318.2	79,680	250	324	3.1%	二〇〇四年 七月十六日	二〇〇九年 八月三十一日
601、602號	1,480.0	71,040	48	144	2.8%	二〇〇四年 二月十八日	二〇一二年 五月十七日

於估值日，目前現時已收租金收入淨額總數及估計市值租金總數分別為人民幣2,575,219元及人民幣5,127,497元。目前現時收入淨額總數較估計市值租金總數低50%。估計單價月租收入淨額乃依據第3.1節所載相關物業不同層數之單價市值租金收入。

就按租金收入計之十大主要租賃協議而言，目前單價月租淨額整體上低於估計單價市值租金。

據越秀投資所告知，於估值日，相關物業並無有關連人士之出租。

租戶組合詳情如下：

行業	建築面積 (平方米)	百分比
飲食	10,757.4	38.8%
百貨公司	11,109.9	40.1%
電力	1,809.2	6.5%
銀行	872.1	3.2%
零售商舖	3,149.5	11.4%
	<u>27,698.1</u>	100.0%

2.10 出租率

根據中國法律意見，於估值日，總建築面積約27,262.3平方米之相關物業大部分已租予各租戶，即越秀投資集團將出售之相關物業之出租率為100%。

2.11 租賃週期期限及租期屆滿概況

整體上，全部租約之租期一般介乎約兩年至十年不等，並按照當地正常商業條款訂立，經同意月租淨額一般介乎每平方米人民幣45元至每平方米人民幣414元，平均單價月租淨額為每平方米人民幣93元。租約最後期滿日期為二〇一四年四月。

大部分租戶於租約首兩年享有租金折扣。相關物業於二〇〇三年下半年推出時獲授30.0%的初步折扣，以吸引潛在租戶租用維多利廣場。二〇〇四年下半年，由於維多利廣場裙樓上蓋兩幢辦公樓展開工程，大部分租戶於工程進行期間獲進一步減租20.0%，直至工程完成。三名相關物業的長期租戶更獲延長上述減租20.0%至竣工後三個月或四個月。

租期期限詳情如下：

租期多於 (年)	租期少於或 等於 (年)	按數目計 (%)	按建築 面積計 (%)
一年	兩年	7.4	27.7
兩年	三年	26.0	1.5
三年	四年	18.5	3.0
四年	五年	11.1	18.3
五年	六年	14.8	5.8
六年	七年	3.7	6.5
七年	八年	0.0	0.0
八年	九年	3.7	5.7
九年	十年	0.0	0.0
十年	十一年	14.8	31.5
		<u>100.0</u>	<u>100.0</u>

租期屆滿概況詳情如下：

將於下列各年期滿之租約百分比	按數目計 (%)	按建築 面積計 (%)
二〇〇五年	0.0	0.0
二〇〇六年	33.3	2.9
二〇〇七年	8.3	0.7
二〇〇八年	20.9	4.2
二〇〇九年	8.3	1.9
二〇一〇年及以後	29.2	90.3
空置	不適用	0.0
總計	<u>100.0</u>	<u>100.0</u>

就相關物業地庫及一樓至六樓而言，該等租約之租期一般各層有所不同，並按照當地正常商業條款訂立，於估值日已經同意的月租淨額列載如下。

層數	租約租期 (年)	經同意月租淨額範圍		平均
		由	至	
地庫	6	170	170	170
一層	3至10	84	414	180
二層	5	90	90	90
三層	2至5	78	172	94
四層	5	80	128	81
五層	10	47	47	47
六層	8至10	45	56	52

2.12 重要租金調整規定概要

相關物業有以下重要租金調整規定：

單位	建築面積 (平方米)	月租 收入淨額 (人民幣)	租期	
			由	由
地庫一個單位	1918.0	306,877	二〇〇五年 四月一日	二〇〇七年 四月三十日
		免租	二〇〇七年 五月一日	二〇〇七年 五月三十一日
		331,427	二〇〇七年 六月一日	二〇〇九年 五月三十一日
		357,941	二〇〇九年 六月一日	二〇一一年 五月三十一日
		145,000	二〇〇三年 十二月十日	二〇〇五年 十二月九日
		153,700	二〇〇五年 十二月十日	二〇〇七 年十二月九日
		162,922	二〇〇七年 十二月十日	二〇〇九年 十二月九日
一層一個單位	840.0	172,697	二〇〇九年 十二月十日	二〇一一年 十二月九日
		183,059	二〇一一年 十二月十日	二〇一三年 十二月九日
		156,669	二〇〇三年 十二月十日	二〇〇五年 三月三十一日
		152,121	二〇〇五年 四月一日	二〇〇五年 四月三十日
		156,669	二〇〇五年 五月一日	二〇〇五年 十二月九日
		162,874	二〇〇五年 十二月十日	二〇〇六年 十二月九日
		169,079	二〇〇六年 十二月十日	二〇〇七年 十二月九日
一層一個單位	3,373.4	176,059	二〇〇七年 十二月十日	二〇〇八年 十月十七日
		953,620	二〇〇五年 七月一日	二〇〇六年 三月三十一日
		1,001,301	二〇〇六年 四月一日	二〇〇七年 三月三十一日
		1,051,399	二〇〇七年 四月一日	二〇〇八年 三月三十一日
		1,777,503	二〇〇八年 四月一日	二〇〇九年 三月三十一日
		1,777,503	二〇〇九年 四月一日	二〇一〇年 三月三十一日

吾等並不知悉有任何可能影響相關物業價值之重大分租或租賃及重大選擇權或優先購買權。吾等已在估值中考慮續租之權利。

2.13 過往支銷

據越秀投資所告知，租戶目前就相關物業每月支付之物業管理費為每平方米人民幣48元，物業管理費收入總額能彌補物業管理開支總額。

吾等認為目前物業管理費與區內同類發展物業之市場水平一致。(見2.14.2一節)

2.14 物業管理

2.14.1 租賃服務協議

管理人、京澳有限公司(「物業公司」)與廣州怡城物業管理有限公司(「租賃代理」)於簽訂一份租賃服務協議，最初年期為三年。根據此協議，租賃代理(亦為維多利廣場之物業管理人)每年將獲支付之報酬為物業公司從經營相關物業中應收總收入4%(「服務費」)，再加上租戶對該大廈之經營開支所作出任何供款10%。租賃代理同意，只要它一直是維多利廣場之物業管理人，支付予租賃代理之服務費亦將清償物業管理費，根據物業管理協議，租賃代理有權向物業公司就相關物業任何空置單位收取物業管理費。

2.14.2 物業管理費

據越秀投資所告知，租戶目前就相關物業每月支付之管理費為每平方米人民幣48元，與區內同類發展物業之市場水平一致。

樓宇名稱	每月管理費 (每平方米人民幣)
天河城	58
中泰國際廣場	45
正佳廣場	58
時代廣場	46

3. 估值

3.1 收入資本化計算法

此方法透過資本化過程將來自該物業之實際及預期收入淨額轉換成價值，將收入淨額轉換成價值之最常用方法乃「年期及復歸」法。

此方法考慮目前來自現有空置之現時租金及日後潛在收入，透過按全部租出基準將租金淨額資本化，按公開市場基準估計相關物業之價值。

按此估值方法，租金收入總額分為年期收入及復歸收入。年期價值涉及將目前現有租期內之現時租金收入資本化。於租期滿後，復歸價值於剩下土地使用期內被視作目前市值租金，並按全部租出基準資本化，然後復歸至估值日。

為了使復歸價值復歸至現時日期，吾等已使用與相關物業特定部分之復歸回報率相同之現值率。現值乃未來現金流量之現時貨幣價值，並反映於相似資產中投資之機會成本，預期該項相似資產賺取之有利回報將與相關物業差不多。

吾等在編製估值時已考慮到區內同類優質零售發展物業之可資比較開價或已交易租金。

就相關物業而言，於估值日，地庫至六層之一般月租淨額如下：

層數	一般月租淨額範圍			目前市值 租金水平 (每平方米 人民幣)	比較 (低於或 高於市值 租金)
	由	至	平均		
地庫	170	170	170	216	低於
一層	84	414	180	360	低於
二層	90	90	90	288	低於
三層	78	172	94	252	低於
四層	80	128	81	216	低於
五層	47	47	47	198	低於
六層	45	56	52	180	低於

吾等認為，於估值日，相關物業各層目前之現時租金整體上低於市場水平。

為了組成市場上可資比較數據，吾等從吾等之數據庫(以吾等所得最新數據為基礎)中辨認出多項可資比較物業。由於吾等所得實際交易數目有限，故此吾等分析二〇〇四年區內多幢同類樓宇之出租，吾等認為該等可資比較數據足以計算得出相關物業之市值租金。

可資比較租金詳情如下：

	可資比較物業一	可資比較物業二	可資比較物業三	可資比較物業四
地址	林和西路	林和西路	天河路	天河路
地區	天河區	天河區	天河區	天河區
交易日期	二〇〇四年十二月	二〇〇四年十二月	二〇〇四年五月	二〇〇四年四月
單位	一個商舖單位	一個商舖單位	一個商舖單位	一個商舖單位
層數	一樓	一樓	一樓	一樓
建築面積(平方米)	505.0	223.8	30.0	45.5
落成日期	二〇〇四年	二〇〇四年	一九九五年	一九九五年
交易性質	已交易	已交易	已交易	已交易
租期(年)	5.00	6.00	6.00	6.00
租約開始日期	二〇〇四年 十一月一日	二〇〇四年 十月十六日	二〇〇四年 五月二十六日	二〇〇四年 六月
租約期滿日期	二〇〇九年 十月三十一日	二〇一〇年 十月十五日	二〇一〇年 五月二十五日	二〇一〇年 六月
月租收入淨額， 按建築面積計 (人民幣)	75,750	31,329	37,800	45,500
月租收入淨額， 按建築面積計 (每平方米人民幣)	150	140	1,260	1,000
經調整月租收入淨額， 按建築面積計 (每平方米人民幣)	191	162	607	482

吾等已考慮四項可資比較物業，以得出相關物業群樓一層之租金。已就時間、地點、樓宇質素、面積大小及行人流量作出調整，該等可資比較物業之經調整單位租金介乎每平方米人民幣162元至607元。計算出全部四項可資比較物業之平均數將得出相關物業群樓一樓之單價月租為每平方米人民幣360元，透過給予不同折讓百分比予不同層數，不同層數之單價市值月租如下：

層數	給予折讓 (%)	單價市值月租 (每平方米 人民幣)
地庫	40%	216
一層	0%	360
二層	20%	288
三層	30%	252
四層	40%	216
五層	45%	198
六層	50%	180

於估值日，現有月租收入淨額為人民幣2,575,219元，預期該發展物業將維持目前100%之出租率水平，高於市場上同類樓宇之出租率。

吾等進行評估時，所採用之年期回報率及復歸回報率分別為8.5%及10.5%。所採用之年期回報率低於下文所計算得出之市場回報率，原因是相關物業之目前現時租金收入低於估計目前市值租金收入。於估值日，年期回報率用來將目前現時租金收入資本化，而復歸回報率則用來轉換復歸租金收入。此方法通常用來對提供收入之物業進行估值。

復歸回報率乃依據單價市值租金及為相關物業搜集之可資比較單價市值之分析，據過往分析，零售裙樓一樓之單價市值租金為每平方米人民幣360元。於第3.3節，一樓之單價市值為每平方米人民幣40,300元，市場回報率為10.7%。吾等採用10.5%作為相關物業零售部分之復歸回報率，10.5%乃與市場上可資比較交易之一致，詳情如下：

零售市場：

單位	層數	地址	建築面積 (平方米)	交易日期	實際交易價格 (人民幣)	每平方米售價 (每平方米 人民幣)	於交易日之	於交易日	市場回報率 (附註2)
							估計單位年度 市值租金淨額 (每平方米 人民幣) (附註1)	之出租 狀況	
全層	一樓、 二樓及 地庫 一層	保密	35,000	二〇〇四年底	265,000,000	7,571	796	20年及 售後租回	10.5%
全層	一樓	體育西路	1,147	二〇〇四年九月	51,608,075	44,994	4,752	空置	10.6%
B205	一樓	保密	15.6	二〇〇五年九月	1,244,800	79,795	9,600	空置	12.0%
B107	一樓	保密	16.5	二〇〇五年九月	1,405,050	85,155	10,260	空置	12.0%
三個商舖 單位	一樓	體育東路	463	二〇〇四年九月	10,645,780	22,993	2,688	空置	11.7%

附註：

- 1) 估計市值租金收入淨額乃依據吾等對近期可資比較物業出租之分析。
- 2) 市場回報率乃每年估計市值租金收入淨額除以實際交易價格。

可資比較數據源自高力國際物業顧問(香港)有限公司之數據庫，並依據可資比較整體地點計算，由於整幢樓宇銷售數目有限，故此吾等亦採用區內較小單位之銷售。

吾等評估相關物業之價值為475,000,000港元。

概述如下：

物業	年期回報率	復歸回報率	單價價值，	
			價值 (港元)	按建築面積計 (每平方米港元)
維多利廣場	8.5%	10.5%	475,000,000	17,149

3.2 現金流量貼現分析

根據國際評估準則委員會(第七版)之定義，現金流量貼現分析指就經營房地產物業日後產生現金流量採用明確假設之金融模型技巧。此分析涉及預測經營房地產物業之一連串定期現金流量，並就該一連串預測現金流量採用適當貼現率，以制訂關於該等物業租金收入現值之指標。在經營房地產物業之情況下，定期現金流量一般指估計租金收入總額減空置、壞賬、稅務影響(印花稅、城市房地產稅、防洪工程維修費及營業稅)、服務費及其他經營開支。然後，該一連串定期經營收入淨額，連同預計於預測期終時之終值估計金額，按貼現率貼現至現值，該貼現率乃資本成本或用以轉換日後應付或應收貨幣金額之回報率。

吾等已於十年投資年期每月進行現金流量貼現分析，第十一年之收入淨額於餘下所有權年期按適當回報率資本化。此分析衡量於假設投資年期內之租金及資本增長，讓投資者或業主可對物業大有可能帶來之長期回報作出評估。此分析通常用於對提供投資收入之物業進行估值。

就相關物業而言，吾等進行計算時採用之最終資本化率為9%。此乃依據吾等對市場上適用年期回報率之分析(載於第3.1節)，並給予折讓以反映吾等將第十一年租金收入淨額資本化之事實，該折讓反映扣除前租金收入與租金收入淨額之差額，以及考慮到租金收入淨額較扣除前租金收入提供更佳保障。

吾等進行計算時已就相關物業採用11%貼現率，該貼現率乃用以轉換日後應付或應收貨幣金額至現值之回報率，理論上反映資本之機會成本。吾等在達致上述貼現率時，已研究一項商用物業於十年內所賺取投資回報之市場現況。吾等亦已調查活躍物業投資者在市場上購買購物中心及辦公樓所需回報率。基於上文所述，吾等認為市場對零售物業之預期回報率約為10%至12%。吾等注意到，由香港金融管理局發行之十年期外匯基金票據之孳息率於二〇〇五年九月三十日約為4.17%，顯示上述物業之風險溢價介乎5.83%至7.83%。依據吾等對國際市場上可資比較銷售之分析，溢價較高反映中國相關內在投資風險及物業風險。吾等認為，由於香港是最鄰近中國之成熟市場，故此就中國物業投資採用香港無風險回報率較為恰當。

在達致吾等所提供之定期現金流量時，吾等已考慮租金年增長率，以評估於租期屆滿時用以釐定現金流量之預測租金收入。所採用之租金增長率與Cushman & Wakefield (HK) Limited編製之市場研究報告所載之預測一致。

吾等已估計相關物業未來十年內每年之租金收入增長。每項租賃之租金增長模式反映各租約之租金調整規定，包括分期加租(如適用)。吾等假設於租約期滿後，三份至十份新訂或現有之租約一般按三年租期及當時現有市值租金授出或續訂，以使現有長期租約於期滿後之租金預測將與長期租約中現有之遞增租金調整類似。

吾等在該投資組合中已考慮年度空置撥備及壞賬撥備，依據目前及預測空置情況，年度空置撥備約為1%。吾等參照過往壞賬比率，認為壞賬撥備應為已收租金淨額之1%。就維多利廣場而言，於有關期間並無壞賬。

吾等已參考《樓宇狀況調查報告》，該份調查報告指出，由於相關物業維持在與其樓齡相符之合理狀況，故此將不會導致即時資本開支。吾等已採用越秀投資所提供由二〇〇六年至二〇一五年大規模維修保養成本之預測。由於越秀投資向吾等表示用作維持相關物業目前狀況之小規模例行維修保養成本由租戶支付之物業管理費彌補，故此並無就小規模例行維修保養之預期成本作出扣除。據越秀投資所告知，不符規劃之處所導致之任何成本將由越秀投資清償。

吾等亦已就營業稅、印花稅、城市房地產稅、防洪工程維修費、保險、大規模維修保養成本及服務費扣除款項。

吾等在進行計算時並無扣除任何收購成本及出售成本，吾等認為此乃未來買家之考慮因素。

吾等在編製相關物業之估值時已考慮區內同類零售發展物業之可資比較開價或已交易租金。詳情請參閱本報告第3.1節。

吾等在進行評估時，利用下列假設以對該物業進行估值：

項目	百分比
最終資本化率	9%
貼現率	11%
增長率－第一年	5%
增長率－第二年	6%
增長率－第三年	8%
增長率－第四年	10%
增長率－第五年	10%
增長率－第六至第十年	6%
空置虧損	1%
壞賬	1%

增長率乃根據吾等之當地市場研究，吾等亦已參考由Cushman & Wakefield (HK) Limited編製之《市場研究報告》。

空置虧損乃依據吾等對供求之意見及吾等對廣州有關物業市場之當地市場知識。

吾等在現金流量折現分析中依據越秀投資所提供之資料，吾等預測下列有關該大廈之支銷於未來十年按以下款額支出：

預測支銷項目	預測支銷
服務費(依據租賃服務協議)	租金收入總額4%
大規模維修保養成本(據越秀投資所告知)	二〇〇五年人民幣零元
	二〇〇六年人民幣410,000元
	二〇〇七年人民幣1,040,000元
	二〇〇八年人民幣427,600元
	二〇〇九年人民幣410,000元
	二〇一〇年人民幣380,000元
	二〇一一年人民幣230,000元
	二〇一二年人民幣820,000元
	二〇一三年人民幣181,000元
	二〇一四年人民幣598,000元
	二〇一五年人民幣1,221,900元
雜項開支	租金收入0.2%
保險	固定款額
營業稅	租金收入5.0%
防洪工程維修費	租金收入0.09%
城市房地產稅	樓宇原有成本x70%x1.2%
印花稅	租金收入總額0.1%

參考《樓宇狀況調查報告》，預測支銷項目並無包括即時資本開支。

基於上文所述，吾等評估相關物業之價值為591,000,000港元，已考慮有關稅項及成本項目之支銷。

概述如下：

物業	資本化率	貼現率	單價價值，	
			價值	按建築面積計
			(港元) (每平方米港元)	
維多利廣場	9%	11%	591,000,000	21,337

3.3 銷售比較法

按銷售比較法，吾等已考慮同類物業之銷售及有關市場數據，並透過對可資比較物業作出調整來釐定價值。整體上，相關物業與在公開市場上已交易之同類物業之銷售作比較。

吾等在編製估值時已考慮到區內同類優質零售發展物業之可資比較開價或已交易數據。

為了組成市場上可資比較數據，吾等從吾等之數據庫(以吾等所得最新數據為基礎)中辨認出多項可資比較物業。由於吾等所得實際交易數目有限，故此吾等分析二〇〇四年區內多幢同類樓宇之交易，吾等認為該等可資比較數據足以計算得出相關物業之市值租金。

吾等已就各項因素作出調整，例如地點、樓齡、實用率及時間。詳情如下：

	可資比較物業一	可資比較物業二	可資比較物業三	可資比較物業四	可資比較物業五	可資比較物業六	可資比較物業七
地址	體育東路	體育東路	體育東路	體育東路	體育東路	體育東路	體育西路
地區	天河區	天河區	天河區	天河區	天河區	天河區	天河區
交易日期	二〇〇四年五月	二〇〇四年七月	二〇〇四年七月	二〇〇四年九月	二〇〇四年九月	二〇〇四年九月	二〇〇四年九月
單位	一個商舖單位	一個商舖單位	一個商舖單位	一個商舖單位	一個商舖單位	一個商舖單位	一個商舖單位
層數	一樓	一樓	一樓	一樓	一樓	一樓	一樓
建築面積(平方米)	105.2	83.6	65.3	59.7	59.7	343.4	1,146.9
落成日期	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇三年
交易性質	已交易	已交易	已交易	已交易	已交易	已交易	已交易
交易價格	7,150,880	4,920,955	4,041,651	1,374,020	1,374,020	7,897,740	51,608,075
按建築面積計 (人民幣)							
交易價格	67,974	58,863	61,893	23,015	23,015	22,999	44,998
按建築面積計 (每平方米 人民幣)							
經調整交易價格	57,727	49,946	52,575	27,893	27,893	27,893	38,201
按建築面積計 (每平方米 人民幣)							

已依據吾等本身之判斷及市場知識作出調整。吾等已考慮七項可資比較物業，以得出相關物業一樓零售商舖之單價市值。可資比較物業一至六位於同一幢樓宇內，而可資比較物業七則鄰近相關物業。依據上表就時間、地點、樓宇質素、面積大小等所作出之調整，該等可資比較物業之經調整單價市值介乎每平方米人民幣27,893元至人民幣57,727元。計算出可資比較物業一至七之平均數將得出單價市值為每平方米人民幣40,300元，而吾等認為就相關物業一樓零售商舖而言此乃合理單價市值。

由於給予不同折讓百分比予不同層數，不同層數之單價市值如下：

層數	給予折讓 (%)	單價市值 (每平方米 人民幣)
地庫	40%	24,180
一層	0%	40,300
二層	20%	32,240
三層	30%	28,210
四層	40%	24,180
五層	45%	22,165
六層	50%	20,150

基於上文所述，吾等評估相關物業之價值為558,000,000港元。

概述如下：

物業	價值 (港元)	單價價值， 按建築面積計 (每平方米港元)
維多利廣場	558,000,000	20,146

4. 估值概要

下表概述吾等以各方法所計算之結果：

估值方法	價值 (港元)
收入資本化	475,000,000
現金流量貼現	591,000,000
銷售比較	558,000,000

依據吾等主要之估值法收入資本化計算法(包括現金流量貼現分析)，吾等認為相關物業(越秀投資集團將出售之物業權益)於估值日在其現況下之市值為五億三千三百萬港元(533,000,000港元)，並假設該等物業(連同現有租戶及物業業權概無任何重大產權負擔或缺失之利益)在市場上可供銷售。相關物業之市值乃採用收入資本化計算法及現金流量貼現分析計算得出之價值平均數。

1. 債務

借貸

於二〇〇五年九月三十日營業時間結束時，即在印發本通函前就本債務報表而言之最後實際可行日期，越秀投資集團之未償還借貸總共約為6,885,000,000港元，包括有抵押銀行借貸約4,840,000,000港元、無抵押銀行借貸約1,302,000,000港元、其他無抵押借貸約743,000,000港元及融資租賃債項約100,000,000港元。

資本承擔

於二〇〇五年九月三十日，越秀投資集團有關購買已訂約但未撥備之固定資產之資本承擔約為25,000,000港元。

於二〇〇五年九月三十日，越秀投資集團有關將注入共同控制實體之股本之財政承擔約為193,900,000港元。

資產抵押

於二〇〇五年九月三十日，上述授予越秀投資集團之若干銀行融資及貸款由下列各項作抵押：

- (a) 越秀投資集團若干固定資產、持作發展／發展中物業、持作出售物業及投資物業，總賬面值分別約為44,000,000港元、736,000,000港元、520,000,000港元及3,853,000,000港元；
- (b) 若干附屬公司的若干資產(總賬面淨值約為6,480,000,000港元)之浮動押記；及
- (c) 越秀投資集團於若干附屬公司之股權之按揭。

就按揭融資向若干銀行提供之擔保

於二〇〇五年九月三十日，越秀投資集團已授予越秀投資集團物業若干買家之按揭融資擔保約126,000,000港元。

或然負債

於二〇〇五年九月三十日，越秀投資集團就一間聯營公司之一名合營夥伴（「合營夥伴」）償還銀行貸款人民幣500,000,000元（相當於約467,000,000港元）及有關利息（統稱「有關貸款」），向銀行抵押其從該聯營公司之24.3%實際權益所產生之收入。

該名合營夥伴已就因該抵押產生之一切負債向越秀投資集團提供反彌償保證。此外，越秀企業已向越秀投資集團發出彌償保證，據此，倘若該名合營夥伴向越秀投資集團提供之反彌償保證不足以彌補有關貸款，則越秀企業將向銀行清償／支付該名合營夥伴提供之反彌償保證與有關貸款之間之任何差額。

免責聲明

除本文所披露者外，以及越秀投資集團於正常業務過程中之集團內部負債及正常應付貿易款項除外，於二〇〇五年九月三十日營業完結時，越秀投資集團概無任何未償還按揭、抵押或銀行透支、貸款及其他類似債務或承兌信用或租購承擔或任何擔保或其他重大或然負債。

除上文所披露者外，董事確定自二〇〇五年九月三十日起越秀投資集團之債務及或然負債概無任何重大不利轉變。

就以上債務報表而言，外幣金額已按二〇〇五年九月三十日營業完結時之現行匯率換算成港元。

2. 重大不利轉變

除本通函所披露者外，董事確定自二〇〇五年九月三十日起越秀投資集團之財政或貿易狀況概無任何重大不利轉變。

3. 營運資金

董事認為，於完成建議分拆上市及考慮到越秀投資集團現時的可動用銀行融資及內部資源後，越秀投資集團擁有充足營運資金應付目前（即本通函刊發日期起至少十二個月）之需要。

4. 越秀投資集團之經審核財務業績概要

以下為越秀投資集團截至二〇〇四年十二月三十一日止三個年度各年之經審核綜合業績及越秀投資集團於二〇〇二年、二〇〇三年及二〇〇四年十二月三十一日止之三個年度各年之經審核綜合資產負債表概要。該資料摘錄自越秀投資集團之經審核綜合財務報表：

綜合損益表

	截至十二月三十一日止年度		
	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇二年 千港元
營業額	4,526,679	3,925,109	3,225,473
銷售成本	(3,473,912)	(2,758,973)	(2,251,555)
毛利	1,052,767	1,166,136	973,918
其他收益	35,556	31,549	19,110
銷售及分銷開支	(178,451)	(127,154)	(148,420)
一般及行政開支	(392,143)	(414,033)	(521,909)
撥回呆賬撥備	104,942	—	—
被視作出售附屬公司若干權益的虧損	(481)	(94,942)	(7,773)
持有作發展／發展中物業			
撥回／(撇減)至可變現淨值	44,546	(5,805)	(542,160)
投資物業的重估盈餘／(虧絀)	76,750	165,840	(240,550)
減值撥備			
— 固定資產	—	—	(52,974)
— 其他投資	—	—	(56,052)
經營盈利／(虧損)	743,486	721,591	(576,810)
理財成本	(112,512)	(224,733)	(185,986)
應佔以下公司盈利減虧損			
— 共同控制實體	(23,021)	(49,693)	(25,709)
— 聯營公司	214,382	181,767	100,159
權益減值撥備			
— 共同控制實體	—	—	(111,655)
除稅前盈利／(虧損)	822,335	628,932	(800,001)
稅項	(210,565)	(114,599)	2,316

	截至十二月三十一日止年度		
	二〇〇四年	二〇〇三年	二〇〇二年
	千港元	千港元	千港元
除稅後盈利／(虧損)	611,770	514,333	(797,685)
少數股東權益	(280,947)	(213,680)	(162,545)
股東應佔盈利／(虧損)	<u>330,823</u>	<u>300,653</u>	<u>(960,230)</u>
股息	<u>109,797</u>	<u>117,540</u>	<u>—</u>
每股盈利／(虧損)			
基本	<u>5.24港仙</u>	<u>4.89港仙</u>	<u>(23.90)港仙</u>
全面攤薄	<u>5.15港仙</u>	<u>4.83港仙</u>	<u>—</u>
資產、負債及少數股東權益			

	於十二月三十一日		
	二〇〇四年	二〇〇三年	二〇〇二年
	千港元	千港元	千港元
非流動資產	10,452,657	10,665,561	9,403,639
流動資產	<u>14,748,366</u>	<u>15,120,357</u>	<u>17,281,376</u>
	<u>25,201,023</u>	<u>25,785,918</u>	<u>26,685,015</u>
流動負債	6,830,224	7,196,223	8,646,460
非流動負債	<u>7,668,691</u>	<u>8,245,513</u>	<u>7,521,157</u>
	<u>14,498,915</u>	<u>15,441,736</u>	<u>16,167,617</u>
少數股東權益	<u>3,467,807</u>	<u>3,374,822</u>	<u>3,807,351</u>
淨資產	<u>7,234,301</u>	<u>6,969,360</u>	<u>6,710,047</u>

5. 越秀投資集團經審核財務資料

以下乃越秀投資集團截至二〇〇四年十二月三十一日止兩個年度各年的經審核綜合損益表、越秀投資集團於二〇〇三年及二〇〇四年十二月三十一日止的經審核綜合資產負債表、截至二〇〇四年十二月三十一日止兩個年度的經審核綜合權益變動表、越秀投資集團截至二〇〇四年十二月三十一日止兩個年度的經審核現金流量表概要，連同抽取自本公司截至二〇〇四年十二月三十一日止年度年報的有關附註。

綜合損益表

截至十二月三十一日止年度

	附註	二〇〇四年 千港元	二〇〇三年 千港元
營業額	2	4,526,679	3,925,109
銷售成本		(3,473,912)	(2,758,973)
毛利		1,052,767	1,166,136
其他收益	2	35,556	31,549
銷售及分銷開支		(178,451)	(127,154)
一般及行政開支		(392,143)	(414,033)
撥回呆賬撥備	3	104,942	—
被視作出售附屬公司若干權益的虧損	4	(481)	(94,942)
持作發展／發展中物業撥回／(撇減)至可變現淨值	5	44,546	(5,805)
投資物業的重估盈餘		76,750	165,840
經營盈利	6	743,486	721,591
理財成本	7	(112,512)	(224,733)
應佔以下公司盈利減虧損			
— 共同控制實體		(23,021)	(49,693)
— 聯營公司		214,382	181,767
除稅前盈利		822,335	628,932
稅項	8	(210,565)	(114,599)
除稅後盈利		611,770	514,333
少數股東權益		(280,947)	(213,680)
股東應佔盈利	9	330,823	300,653
股息	10	109,797	117,540
每股盈利	11		
基本		5.24港仙	4.89港仙
全面攤薄		5.15港仙	4.83港仙

綜合資產負債表

十二月三十一日

	附註	二〇〇四年 千港元	二〇〇三年 千港元
非流動資產			
於收費公路及橋樑之權益	14	2,001,376	2,099,647
其他無形資產	15	(489,960)	(535,253)
固定資產	16	6,216,630	6,251,082
遞延稅項資產	32	56,199	39,061
於共同控制實體之權益	18	646,717	798,064
於聯營公司之權益	19	1,760,348	1,753,109
其他投資	20	261,347	259,851
		<u>10,452,657</u>	<u>10,665,561</u>
流動資產			
有待發展／發展中物業	21	10,302,017	10,244,614
持有作出售之物業	21	2,189,758	2,455,354
存貨	22	195,288	220,127
有關連公司欠款	23	3,234	3,678
應收賬款	24	562,768	667,094
其他應收款項、預付款項及按金		593,644	454,196
銀行及現金結餘	25	901,657	1,075,294
		<u>14,748,366</u>	<u>15,120,357</u>
流動負債			
應付賬款	26	414,493	447,600
應付地價		729,410	708,300
其他應付款項及應計費用		3,083,250	3,195,338
應付共同控制實體款項	18	123,442	75,340
應付聯營公司款項	19	112,150	112,221
應付附屬公司少數股東之款項	23	186,831	179,135
銀行貸款			
— 有抵押	38	453,644	838,692
— 無抵押		608,919	681,797
銀行透支—無抵押		24,763	39,486
長期銀行負債即期部份	30	959,499	875,394
其他長期負債即期部份	31	25	14
應付稅項		133,798	42,906
		<u>6,830,224</u>	<u>7,196,223</u>

	附註	二〇〇四年 千港元	二〇〇三年 千港元
流動資產淨值		<u>7,918,142</u>	<u>7,924,134</u>
總資產減流動負債		<u>18,370,799</u>	<u>18,589,695</u>
非流動負債			
長期銀行負債	30	3,147,665	3,642,450
其他長期負債	31	890,747	952,527
遞延稅項負債	32	<u>3,630,279</u>	<u>3,650,536</u>
		<u>7,668,691</u>	<u>8,245,513</u>
少數股東權益		<u>3,467,807</u>	<u>3,374,822</u>
淨資產		<u>7,234,301</u>	<u>6,969,360</u>
資金來源：			
股本	27	635,160	624,872
儲備	29	<u>6,599,141</u>	<u>6,344,488</u>
股東權益		<u>7,234,301</u>	<u>6,969,360</u>

資產負債表

十二月三十一日

	附註	二〇〇四年 千港元	二〇〇三年 千港元
非流動資產			
固定資產	16	22,563	20,574
於附屬公司之投資	17	9,957,686	9,851,230
		<u>9,980,249</u>	<u>9,871,804</u>
流動資產			
其他應收款項、預付款項及按金		30,595	42,733
銀行及現金結餘	25	39,832	190,394
		<u>70,427</u>	<u>233,127</u>
流動負債			
應付附屬公司款項	17	377,464	354,938
其他應付款項及應計費用		39,441	42,495
銀行貸款—已抵押	38	120,000	120,000
銀行透支—無抵押		—	9,993
長期銀行負債即期部份	30	513,935	367,452
其他長期負債即期部份	31	25	14
		<u>1,050,865</u>	<u>894,892</u>
流動負債淨額		<u>(980,438)</u>	<u>(661,765)</u>
總資產減流動負債		<u>8,999,811</u>	<u>9,210,039</u>
非流動負債			
長期銀行負債	30	1,807,298	2,204,231
其他長期負債	31	509,348	345,850
		<u>2,316,646</u>	<u>2,550,081</u>
淨資產		<u>6,683,165</u>	<u>6,659,958</u>
資金來源：			
股本	27	635,160	624,872
儲備	29	6,048,005	6,035,086
股東權益		<u>6,683,165</u>	<u>6,659,958</u>

綜合現金流量表

截至十二月三十一日止年度

	附註	二〇〇四年 千港元	二〇〇三年 千港元
經營業務產生之現金流入淨額	33(a)	1,432,275	991,747
收取利息		5,587	8,450
支付利息		(167,911)	(242,055)
支付香港利得稅		(1,558)	(2,059)
支付中國企業所得稅及支付土地增值稅		(118,344)	(108,110)
		<u>1,150,049</u>	<u>647,973</u>
投資業務			
收取共同控制實體及聯營公司之股息		94,060	125,012
收取其他投資之股息		14,904	32,392
收費公路及橋樑之投資		(3,121)	(11,223)
購買固定資產		(202,338)	(200,906)
出售固定資產		39,972	7,036
收購附屬公司	33(b)	2,339	16,683
出售附屬公司之若干權益	33(c)	—	8,639
發行附屬公司股份予其少數股東		315	56,818
注資於共同控制實體		(82,160)	—
出售共同控制實體		—	59,346
購買其他投資		(1,496)	—
聯營公司及共同控制實體(收取之墊款)／還款		(5,124)	11,409
		<u>(142,649)</u>	<u>105,206</u>
投資業務之現金(流出)／流入淨額		<u>(142,649)</u>	<u>105,206</u>

	附註	二〇〇四年 千港元	二〇〇三年 千港元
理財活動	33(d)		
發行普通股		43,643	43,725
附屬公司少數股東之出資額		4,476	6,037
聯營公司提供之墊款		48,031	2,399
新借銀行貸款		932,996	2,252,575
償還銀行貸款		(1,801,602)	(3,005,352)
增添其他貸款		177,745	183,093
償還其他貸款		(231,818)	(19,356)
已付股息		(120,792)	(49,502)
已付附屬公司少數股東股息		(218,993)	(176,325)
理財項目產生之現金流出淨額		<u>(1,166,314)</u>	<u>(762,706)</u>
現金及現金等價物之減少		(158,914)	(9,527)
年初之現金及現金等價物		<u>1,035,808</u>	<u>1,045,335</u>
年終之現金及現金等價物		<u><u>876,894</u></u>	<u><u>1,035,808</u></u>
現金及現金等價物結餘分析			
銀行結餘及現金		901,657	1,075,294
銀行透支		<u>(24,763)</u>	<u>(39,486)</u>
		<u><u>876,894</u></u>	<u><u>1,035,808</u></u>

綜合權益變動表

截至十二月三十一日止年度

	附註	二〇〇四年 千港元	二〇〇三年 千港元
於一月一日之權益總額		6,969,360	6,710,047
換算海外附屬公司、聯營公司及 共同控制實體賬目產生之滙兌差額	29	(1,588)	3,748
出售有待發展／發展中物業及 持有作出售之物業時解除之儲備	29	(30,675)	(66,070)
被視作出售附屬公司若干權益時解除之儲備	29	(3)	(547)
商譽減值撥備	29	43,533	—
未於損益賬確認之收益／(虧損)淨額		11,267	(62,869)
股東應佔盈利	29	330,823	300,653
已付股息	29	(120,792)	(49,502)
發行股份扣除發行費用	27及29	43,643	71,031
於十二月三十一日之權益總額		7,234,301	6,969,360

財務資料附註

二〇〇四年十二月三十一日

1 主要會計政策

本賬目乃按照香港普遍採納之會計原則及香港會計師公會頒佈之會計準則編製。賬目並依據歷史成本常規法編製，惟投資物業乃按公平值列賬。

香港會計師公會已發出若干新及經修訂的香港財務報告準則及香港會計準則（「新香港財務報告準則」），由二〇〇五年一月一日或以後開始的會計期間生效。越秀投資集團並無於截至二〇〇四年十二月三十一日止年度的賬目提前採納該等新香港財務報告準則。越秀投資集團已開始評估該等新香港財務報告準則的影響，但仍未能評論該等新香港財務報告準則會否對其營運業績及財務狀況造成重大影響。

採納用以編製該等賬目之主要會計政策載於下文：

(a) 編製基準

賬目根據持續基準編製，因公司董事及越秀投資集團管理層相信，越秀投資集團之短期銀行借貸及長期銀行借貸的即期部分將於到期日滾存或以新融資資源取代。

(b) 集團會計

(i) 綜合賬目

綜合賬目包括本公司及其附屬公司截至十二月三十一日止之賬目。

附屬公司指越秀投資集團控制董事會之組成、控制超過半數投票權或持有過半數發行股本之公司。

在年內購入或售出之附屬公司，其業績由收購生效日起計或計至出售生效日止（按適當情況而言）列入綜合損益表內。

越秀投資集團內公司間之所有重大交易及結餘已於綜合賬目時對銷。

出售附屬公司之收益或虧損指出售所得之收入與越秀投資集團應佔該公司資產淨值之差額，連同任何未攤銷商譽／負商譽或之前並未在綜合損益表內支銷或確認但已在儲備記賬之商譽／負商譽。

少數股東權益指外界股東在附屬公司之經營業績及資產淨值中擁有之權益。

在本公司之資產負債表內，於附屬公司之投資以成本值減去減值虧損撥備入賬。本公司將附屬公司之業績按已收及應收股息入賬。

(ii) 共同控制實體

共同控制實體指越秀投資集團與其他人士以合約協議方式共同進行經濟活動，該活動受雙方共同控制，任何一方均沒有單方面之控制權。

綜合損益表包括越秀投資集團應佔共同控制實體本年度業績，而綜合資產負債表則包括越秀投資集團應佔共同控制實體之資產淨值及收購產生之商譽/負商譽(扣除累計攤銷)。

(iii) 聯營公司

聯營公司為附屬公司以外，越秀投資集團持有其股權作長期投資，並對其管理具有重大影響力之公司。

綜合損益表包括集越秀投資團應佔聯營公司之本年度業績，而綜合資產負債表則包括越秀投資集團應佔聯營公司之資產淨值及收購產生之商譽/負商譽(扣除累計攤銷)。

當聯營公司之投資賬面值已全數撤銷，便不再採用權益會計法，除非越秀投資集團就該聯營公司已產生承擔或有擔保之承擔。

(iv) 外幣換算

以外幣為本位之交易，均按交易當日之匯率折算。於結算日以外幣顯示之貨幣資產與負債則按結算日之匯率折算。由此產生之匯兌盈虧均計入損益表。

附屬公司、共同控制實體及聯營公司以外幣顯示之資產負債表均按結算日之匯率折算，而損益表則按平均匯率折算。由此產生之匯兌差額作為儲備變動入賬。

(c) 固定資產

(i) 投資物業

投資物業乃在土地及樓宇中所佔之權益，而該等土地及樓宇之建築工程及發展經已完成，因其具有投資價值而持有，任何租金收入均按公平原則磋商。

持有之投資物業，若其租約尚餘年期超過20年，皆由獨立估值師每年估值一次。估值是以個別物業之公開市值為計算基準，而土地及樓宇並不分開估值。估值會用於年度賬目內。重估之增值撥入投資物業重估儲備，減值則首先以整個組合為基礎與先前之增值對銷，然後從經營盈利中扣除。其後任何增值將撥入經營盈利，惟最高以先前扣減之金額為限。

租約尚餘20年或以下年期之投資物業均按租約尚餘年期折舊。

在出售投資物業時，重估儲備中與先前估值有關之已變現部分，將從投資物業重估儲備轉撥至損益表。

(ii) 其他物業

其他物業為投資物業以外之土地及樓宇權益，並按成本值減累積折舊及累積減值虧損後列賬。租約土地及樓宇乃按租約尚餘年期或其對越秀投資集團之預計可使用年期(以較短者為準)計算折舊，以撇銷其成本值減累積減值虧損之數額。就此而採用之主要年率如下：

租賃土地	2至3%
樓宇	2至4%

(iii) 在建之生產設施

在建之生產設施乃按成本列賬，其中包括建造成本、購入廠房與待安裝之機械之成本，及用於工程融資貸款之利息支出。

除非已完成及已作商業用途，否則在建之生產設施不會作折舊撥備。

(iv) 其他固定資產

其他固定資產，包括廠房及機器及工具、租賃物業裝修、傢俬、裝置及辦公室設備及汽車，以成本值減累積折舊及累積減值虧損列賬。

其他固定資產以直線法於其估計可用年限內折舊，而折舊率足以撇銷其成本值減累積減值虧損之數額。主要之折舊年率如下：

廠房及機器及工具	5至33%
租賃物業裝修、傢俬、裝置及辦公室設備	20%
汽車	20至33%

機器零件按維修期折舊。將機器零件重修至其正常運作狀態使整體資產可繼續使用之重大支出均資本化，並按零件下次維修期限折舊。

資產改良支出均資本化，並按其對越秀投資集團之預計可用年期折舊。

(v) 減值與出售固定資產之收益或虧損

在每年結算日，固定資產項內之資產皆透過集團內部及外界所獲得的資訊，評核該等資產有否耗蝕。如有跡象顯示該等資產出現耗蝕，則估算其可收回價值，及在合適情況下將減值虧損確認入賬以將資產減至其可收回價值。此等減值虧損在損益表確認入賬，但假若某資產乃按估值列賬，而減值虧損不超過該資產之重估盈餘，此等虧損則當作重估減值。

出售固定資產(投資物業除外)之收益或虧損乃出售所得收入淨額與資產賬面值之差額，並在損益表內確認。任何屬於被出售之資產之重估儲備結餘均轉撥至保留盈餘，並列作儲備變動。

(d) 租賃資產

(i) 融資租賃

融資租賃是指將擁有資產之全部風險及回報實質上轉讓予越秀投資集團之租賃。融資租賃在租約開始時資本化，按租賃資產之公平值或最低租賃付款之現值，以較低者入賬。每期租金均分攤為資本性支出及財務費用，以達到資本結欠額之常數比率。相應租賃承擔在扣除財務費用後計入非流動負債內。財務費用於租約期內在損益表中支銷。

以融資租賃持有之資產按資產之估計可用年限或租約期(以較短者為準)計算折舊。

(ii) 經營租賃

經營租賃是指擁有資產之風險及回報實質上由出租公司保留之租賃。經營租賃付款在扣除自出租公司收取之任何獎勵金後，於租賃期內在損益表中支銷。

(e) 收費公路及橋樑之權益

收費公路及橋樑之權益包括有形基本建設及無形經營權。有形基本建設之折舊乃根據資產於指定期間之汽車流量除以於整個可使用年期之預測總汽車流量計算，按單位使用基準撇銷彼等之成本計算。越秀投資集團會定期審閱於各資產可使用期各有形基本建設之預測總流量及(如適用)考慮所取得之獨立專業交通調查。倘出現重大變動，則會作出適當調整。有形經營權之攤銷乃根據持有經營權之20至30年期間按直線法計算撥備。

於各結算日，收費公路及橋樑均透過內部及外界所獲得之資訊，評核有權益有否耗蝕。如有跡象顯示出現耗蝕，則估算其可收回價值，及在合適情況下確認減值虧損以將資產減值至其可收回金額。有關減值虧損乃於損益賬中確認。

(f) 無形資產

(i) 商譽／負商譽

商譽指收購成本超出於收購日越秀投資集團應佔所收購附屬公司／聯營公司／共同控制實體之淨資產公允價值之數額。收購從事收費公路或橋樑之附屬公司／聯營公司／共同控制實體之收購商譽，以直線法於不超過二十年期間攤銷。倘有跡象顯示減值存在，將會評估商譽之賬面值，並即時將其撇減為可收回金額。

負商譽指越秀投資集團應佔所購淨資產之公平值超出收購成本之數額，於資產負債表內之分類方式與商譽一樣。

倘負商譽涉及越秀投資集團收購計劃內已辨認之預期未來虧損及開支並能可靠地計量，惟此負商譽於收購當日不代表可辨認負債，則該部份負商譽於未來虧損及開支可予確認時在損益賬中確認。

倘負商譽不涉及可辨認預期未來虧損及開支並能可靠地計量，則於收購從事收費公路或橋樑業務之附屬公司／聯營公司／共同控制實體時所產生之負商譽以直線法於不超過二十年期間攤銷，而於收購從事物業投資之附屬公司／聯營公司／共同控制實體時所產生之負商譽(以不超過所購入非貨幣性資產之公平值為限)按下列基準攤銷：

- 發展中及持有作出售之物業 — 按已售物業之實際面積與可供銷售之實用面積總數之比率計算攤銷。
- 投資物業 — 採用直線法按最長達二十年之方式計算攤銷。

超出該等非貨幣性資產公平值之負商譽會即時在損益賬中確認。

在二〇〇一年一月一日之前產生之收購商譽／負商譽，已與儲備抵銷。商譽所產生之任何減值，均記入損益賬。

出售某實體之損益，包括與所出售實體有關商譽之未攤銷結餘，或倘若於二〇〇一年一月一日前進行收購，則包括已於儲備中撤銷但從未於損益表內變現之有關商譽。

(ii) 研究及發展成本

研究成本在發生時作為費用支銷。當能夠證明開發中產品技術之可行性及有意完成該產品，而亦有資源協助、成本可予識別，及有能力出售或使用該資產而很可能於未來帶來經濟效益，則將新產品或改良產品之設計及測試之開發所涉及之成本確認為無形資產，並以直線法按不超過五年之期間攤銷，以反映將相關經濟效益確認之模式。不符合上述條件之發展成本在發生時作為費用支銷。已入賬為支出之開發成本不會在往後期間確認為資產。

(iii) 無形資產減值

如有跡象顯示出現減值，則無形資產之賬面值(包括之前已跟儲備撤銷之商譽)均需評估及即時撤減至可收回價值。

(g) 投資證券及其他投資

持有作長期項目之其他投資，乃按成本值減累積減值虧損後列賬。個別投資項目之賬面值於每個結算日審閱，以評估公平值是否已下降至低於賬面值。當非暫時性之下降出現，該項投資之賬面值將減至其公平值。減值虧損於損益賬中確認為開支。當不再存在導致撇減或撇銷之情況及事件，及有足夠證據顯示在可預見未來將出現新情況及事件，此項減值虧損會撥回盈利或虧損。

倘越秀投資集團於有關合營期終止時放棄投資之權利與權益，投資之攤銷乃按其合營年期以直線法撇銷其成本計算。其他投資之業績乃按已收取及應收取之股息基準列賬。

(h) 有待發展／發展中物業

有待發展／發展中物業按成本列賬，其中包括土地之成本、發展及建築開支（經扣除附帶租金收入）、撥作資本之借貸成本及發展應佔之其他直接成本，加上計至當日按附註1(q)(ii)所載基準確認之應佔盈利，減可預見虧損之撥備及已收之分期付款銷售額。

(i) 持有作出售用途之物業

持有作出售用途之物業按成本及可變現淨值兩者中之較低者列賬。成本包括土地成本、發展及建築費用、撥作資本之借貸成本及其他附帶費用。可變現淨值乃物業可變現之估計價格減有關費用。

(j) 存貨

存貨包括製成品及在製品，按成本值與可變現淨值二者之較低者入賬。成本值以加權平均法計算，並包括直接材料、直接人工及所有生產經常開支之應佔部份。可變現淨值乃按預計銷售所得款項扣除估計營銷費用計算。

(k) 應收賬款

凡被視為呆賬之應收賬款，均提撥準備。在資產負債表內列賬之應收賬款已扣除有關之準備金。

(l) 現金及現金等價物

現金及現金等價物按成本在資產負債表內列賬。在現金流量表中，現金及現金等價物包括庫存現金、銀行通知存款及銀行透支。

(m) 或然負債及或然資產

或然負債指因已發生的事件而可能引起之責任，此等責任需就某一宗或多宗事件會否發生才能確認，而越秀投資集團並不能完全控制這些未來事件會否實現。或然負債亦可能是因已發生的事件引致之現有責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地衡量而未有入賬。

或然負債不會被確認，但會在賬目附註中披露。假若消耗資源之可能性改變導致可能出現資源消耗，此等負債將被確立為撥備。

或然資產指因已發生的事件而可能產生之資產，此等資產需就某一宗或多宗事件會否發生才能確認，而越秀投資集團並不能完全控制這些未來事件會否實現。

或然資產不會被確認，但會於可能收到經濟效益時在賬目附註中披露。若實質確定有收到經濟效益時，此等效益才被確認為資產。

(n) 遞延稅項

遞延稅項採用負債法就資產負債之稅基與它們在財務報表之賬面值兩者之臨時性差額作全數撥備。主要臨時性差額因固定資產折舊、若干非流動資產及投資之重估、退休金及其他退休後福利之撥備及稅項虧損結轉而產生，而就收購而言，則於所收購之資產淨值之公平值與其稅基兩者之間之差額而產生。遞延稅項採用在結算日前已頒佈或實質頒佈之稅率釐定。

倘未來很有可能出現可跟臨時性差額對銷之應課稅溢利，遞延稅項資產會確認入賬。

遞延稅項乃就附屬公司、聯營公司及合營企業之投資產生之臨時性差額所作出之撥備，但假若可以控制撥回該臨時性差額之時間，並有可能在可預見未來不會撥回則除外。

(o) 僱員福利

(i) 僱員應享假期

僱員在年假和長期服務休假之權利在僱員應享有時確認。根據截至結算日止僱員已提供之服務而估計之年假及長期服務休假之負債已作出撥備。

僱員之病假及產假或陪妻分娩假不作確認，直至僱員正式休假為止。

(ii) 退休金責任

越秀投資集團向界定供款退休計劃作出之供款在發生時作為費用支銷，而員工在全數取得既得之利益前退出計劃而被沒收之僱主供款將會用作扣減此供款。退休計劃之資產與越秀投資集團之資產分開持有，由獨立管理基金保管。

(iii) 醫療福利

越秀投資集團向界定供款醫療福利計劃作出之供款在發生時作為費用支銷。

(p) 政府補貼

當能夠合理地保證越秀投資集團會符合附帶條件以及補貼將可收取時，政府補貼確認入賬。

與收入有關之補貼遞延及按擬補償之成本配合所需期間在損益賬中記賬。

與購買固定資產有關之政府補貼列作非流動負債下之遞延收入，並按有關資產之預期可用年期以直線法撥入損益賬。

(q) 收入及盈利之確認

(i) 出售持有作出售物業所得之收入，於簽立受法律約束之銷售合約時確認入賬。

(ii) 於落成前出售有待發展／發展中物業所得之收入，於簽立受法律約束之銷售合約時確認入賬。

當有待發展／發展中物業於落成前已預先售出，而對該物業發展項目之結果亦可合理肯定，則估計盈利之總額將按整段建築期間內攤分，以反映該項發展之進度。盈利將每年按完成時之估計盈利總額之比率而計算，而所採用之比率乃於結算日所產生之建築成本與落成前之估計建築成本總額之比率，惟以已收取之分期付款之款項為限，並須就或有費用作出適當準備。

倘買方於落成時未能支付購買價之餘額，而越秀投資集團行使轉售物業之權利，則落成前已收取之銷售訂金將予沒收並列入經營盈利，任何已確認之盈利會按上述之政策予以撥回。

(iii) 經營租賃之租金收入按直線法基準確認。

(iv) 物業管理收入在提供服務之期間確認。

(v) 銷貨收益在擁有權之風險及回報轉移時確認，通常亦即為貨品付運予客戶及所有權轉讓時。

(vi) 扣除收益稅之路費收入乃在收訖時予以確認。

(vii) 利息收入依據未償還本金額及適用利率按時間比例確認。

(viii) 股息收入在收取股息之權利確定時確認。

(ix) 物業經紀的代理費收入於有關協議成為無條件或不可撤回時確認。

(r) 借貸成本

凡直接與購置、興建或生產某項資產(該資產必須經過頗長時間籌備以作預定用途或出售)有關之借貸成本，均資本化為資產之部分成本。

所有其他借貸成本均於發生年度內在損益賬支銷。

(s) 分部報告

按照越秀投資集團之內部財務報告，越秀投資集團已決定將業務分部資料作為主要分部報告，而地區分佈資料則作為從屬形式呈列。

未分配成本指集團整體性開支。分部資產主要包括無形資產、固定資產、存貨、有待發展／發展中物業、持有作出售物業、物業發展項目、應收款，以及於共同控制實體及聯營公司之權益。分部負債指經營負債，並且不包括例如稅項及若干企業借款等項目。資本性開支包括收費公路及橋樑權益(附註14)及固定資產添置(附註16)。

至於地區分部報告，銷售額乃按照客戶所在國家計算。總資產及資本性開支按資產所在地計算。

2 營業額、收益及分類資料

越秀投資集團主要從事發展、經營及管理收費公路及橋樑；發展、出售及管理物業及持有投資物業及製造及買賣新聞紙業務。已確認的收益如下：

	二〇〇四年 千港元	二〇〇三年 千港元
營業額		
來自收費公路業務的路費收入	400,212	428,873
物業管理費收入	114,610	70,760
租金收入		
— 物業	367,050	319,066
— 停車位	65,339	58,908
銷售收入		
— 出售物業	1,987,231	1,955,105
— 新聞紙銷售	1,240,693	1,006,263
— 其他	351,544	86,134
	<u>4,526,679</u>	<u>3,925,109</u>
其他收益		
利息收入	5,587	8,450
股息收入	14,904	3,483
物業銷售及租賃的佣金	15,065	19,616
	<u>35,556</u>	<u>31,549</u>
總收益	<u>4,562,235</u>	<u>3,956,658</u>

期內營業額及分類業績如下：

主要分部報告－業務分部資料

越秀投資集團主要在香港及中國內地（「中國」）經營業務，並分為三項主要業務：

- 房地產－發展、出售及管理物業及持有投資物業
- 收費公路業務－發展、經營及管理收費公路及橋樑
- 造紙－製造及出售新聞紙

各項業務之間並無重大銷售。

從屬分部報告形式－地區分部資料

越秀投資集團的三項業務範疇主要在香港及中國管理：

香港－房地產

中國－收費公路業務、房地產及紙張

其他－房地產

地區分部之間並無重大銷售。

主要分部報告－業務分部資料

	收費公路業務		房地產		造紙		越秀投資集團	
	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元
營業額	400,212	428,873	2,885,774	2,489,973	1,240,693	1,006,263	4,526,679	3,925,109
分部業績	148,790	185,289	530,881	591,423	95,296	90,293	774,967	867,005
利息收入							5,587	8,450
被視作出售附屬公司 若干權益的虧損							(481)	(94,942)
未分配經營成本							(36,587)	(58,922)
理財成本							(112,512)	(224,733)
分佔下列公司的盈利減(虧損)：								
共同控制實體	13,772	(20,419)	(36,793)	(29,274)	—	—	(23,021)	(49,693)
聯營公司	214,382	181,607	—	160	—	—	214,382	181,767
除稅前盈利							822,335	628,932
稅項							(210,565)	(114,599)
除稅後盈利							611,770	514,333
少數股東權益							(280,947)	(213,680)
股東應佔盈利							330,823	300,653
分部資產	2,229,404	2,335,043	18,052,478	18,062,645	1,495,642	1,716,186	21,777,524	22,113,874
於共同控制 實體之權益	422,892	330,621	223,825	467,443	—	—	646,717	798,064
於聯營公司之權益	1,671,842	1,671,076	88,506	82,033	—	—	1,760,348	1,753,109
未分配資產							1,016,434	1,120,871
總資產							25,201,023	25,785,918
分部負債	565,843	575,491	4,350,840	4,513,596	221,621	245,410	5,138,304	5,334,497
未分配負債							9,360,611	10,107,239
總負債							14,498,915	15,441,736
資本性開支	3,788	20,703	133,368	101,407	68,303	107,704	205,459	229,814
折舊及攤銷	113,871	111,113	(21,361)	(29,791)	118,931	102,958	211,441	184,280

從屬分部報告形式－地區分部資料

	營業額		總資產		資本性開支	
	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元
香港	448,891	180,674	1,407,288	1,490,990	28,253	1,611
中國	4,051,641	3,741,675	22,730,719	23,121,470	177,206	228,097
海外	26,147	2,760	46,582	52,587	—	106
	<u>4,526,679</u>	<u>3,925,109</u>	<u>24,184,589</u>	<u>24,665,047</u>	<u>205,459</u>	<u>229,814</u>
未分配資產			<u>1,016,434</u>	<u>1,120,871</u>		
總資產			<u>25,201,023</u>	<u>25,785,918</u>		

3 撥回呆賬撥備

此乃有關於以往年度就應收款項悉數撥備，原因是不肯定其最終可收回。年內，越秀投資集團董事重新評估，確定導致該撥備之情況不再存在，因此作出撥回。

4 被視作出售附屬公司若干權益之虧損

截至二〇〇四年十二月三十一日止年度，越秀交通有限公司（「越秀交通」）於越秀交通僱員購股權獲行使後發行416,000股（二〇〇三年：64,448,000股）股份，其後，本公司於越秀交通之實際權益減少0.02%（二〇〇三年：2.66%）。這導致被視作出售虧損481,000港元（二〇〇三年：94,942,000港元）。

5 將有待發展／發展中物業撥回／（撇減）至可變現價值淨額

	二〇〇四年 千港元	二〇〇三年 千港元
將有待發展／發展中物業撥回／（撇減）至可變現價值淨額	<u>44,546</u>	<u>(5,805)</u>

若干有待發展／發展中物業於過往年度撇減至可變現淨值。由於年內該等物業之市值增加，因此撥回所作撥備。

6 經營盈利

經營盈利已計入或扣除下列各項：

	二〇〇四年 千港元	二〇〇三年 千港元
計入		
投資物業租金收入總額	300,747	292,380
減：直接支出	(27,486)	(29,530)
投資物業租金收入淨額	273,261	262,850
負商譽攤銷		
— 計入銷售成本	42,007	37,811
— 計入行政開支	6,960	6,959
其他應付款之撥回	1,300	45,527
滙兌收益淨額	2,275	6,367
扣除		
核數師酬金	4,607	4,944
廣告開支	129,997	96,443
售出存貨成本	3,202,685	2,508,535
折舊		
— 自置固定資產	148,544	119,521
— 租賃固定資產	23	14
收費公路及橋樑之權益攤銷／折舊(計入銷售成本)	101,392	98,163
商譽攤銷(計入行政成本)	10,449	11,352
出售附屬公司若干權益之虧損	—	998
出售固定資產之虧損	6,436	27,628
出售其他投資之虧損	—	1,059
員工成本(附註12)	299,642	259,386
經營租賃		
— 租賃廠房及工作坊(附註39(a))	16,215	17,350
— 土地及樓宇	47,783	43,654
呆賬準備	5,933	68,659

7 理財成本

	二〇〇四年 千港元	二〇〇三年 千港元
銀行貸款及透支之利息	135,656	230,458
融資租賃承擔之利息	—	70
贖回可換股債券溢價	—	1,950
利息		
— 欠附屬公司少數股東之款額	4,643	—
— 最終控股公司之貸款	3,455	3,977
— 有關連公司之貸款	1,031	721
— 可換股債券	—	3,544
— 其他貸款	23,126	3,285
	<u>167,911</u>	<u>244,005</u>
產生之借貸成本總額	167,911	244,005
減：資本化作為有待發展／發展中物業之金額(附註(i))	(55,399)	(19,272)
	<u>112,512</u>	<u>224,733</u>

附註：

- (i) 截至二〇〇四年十二月三十一日止年度，資本化借貸成本之平均利率約為年息4.76厘(二〇〇三年：年息5.31厘)。

8 稅項

- (a) 年內的香港利得稅已按17.5%稅率(二〇〇三年：17.5%)及按估計應課稅溢利計提撥備。
- (b) 越秀投資集團根據中國外商投資企業所得稅法(「中國稅法」)，按介乎18%至33%稅率，就中國附屬公司、聯營公司及共同控制實體的盈利作出中國企業所得稅準備。根據中國稅法，越秀投資集團位於中國之若干附屬公司、聯營公司及共同控制實體由首個獲利年度起的兩年至五年獲享免繳所得稅，在免稅期後三年至五年享有所得稅減半的優惠。
- (c) 中國土地增值稅按介乎30%至60%的累進稅率及按土地增值價值(即出售物業所得款項減可扣減的開支，包括土地的成本，以及發展及建設開支)徵收。

(d) 在綜合損益表內扣除的稅項金額為：

	二〇〇四年 千港元	二〇〇三年 千港元
本公司及附屬公司		
本期稅項		
香港利得稅	1,547	1,627
中國企業所得稅	135,656	78,974
中國土地增值稅	68,295	42,544
以往年度撥備不足／(超額撥備)	5,296	(6,051)
與沖回暫時差額有關的遞延稅項	(31,852)	(30,949)
因稅率增加而導致的遞延稅項	—	(1,019)
	<u>178,942</u>	<u>85,126</u>
聯營公司		
應佔中國企業所得稅	13,990	5,814
應佔遞延稅項	11,589	17,782
共同控制實體		
應佔遞延稅項	<u>6,044</u>	<u>5,877</u>
稅項開支	<u>210,565</u>	<u>114,599</u>

越秀投資集團有關除稅前溢利之稅項與假若採用中國(越秀投資集團的本國)企業所得稅之稅率而計算之理論稅額不同，詳情如下：

	二〇〇四年 千港元	二〇〇三年 千港元
除稅前溢利	<u>822,335</u>	<u>628,932</u>
按中國企業所得稅稅率33%(附註(i)) (二〇〇三年：33%)		
計算之稅項	271,371	207,548
不同稅率之影響	(81,351)	(53,250)
稅率提高產生之期初遞延稅項資產淨額之增加	—	(1,019)
免稅期稅項寬減之影響	(201)	(263)
無須課稅之收入	(22,132)	(29,677)
不可扣稅之支出	36,246	44,051
未確認稅損之影響淨額及使用早前未有確認之稅損	13,663	(8,094)
過往年度撥備不足／(超額撥備)	5,296	(6,051)
就計算所得稅可扣稅之土地增值稅之影響	<u>6,071</u>	<u>19,035</u>
	<u>228,963</u>	<u>172,280</u>
土地增值稅	<u>(18,398)</u>	<u>(57,681)</u>
稅項支出	<u>210,565</u>	<u>114,599</u>

附註：

(i) 因越秀投資集團大部份之經營均於中國進行而採納之中國企業所得稅稅率。

9 股東應佔盈利

計入本公司賬目之股東應佔盈利，為100,356,000港元(二〇〇三年：62,170,000港元)。

10 股息

	二〇〇四年 千港元	二〇〇三年 千港元
已付中期股息，每股普通股0.0083港元 (二〇〇三年：0.008港元)	52,531	49,502
擬派末期股息，每股普通股0.009港元 (二〇〇三年：0.0108港元)	57,266	68,038
	<u>109,797</u>	<u>117,540</u>

於二〇〇五年四月二十一日舉行之大會上，董事擬宣派末期股息每股普通股0.009港元。擬派股息並未作為應付股息計入該等賬目，但將會於截至二〇〇五年十二月三十一日止年度作為保留盈利撥款計入。

11 每股盈利

每股基本及攤薄盈利是根據越秀投資集團股東應佔盈利330,823,000港元(二〇〇三年：300,653,000港元)計算。

每股基本盈利乃按年內已發行普通股的加權平均數6,318,186,352股(二〇〇三年：6,146,494,166股)計算。每股攤薄盈利乃按普通股6,424,401,643股(二〇〇三年：6,223,195,777股)計算，即年內已發行普通股的加權平均數，加上假設所有未行使的購股權已行使而被視作無償發行的普通股加權平均數106,215,291股(二〇〇三年：76,701,611股)計算。

12 員工成本(包括董事酬金)

	二〇〇四年 千港元	二〇〇三年 千港元
薪酬工資	221,989	198,757
退休金成本(界定供款計劃)	38,528	22,585
醫療福利成本(界定供款計劃)	5,492	4,561
社會保障成本	15,674	14,405
解僱補償	1,554	763
員工福利	16,405	18,315
	<u>299,642</u>	<u>259,386</u>

退休金計劃安排

越秀投資集團為香港僱員設立一項退休金計劃。該計劃乃是定額供款計劃，並由獨立信託人管理。就每一位參與僱員而言，該僱員及越秀投資集團分別向該計劃提供僱員基本薪金5%及5%至15%之供款。於年內及於二〇〇四年十二月三十一日，概無任何重大沒收有權全數獲得供款前離開該計劃之僱員之供款（二〇〇三年：無）。

越秀投資集團為香港僱員參與強制性公積金計劃（「強積金計劃」）。根據香港強制性公積金計劃條例所界定，越秀投資集團的強積金計劃的供款為參與僱員有關收入的5%，對每名僱員每月最高的供款額為1,000港元。如僱員的有關收入每月超過5,000港元，則僱員亦可於強積金計劃作出相應供款。只要僱員繳付供款，則強積金供款將全數及即時歸僱員所有，並計作應計收益。

本公司於中國經營業務之附屬公司，須參加由廣州市人民政府設立之定額供款退休計劃。所有中國員工於彼等之退休日期，有權收取相當於彼等最後一個月基本薪金金額之固定比例作為退休金，惟由當地合夥人廣州市公路開發公司（「公路開發公司」）僱用之五間中國附屬公司之大部份員工除外。該等員工乃根據此等附屬公司與公路開發公司簽訂之公路管理協議（「管理協議」）而聘用。根據管理協議（詳情於賬目附註39(b)披露），公路開發公司承諾全權負責向由公路開發公司聘用為履行管理協議所定職務之員工及職工，支付根據中國有關法律及法規規定支付之薪金及一切法定福利、保險及公益金。其他附屬公司須按其僱員基本薪金16%至24%之比率，向該退休計劃供款。

越秀投資集團供款已自其損益表中扣除，而年內越秀投資集團支付之費用為38,528,000港元（二〇〇三年：21,363,000港元）。

13 董事及高級管理人員酬金

(a) 年內本公司向董事支付或應付之酬金總額如下：

	二〇〇四年 千港元	二〇〇三年 千港元
袍金(附註(i))	86	76
其他酬金：		
基本薪金、房屋津貼、其他津貼及實物利益	5,767	8,004
酌情花紅	10,772	7,434
董事退休金	109	162
	<u>16,734</u>	<u>15,676</u>

附註：

(i) 董事袍金乃支付予獨立非執行董事之款項。

(b) 酬金介乎以下幅度內之本公司董事數目如下：

酬金組別	董事人數	
	二〇〇四年	二〇〇三年
零港元 — 1,000,000港元	5 ¹	12 ¹
1,000,001港元 — 1,500,000港元	1	2
1,500,001港元 — 2,000,000港元	2	2
2,000,001港元 — 2,500,000港元	1	3
2,500,001港元 — 3,000,000港元	1	—
3,000,001港元 — 3,500,000港元	1	—
3,500,001港元 — 4,000,000港元	1	—
	<u>12</u>	<u>19</u>

¹ 包括三名(二〇〇三年：兩名)獨立非執行董事。

於截至二〇〇四年及二〇〇三年十二月三十一日止年度概無董事放棄酬金。越秀投資集團年內並無已付或應付任何酬金，作為吸引加入或加入越秀投資集團時之酬金，或作為截至二〇〇四年及二〇〇三年十二月三十一日止年度離職補償。

(c) 截至二〇〇四年十二月三十一日止年度集團內五名最高薪酬人士亦為董事，其酬金已載於上文分析。

14 於收費公路及橋樑之權益

	集團		
	無形 經營權 千港元	有形 基本建設 千港元	總額 千港元
於二〇〇四年一月一日	1,750,864	348,783	2,099,647
添置	3,121	—	3,121
攤銷／折舊支出	(88,945)	(12,447)	(101,392)
於二〇〇四年十二月三十一日	<u>1,665,040</u>	<u>336,336</u>	<u>2,001,376</u>
於二〇〇四年十二月三十一日			
成本	2,146,227	403,755	2,549,982
累積攤銷／折舊	(481,187)	(67,419)	(548,606)
賬面淨值	<u>1,665,040</u>	<u>336,336</u>	<u>2,001,376</u>
於二〇〇三年十二月三十一日			
成本	2,143,106	403,755	2,546,861
累積攤銷／折舊	(392,242)	(54,972)	(447,214)
賬面淨值	<u>1,750,864</u>	<u>348,783</u>	<u>2,099,647</u>

無形經營權及有形基本建設位於中國。

15 其他無形資產

	商譽 千港元	集團 負商譽 千港元	總計 千港元
於二〇〇四年一月一日	40,453	(575,706)	(535,253)
攤銷支出	(3,674)	48,967	45,293
	<u>36,779</u>	<u>(526,739)</u>	<u>(489,960)</u>
二〇〇四年十二月三十一日	<u>36,779</u>	<u>(526,739)</u>	<u>(489,960)</u>
二〇〇四年十二月三十一日			
成本	51,310	(629,602)	(578,292)
累計攤銷	(14,531)	102,863	88,332
	<u>36,779</u>	<u>(526,739)</u>	<u>(489,960)</u>
於二〇〇三年十二月三十一日			
成本	51,310	(629,602)	(578,292)
累計攤銷	(10,857)	53,896	43,039
	<u>40,453</u>	<u>(575,706)</u>	<u>(535,253)</u>

16 固定資產

(a) 集團

	投資物業 千港元	其他物業 千港元	在建之 生產設施 千港元	廠房及機 器及工具 千港元	租賃物業 裝修、傢俬、 裝置及 辦公室設備 千港元		汽車 千港元	總額 千港元
成本值或估值								
於二〇〇四年一月一日	4,845,537	366,760	259,378	1,247,023	211,432	72,030	7,002,160	
添置	122,978	985	66,340	1,706	7,322	3,007	202,338	
轉撥(至)/自有待發展/ 發展中物業	(164,825)	46,260	—	—	—	—	(118,565)	
重估盈餘	76,750	—	—	—	—	—	76,750	
轉撥	(76,729)	73,904	—	—	—	—	(2,825)	
於完成時轉撥 出售	—	13,447	(237,413)	187,740	36,226	—	—	
	(28,406)	(35,440)	—	(22,028)	(7,017)	(4,933)	(97,824)	
於二〇〇四年 十二月三十一日	<u>4,775,305</u>	<u>465,916</u>	<u>88,305</u>	<u>1,414,441</u>	<u>247,963</u>	<u>70,104</u>	<u>7,062,034</u>	
累積折舊								
於二〇〇四年一月一日	—	106,198	—	470,436	128,822	45,622	751,078	
年內支出	—	15,809	—	106,773	19,987	5,998	148,567	
轉撥	—	(2,825)	—	—	—	—	(2,825)	
出售	—	(20,585)	—	(25,549)	(1,941)	(3,341)	(51,416)	
於二〇〇四年 十二月三十一日	<u>—</u>	<u>98,597</u>	<u>—</u>	<u>551,660</u>	<u>146,868</u>	<u>48,279</u>	<u>845,404</u>	
賬面淨值								
於二〇〇四年 十二月三十一日	<u>4,775,305</u>	<u>367,319</u>	<u>88,305</u>	<u>862,781</u>	<u>101,095</u>	<u>21,825</u>	<u>6,216,630</u>	
於二〇〇三年 十二月三十一日	<u>4,845,537</u>	<u>260,562</u>	<u>259,378</u>	<u>776,587</u>	<u>82,610</u>	<u>26,408</u>	<u>6,251,082</u>	

(b) 公司

	投資物業 千港元	其他物業 千港元	租賃 物業裝修、 傢俬、裝置及 辦公室設備		汽車 千港元	總額 千港元
			千港元	千港元		
成本值或估值						
於二〇〇四年一月一日	9,375	14,338	9,234	4,465	37,412	
添置	—	—	765	—	765	
重估盈餘	2,200	—	—	—	2,200	
轉撥	(1,275)	1,275	—	—	—	
於二〇〇四年十二月三十一日	<u>10,300</u>	<u>15,613</u>	<u>9,999</u>	<u>4,465</u>	<u>40,377</u>	
累積折舊						
於二〇〇四年一月一日	—	4,630	8,149	4,059	16,838	
年內支出	—	361	469	146	976	
於二〇〇四年十二月三十一日	<u>—</u>	<u>4,991</u>	<u>8,618</u>	<u>4,205</u>	<u>17,814</u>	
賬面淨值						
於二〇〇四年 十二月三十一日	<u>10,300</u>	<u>10,622</u>	<u>1,381</u>	<u>260</u>	<u>22,563</u>	
於二〇〇三年 十二月三十一日	<u>9,375</u>	<u>9,708</u>	<u>1,085</u>	<u>406</u>	<u>20,574</u>	

(c) 越秀投資集團及本公司於投資物業及其他物業之權益乃按彼等之賬面淨值分析如下：

	集團		公司	
	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元
以下列租約於香港持有：				
10年至50年之租約	724,500	720,000	—	—
50年以上之租約	131,850	156,416	20,747	18,900
於香港以外地區*持有：				
10年至50年之租約	25,524	183	175	183
50年以上之租約	4,260,750	4,229,500	—	—
	<u>5,142,624</u>	<u>5,106,099</u>	<u>20,922</u>	<u>19,083</u>

* 於香港以外的物業主要由位於中國的物業組成。

- (d) 越秀投資集團及本公司之投資物業已於二〇〇四年十二月三十一日由越秀投資集團聘用之獨立專業估值師行漢華評值有限公司按其公開市值進行重估。越秀投資集團及本公司之其他固定資產乃按成本減累計折舊列賬。
- (e) 於二〇〇四年十二月三十一日，越秀投資集團及本公司根據融資租賃持有之固定資產之賬面淨值為83,000港元(二〇〇三年：46,000港元)。

17 於附屬公司之投資

	公司	
	二〇〇四年 千港元	二〇〇三年 千港元
非上市股份投資，成本值	29,332	36,587
應收附屬公司之款項(附註(a))	<u>9,928,354</u>	<u>9,814,643</u>
	<u>9,957,686</u>	<u>9,851,230</u>
應付附屬公司之款項(附註(b))	<u>(377,464)</u>	<u>(354,938)</u>

- (a) 應收附屬公司之款項為無抵押及無固定還款期。除為數約7,405,982,000港元(二〇〇三年：約7,353,575,000港元)之應收附屬公司款項為免息外，所有應收附屬公司款項附有年息介乎2.5至5.5厘之利息。
- (b) 應付附屬公司之款項為無抵押及無固定還款期。除了約31,464,000港元(二〇〇三年：約31,445,000港元)為免息外，應付附屬公司之所有款項均按介乎香港銀行同業拆息加0.6厘至香港銀行同業拆息加1.25厘之年利率計息。
- (c) 截至二〇〇四年十二月三十一日止年度任何時間內，並無附屬公司擁有任何已發行借貸股本(二〇〇三年：無)。

18 於共同控制實體之權益

	集團	
	二〇〇四年 千港元	二〇〇三年 千港元
應佔資產淨值	470,976	384,439
收購一間共同控制實體產生之商譽減累計攤銷	20,077	20,265
	<u>491,053</u>	<u>404,704</u>
應收共同控制實體款項(附註(a))	188,843	411,825
減：應收共同控制實體款項撥備	(33,179)	(18,465)
	<u>155,664</u>	<u>393,360</u>
	<u>646,717</u>	<u>798,064</u>
應付共同控制實體款項(附註(a))	(123,442)	(75,340)

(a) 應收／(應付)共同控制實體之款項為無抵押、免息及無固定還款期。

(b) 於二〇〇四年十二月三十一日，越秀投資集團之附屬公司越秀交通有限公司擁有35%權益之廣州市西二環高速公路有限公司之資本承擔為2,528,000,000港元。

19 於聯營公司之權益

	集團	
	二〇〇四年 千港元	二〇〇三年 千港元
應佔資產淨值	747,987	651,060
收購聯營公司產之商譽減累計攤銷	158,083	164,670
	<u>906,070</u>	<u>815,730</u>
應收聯營公司貸款(附註(a))	787,421	872,606
應收聯營公司款項(附註(b))	86,765	84,681
減：應收聯營公司款項撥備	(19,908)	(19,908)
	<u>854,278</u>	<u>937,379</u>
	<u>1,760,348</u>	<u>1,753,109</u>
應付聯營公司款項(附註(b))	(112,150)	(112,221)

(a) 除了合共568,414,000港元(二〇〇三年：653,816,000港元)貸款按香港最優惠利率年利率介乎5至5.125厘；美元最優惠利率介乎年利率4至5.25厘及中國財務機構主要借貸利率介乎5.31至6.12厘計息外，其餘結餘為無抵押、免息及無固定還款期。

(b) 應收／(應付)聯營公司之款項為無抵押、免息及無固定還款期。

20 其他投資

	集團	
	二〇〇四年 千港元	二〇〇三年 千港元
其他投資，成本值	317,555	316,059
減：累計減值虧損	(56,208)	(56,208)
	<u>261,347</u>	<u>259,851</u>

其他投資主要指越秀投資集團投資於在中國成立之共同合作合資公司，以發展及管理公路和發展物業。

21 有待發展／發展中物業及持有作出售之物業

有待發展物業包括有待發展之若干土地。越秀投資集團按可變現價值淨值入賬之有待發展／發展中物業及持有作出售之物業之金額約為2,130,000,000港元(二〇〇三年：約2,575,000,000港元)。

22 存貨

	集團	
	二〇〇四年 千港元	二〇〇三年 千港元
原材料	103,982	59,113
在製品	78,335	113,327
製成品	12,971	47,687
	<u>195,288</u>	<u>220,127</u>

於二〇〇四年及二〇〇三年十二月三十一日，所有存貨按成本列賬。

23 應收有關連公司及應付附屬公司少數股東之款項

- (a) 應收有關連公司及應付附屬公司少數股東之款項均無抵押、免息及無固定還款期。
- (b) 應收有關連公司款項詳情如下：

	集團		年內最高 未償還結餘 千港元
	二〇〇四年 千港元	二〇〇三年 千港元	
應收有關連公司款項			
應收有關連公司款項，由本公司 最終控股公司實益擁有	3,234	3,678	3,766

24 應收賬款

越秀投資集團對不同業務採用既定信貸政策。越秀投資集團之信貸期一般為三個月內。貿易應收款之賬齡分析如下：

	集團	
	二〇〇四年 千港元	二〇〇三年 千港元
零至三十日	174,569	213,938
三十一日至九十日	76,788	249,337
九十一日至一百八十日	81,345	48,372
一百八十一日至三百六十五日	43,789	89,711
超過一年	186,277	65,736
	<u>562,768</u>	<u>667,094</u>

25 銀行及現金結餘

越秀投資集團與本公司之銀行及現金結餘包括存入中國多間銀行之人民幣存款分別約757,369,000港元(二〇〇三年：803,021,000港元)及59,000港元(二〇〇三年：4,026,000港元)。該等人民幣結餘兌換為外幣時，須受中國政府頒佈之外匯管制規則及規定所限制。

於二〇〇四年十二月三十一日，越秀投資集團之銀行存款70,747,000港元(二〇〇三年：56,143,000港元)根據有關預售中國物業之條例而被限制使用。

26 應付賬款

應付賬款包括債權人之貿易結餘及就建築合約應付之工程保修金。

貿易應付款之賬齡分析如下：

	集團	
	二〇〇四年 千港元	二〇〇三年 千港元
零至三十日	32,433	75,453
三十一日至九十日	70,560	16,247
九十一日至一百八十日	24,008	40,828
一百八十一日至三百六十五日	65,755	62,674
一年至兩年	39,243	203,040
超過兩年	182,494	49,358
	<u>414,493</u>	<u>447,600</u>

27 股本

	股份數目	千港元
	千股	
法定股本：		
10,000,000,000股每股面值0.10港元之普通股	10,000,000	1,000,000
已發行及繳足股本：		
於二〇〇三年一月一日	6,118,102	611,810
就收購附屬公司發行股份	31,386	3,139
於行使購股權時發行股份	99,230	9,923
	<u>6,248,718</u>	<u>624,872</u>
於二〇〇三年十二月三十一日	6,248,718	624,872
於二〇〇四年一月一日	6,248,718	624,872
於行使購股權時發行股份(附註a)	102,880	10,288
	<u>6,351,598</u>	<u>635,160</u>
於二〇〇四年十二月三十一日	6,351,598	635,160

附註：

(a) 年內行使購股權(請參閱附註28)，因而發行每股面值0.1港元之普通股102,880,000股。

28 購股權

於二〇〇二年六月二十六日，本公司採納新購股權計劃，據此，本公司可向僱員(包括本公司董事)授出購股權以認購本公司的股份，惟上限為於二〇〇二年六月二十六日已發行之股份數目之10%。行使價將由本公司之董事會釐定，最少將為(i)本公司股份於購股權授出日期之收市價，(ii)本公司股份於緊接購股權授出日期前五個營業日之平均收市價，及(iii)本公司股份之面值(以較高者為準)。

於二〇〇四年十二月三十一日，根據舊購股權計劃授出之尚未行使購股權，可認購本公司股份合共9,626,000股。根據舊購股權計劃之規定，所有根據舊購股權計劃授出之購股權將繼續有效及可行使。

年內，購股權計劃之詳情及變動如下：

授出日期	行使期	行使價 港元	購股權數目				
			於二〇〇四年 一月一日 千股	已授出 千股	已行使 千股	失效 千股	於二〇〇四年 十二月三十一日 千股
舊購股權計劃							
一九九八年九月四日	一九九八年九月四日至 二〇〇四年九月三日	0.3936	52,000	-	(46,600)	(5,400)	-
一九九九年十二月十四日	一九九九年十二月十四日至 二〇〇五年十二月十三日	0.5008	14,174	-	(4,548)	-	9,626
新購股權計劃							
二〇〇三年五月二日	二〇〇三年五月二日至 二〇一三年五月一日	0.4100	152,150	-	(42,970)	-	109,180
二〇〇三年六月二日	二〇〇三年六月二日至 二〇一三年六月一日	0.5400	61,950	-	(1,800)	-	60,150
二〇〇三年十月二十七日	二〇〇三年十月二十七日至 二〇一三年十月二十六日	0.8140	12,620	-	(216)	-	12,404
二〇〇三年十二月二十三日	二〇〇三年十二月二十三日至 二〇一三年十二月二十二日	0.8460	100,632	-	(170)	(228)	100,234
二〇〇四年六月二十三日	二〇〇四年六月二十三日至 二〇一四年六月二十二日	0.6300	-	320,310	(6,576)	(1,320)	312,414
			<u>393,526</u>	<u>320,310</u>	<u>(102,880)</u>	<u>(6,948)</u>	<u>604,008</u>

29 儲備

(a) 集團

	資本贖回		滙兌波動		保留盈利	總額
	股份溢價	儲備	法定儲備	儲備		
	千港元	千港元	千港元	千港元	千港元	千港元
於二〇〇三年一月一日	5,649,409	1,815	49,841	(80,183)	477,355	6,098,237
發行普通股所得款項淨額	57,969	—	—	—	—	57,969
滙兌差額	—	—	—	3,748	—	3,748
出售有待發展／發展中物業及 持有作出售之 物業時釋放之儲備	—	—	—	—	(66,070)	(66,070)
被視作出售一間附屬公司 若干權益時釋放之儲備	—	—	(273)	(274)	—	(547)
轉撥	—	—	13,038	—	(13,038)	—
股東應佔盈利	—	—	—	—	300,653	300,653
已付股息	—	—	—	—	(49,502)	(49,502)
於二〇〇三年十二月三十一日	<u>5,707,378</u>	<u>1,815</u>	<u>62,606</u>	<u>(76,709)</u>	<u>649,398</u>	<u>6,344,488</u>
於二〇〇四年一月一日	5,707,378	1,815	62,606	(76,709)	649,398	6,344,488
發行普通股所得款項淨額	33,355	—	—	—	—	33,355
滙兌差額	—	—	—	(1,588)	—	(1,588)
出售有待發展／發展中物業及 持有作出售之 物業時釋放之儲備	—	—	—	—	(30,675)	(30,675)
被視作出售一間附屬公司 若干權益時釋放之儲備	—	—	(1)	(2)	—	(3)
商譽減值撥備	—	—	—	—	43,533	43,533
轉撥	—	—	16,792	—	(16,792)	—
股東應佔盈利	—	—	—	—	330,823	330,823
已付股息	—	—	—	—	(120,792)	(120,792)
於二〇〇四年十二月三十一日	<u>5,740,733</u>	<u>1,815</u>	<u>79,397</u>	<u>(78,299)</u>	<u>855,495</u>	<u>6,599,141</u>
相當於：						
二〇〇四年擬派末期股息					57,266	
其他					798,229	
於二〇〇四年 十二月三十一日之保留盈利					<u>855,495</u>	

(b) 公司

	股份溢價 千港元	資本贖回 儲備 千港元	保留盈利 千港元	總計 千港元
於二〇〇三年一月一日	5,649,409	1,815	313,225	5,964,449
發行普通股所得款項淨額	57,969	—	—	57,969
年內盈利	—	—	62,170	62,170
已付股息	—	—	(49,502)	(49,502)
於二〇〇三年 十二月三十一日	<u>5,707,378</u>	<u>1,815</u>	<u>325,893</u>	<u>6,035,086</u>
於二〇〇四年一月一日	5,707,378	1,815	325,893	6,035,086
發行普通股之所得款項淨額	33,355	—	—	33,355
本年度盈利	—	—	100,356	100,356
已派股息	—	—	(120,792)	(120,792)
於二〇〇四年 十二月三十一日	<u>5,740,733</u>	<u>1,815</u>	<u>305,457</u>	<u>6,048,005</u>
相當於：				
二〇〇四年擬派末期股息			57,266	
其他			248,191	
於二〇〇四年 十二月三十一日 之保留盈利			<u>305,457</u>	

(c) 越秀投資集團之保留盈利包括聯營公司及共同控制實體之應佔保留盈利分別達801,941,000港元(二〇〇三年：613,138,000港元)及累計虧損294,922,000港元(二〇〇三年：265,856,000港元)。

(d) 法定儲備指在中國經營之附屬公司及聯營公司所成立之企業發展及一般儲備基金。據中國法規所規定，本公司於中國成立及經營之附屬公司及聯營公司，須按其各自之董事會所釐定之比率，對企業擴充及一般儲備金撥出其一部份之除稅後盈利(經抵銷過往年度虧損後)。根據中國外資企業會計準則，經董事會批准後，一般儲備基金可用作補償虧損及增加資本，而企業發展基金可用作增加資本。越秀投資集團之法定儲備中，包括一間聯營公司應佔之538,000港元(二〇〇三年：538,000港元)。

30 長期負債

	集團		公司	
	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元
銀行貸款				
有抵押(附註38)	3,372,134	3,848,194	2,204,233	2,454,683
無抵押	735,030	669,650	117,000	117,000
	<u>4,107,164</u>	<u>4,517,844</u>	<u>2,321,233</u>	<u>2,571,683</u>
長期銀行負債之即期部份	(959,499)	(875,394)	(513,935)	(367,452)
	<u>3,147,665</u>	<u>3,642,450</u>	<u>1,807,298</u>	<u>2,204,231</u>

於二〇〇四年十二月三十一日，須於以下期間償還之長期銀行負債如下：

	集團		公司	
	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元
一年內	959,499	875,394	513,935	367,452
第二年	1,324,388	878,627	367,258	396,934
第三至第五年	1,823,277	2,763,823	1,440,040	1,807,297
	<u>4,107,164</u>	<u>4,517,844</u>	<u>2,321,233</u>	<u>2,571,683</u>

31 其他長期負債

其他長期貸款之還款期如下：

(a) 集團

	二〇〇三年					總額 千港元
	融資租賃 承擔 千港元	最終控股 公司提供 之貸款 千港元	有關連 公司提供 之貸款 千港元	附屬公司 少數 股東提供 之貸款 千港元	其他貸款 千港元	
一年內	14	—	—	—	—	14
第二年	29	—	—	—	—	29
第三至第五年	—	220,595	79,008	—	—	299,603
無固定還款期	—	10,066	65,809	561,420	15,600	652,895
	<u>43</u>	<u>230,661</u>	<u>144,817</u>	<u>561,420</u>	<u>15,600</u>	<u>952,541</u>
減：其他長期貸款 之即期部分	(14)	—	—	—	—	(14)
	<u>29</u>	<u>230,661</u>	<u>144,817</u>	<u>561,420</u>	<u>15,600</u>	<u>952,527</u>
餘額分析如下：						
計息	43	220,595	83,504	120,561	—	424,703
免息	—	10,066	61,313	440,859	15,600	527,838
	<u>43</u>	<u>230,661</u>	<u>144,817</u>	<u>561,420</u>	<u>15,600</u>	<u>952,541</u>

	二〇〇四年				總額 千港元
	融資租賃 承擔 千港元	最終控股 公司提供 之貸款 千港元	有關連 公司提供 之貸款 千港元	附屬公司 少數 股東提供 之貸款 千港元	
一年內	25	—	—	—	25
第二年	25	—	—	—	25
第三年至第五年	28	267,459	—	—	267,487
無固定還款期	—	31,431	127,917	463,887	623,235
	78	298,890	127,917	463,887	890,772
減：其他長期貸款的即期部分	(25)	—	—	—	(25)
	53	298,890	127,917	463,887	890,747
餘額分析如下：					
計息	—	267,459	84,535	120,561	472,555
免息	78	31,431	43,382	343,326	418,217
	78	298,890	127,917	463,887	890,772

除了總額120,561,000港元(二〇〇三年：120,561,000港元)按中國財務機構現行借貸利率介乎年利率5.76至6.12厘計息外，計息結餘按香港銀行同業拆息加年利率1厘計息。

(b) 公司

	二〇〇四年				二〇〇三年			
	融資租賃 承擔 千港元	最終控股 公司提供 之貸款 千港元	有關連 公司提供 之貸款 千港元	總額 千港元	融資 租賃承擔 千港元	最終控股 公司提供 之貸款 千港元	有關連 公司提供 之貸款 千港元	總額 千港元
一年內	25	—	—	25	14	—	—	14
第二年	25	—	—	25	29	—	—	29
第三至第五年	28	361,907	84,535	446,470	—	252,906	83,504	336,410
無固定還款期	—	61,180	1,673	62,853	—	7,944	1,467	9,411
	78	423,087	86,208	509,373	43	260,850	84,971	345,864
減：其他長期貸款 的即期部分	(25)	—	—	(25)	(14)	—	—	(14)
	53	423,087	86,208	509,348	29	260,850	84,971	345,850
餘額分析如下：								
計息	—	361,907	84,535	446,442	43	252,906	83,504	336,453
免息	78	61,180	1,673	62,931	—	7,944	1,467	9,411
	78	423,087	86,208	509,373	43	260,850	84,971	345,864

計息結餘按香港銀行同業拆息加年利率1厘計息。

32 遞延稅項

遞延稅項乃按負債法就臨時性差額按適用所得稅率作全數計算。

遞延稅項負債／(資產)賬之變動如下：

	二〇〇四年 千港元	二〇〇三年 千港元
於一月一日	3,611,475	3,684,171
於損益表計入之遞延稅項(附註8)	(31,852)	(31,968)
於權益計入稅項	(5,543)	(40,728)
於十二月三十一日	3,574,080	3,611,475

年內，遞延稅項資產及負債(對銷同一稅務司法權區內之結餘前)變動如下：

遞延稅項資產：

	集團				
	向稅務機構 呈報支出之 不同基準 千港元	物業重估 千港元	稅損 千港元	其他 千港元	總額 千港元
	於二〇〇三年一月一日	9,725	16,800	3,065	4,254
於損益表計入／(扣除)	793	(1,645)	822	10,966	10,936
於二〇〇三年十二月三十一日	<u>10,518</u>	<u>15,155</u>	<u>3,887</u>	<u>15,220</u>	<u>44,780</u>
於二〇〇四年一月一日	10,518	15,155	3,887	15,220	44,780
於損益表計入	11,230	—	5,536	685	17,451
於二〇〇四年十二月三十一日	<u>21,748</u>	<u>15,155</u>	<u>9,423</u>	<u>15,905</u>	<u>62,231</u>

遞延稅項負債：

	集團				
	物業重估 千港元	向稅務機構 呈報收入 及支出之 不同基準 千港元	加速折舊 千港元	其他 千港元	總額 千港元
	於二〇〇三年一月一日	3,604,233	76,576	24,810	12,396
於損益表扣除／(計入)	(97,757)	84,984	(16,319)	8,060	(21,032)
於保留盈利計入	(40,728)	—	—	—	(40,728)
於二〇〇三年十二月三十一日	<u>3,465,748</u>	<u>161,560</u>	<u>8,491</u>	<u>20,456</u>	<u>3,656,255</u>
於二〇〇四年一月一日	3,465,748	161,560	8,491	20,456	3,656,255
於損益表扣除／(計入)	(81,366)	71,603	(218)	(4,420)	(14,401)
於保留盈利計入	(5,543)	—	—	—	(5,543)
於二〇〇四年十二月三十一日	<u>3,378,839</u>	<u>233,163</u>	<u>8,273</u>	<u>16,036</u>	<u>3,636,311</u>

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅盈利變現而就所結轉之稅損及物業價值重估作確認。於二〇〇四年十二月三十一日，越秀投資集團就香港利得稅有並無屆滿日期的未確認稅損967,000,000港元(二〇〇三年：752,000,000港元)，而因重估物業而產生之未確認稅務利益為251,000,000港元(二〇〇三年：459,000,000港元)。

於合法可強制執行權利將流動稅項資產與流動稅項負債對銷及於遞延所得稅與相同財政機構有關時，抵銷遞延稅項資產及負債：

	二〇〇四年 千港元	二〇〇三年 千港元
遞延稅項資產		
— 香港利得稅	10,054	12,712
— 中國企業所得稅	46,145	26,349
	<u>56,199</u>	<u>39,061</u>
遞延稅項負債		
— 香港利得稅	15,648	19,449
— 中國企業所得稅	1,576,982	1,506,745
— 中國土地增值稅	2,037,649	2,124,342
	<u>3,630,279</u>	<u>3,650,536</u>

33 綜合現金流量表附註

(a) 經營盈利與經營產生之現金流入淨額對賬表：

	二〇〇四年 千港元	二〇〇三年 千港元
經營盈利	743,486	721,591
折舊及攤銷	211,441	184,280
出售／被視作出售附屬公司若干權益之虧損	481	95,940
出售固定資產之虧損	6,436	27,628
出售其他投資之虧損	—	1,059
利息收入	(5,587)	(8,450)
股息收入	(14,904)	(3,483)
投資物業之重估盈餘	(76,750)	(165,840)
有待發展／發展中物業(回撥)／撇減至可變現淨值	(44,546)	5,805
	<u>820,057</u>	<u>858,530</u>
未計營運資金變動前經營盈利	820,057	858,530
有待發展／發展中物業及持有作出售之物業 之減少淨額	857,212	982,306
存貨減少／(增加)	24,839	(28,438)
應收賬款、其他應收款項、預付款項及按金 (包括應收有關連公司款項)之增加	(63,133)	(71,033)
應付賬款、其他應付款項及應計費用減少	(206,700)	(749,618)
	<u>1,432,275</u>	<u>991,747</u>
經營產生之現金流入淨額	1,432,275	991,747

(b) 視為收購／收購附屬公司

	二〇〇四年 千港元	二〇〇三年 千港元
購入之淨資產		
固定資產	—	17,685
其他投資	—	1,402
於共同控制實體之權益	(24,242)	—
應收共同控制實體之款項	(350,628)	—
有待發展／發展中物業	471,115	—
存貨	—	21,938
其他應收款項、預付款項及按金	10,966	18,587
銀行結餘及現金	2,339	16,683
應付賬款、其他應付款項及應計費用	(81,728)	(15,330)
少數股東權益(附註33(d))	(27,822)	(617)
銀行貸款	—	(28,037)
	—	32,311
因收購產生之負商譽	—	(5,005)
收購成本總額	—	27,306
支付方式：		
發行股份	—	27,306
收購總成本	—	27,306

就合資協議條款改變而言，共同控制實體成為越秀投資集團之附屬公司。由於越秀投資集團應佔之股權並無變動，越秀投資集團並無就視作收購支付任何代價。

年內收購之附屬公司帶來之經營業務現金流出36,000,000港元(二〇〇三年：流出為3,000,000港元)、投資業務為零(二〇〇三年：流出為1,000,000港元)及理財活動流入37,000,000港元(二〇〇三年：零)。

視為收購／購入附屬公司產生之現金及現金等價物流入淨額分析

	二〇〇四年 千港元	二〇〇三年 千港元
現金代價	—	—
取得之銀行結餘及現金	2,339	16,683
視為收購／購入附屬公司產生之現金及 現金等價物之流入淨額	2,339	16,683

(c) 出售於附屬公司之若干權益

	二〇〇四年 千港元	二〇〇三年 千港元
越秀投資集團出售權益之資產淨值	—	18,494
於出售時釋放之負商譽	—	(8,857)
出售虧損	—	(998)
	<u>—</u>	<u>(998)</u>
出售附屬公司若干權益之現金及現金等價物流入淨額	—	8,639
	<u>—</u>	<u>8,639</u>

(d) 財務變動分析

	股本 (包括股份 溢價) 千港元	可換股債券 千港元	銀行貸款 千港元	應付 聯營公司及 共同控制 實體 之款項 千港元	應付 附屬公司 少數股東 之款項 及其他 長期負債 千港元	少數股東 權益 千港元
於二〇〇三年一月一日	6,261,219	200,623	6,763,073	185,162	764,922	3,403,865
就收購附屬公司						
發行普通股	27,306	—	—	—	—	—
為換取現金而發行						
普通股	43,725	—	—	—	—	—
贖回可換股債券	—	(200,623)	—	—	200,623	—
贖回可換股債券之溢價	—	—	—	—	1,950	—
附屬公司少數股東出資	—	—	—	—	—	6,037
於附屬公司之股權增加	—	—	—	—	—	(244,177)
收購附屬公司	—	—	28,037	—	—	617
於附屬公司之股權減少	—	—	—	—	—	18,494
少數股東應佔盈利	—	—	—	—	—	213,680
被視作出售附屬公司						
之若干權益	—	—	—	—	—	152,307
少數股東應佔匯兌儲備	—	—	—	—	—	668
支付予附屬公司少數股東						
之股息	—	—	—	—	—	(129,377)
轉撥自少數股東權益	—	—	—	—	344	(344)
新借貸	—	—	2,252,575	2,399	183,093	—
還款	—	—	(3,005,352)	—	(19,356)	(46,948)
	<u>6,332,250</u>	<u>—</u>	<u>6,038,333</u>	<u>187,561</u>	<u>1,131,576</u>	<u>3,374,822</u>
於二〇〇三年 十二月三十一日	6,332,250	—	6,038,333	187,561	1,131,576	3,374,822

	股本(包括 股份溢價) 千港元	銀行貸款 千港元	應付 聯營公司 及共同控制 實體之款項 千港元	應付 附屬公司 少數股東 之款項 及其他 長期負債 千港元	少數股東 權益 千港元
於二〇〇四年一月一日	6,332,250	6,038,333	187,561	1,131,576	3,374,822
為換取現金而發行普通股	43,643	—	—	—	—
附屬公司少數股東出資	—	—	—	—	4,476
少數股東應佔盈利	—	—	—	—	280,947
被視作收購附屬公司 (附註33(b))	—	—	—	—	27,822
被視作出售附屬公司 若干權益	—	—	—	—	799
少數股東應佔滙兌儲備	—	—	—	—	(2,066)
支付予少數股東之股息	—	—	—	—	(218,993)
新借款	—	932,996	48,031	177,745	—
還款	—	(1,801,602)	—	(231,818)	—
於二〇〇四年十二月三十一日	<u>6,375,893</u>	<u>5,169,727</u>	<u>235,592</u>	<u>1,077,503</u>	<u>3,467,807</u>

34 經營租賃承擔

集團根據有關土地及樓宇之不可撤銷之經營租賃而於未來支付之最低租賃付款總額(主要來自附註39(a)所述之有關連人士交易產生)如下:

	二〇〇四年 千港元	二〇〇三年 千港元
第一年內	26,380	31,591
第二至第五年內	97,388	85,560
五年後	215,354	254,977
	<u>339,122</u>	<u>372,128</u>

本公司於二〇〇四年十二月三十一日並無任何經營租賃承擔(二〇〇三年: 無)。

35 應收未來最低租金

於二〇〇四年十二月三十一日，越秀投資集團及本公司根據不可註銷租約應收未來最低租金如下：

	集團		公司	
	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元
第一年內	296,187	331,295	70	28
第二至第五年內	495,792	527,200	—	—
五年後	12,803	129,839	—	—
	<u>804,782</u>	<u>988,334</u>	<u>70</u>	<u>28</u>

36 其他承擔

	集團	
	二〇〇四年 千港元	二〇〇三年 千港元
有關固定資產之資本承擔：		
已簽約但未撥備	14,359	16,755
已批准但未簽約	—	—
	<u>14,359</u>	<u>16,755</u>

於二〇〇四年十二月三十一日，越秀投資集團就注資於共同控制實體之股本之財務承擔約為247,990,000港元(二〇〇三年：無)。

37 或然負債

	集團		公司	
	二〇〇四年 千港元	二〇〇三年 千港元	二〇〇四年 千港元	二〇〇三年 千港元
(a) 授予越秀投資集團物業若干買家之按揭融資擔保(附註)	250,520	117,052	—	—
(b) 為附屬公司之銀行及貸款融資作出擔保	—	—	390,215	694,915
	<u>250,520</u>	<u>117,052</u>	<u>390,215</u>	<u>694,915</u>

(c) 於二〇〇四年及二〇〇三年十二月三十一日，越秀投資集團就一間聯營公司之一名合營夥伴(「合營夥伴」)償還銀行貸款人民幣500,000,000元(相當於約467,000,000港元)及有關利息(統稱「有關貸款」)，向銀行抵押其從該聯營公司之24.3%實際權益所產生之收入。

該名合營夥伴已就因該抵押產生之一切負債向越秀投資集團提供反彌償保證。此外，越秀企業已向越秀投資集團發出彌償保證，據此，倘若該名合營夥伴向越秀投資集團提供之反彌償保證不足以彌補有關貸款，則越秀企業將向銀行清償／支付該名合營夥伴提供之反彌償保證與有關貸款之間之任何差額。

附註：越秀投資集團為若干物業單位之買家安排銀行融資，並提供擔保以保證該等買家償還款項。該等擔保於發出《房地產權證》及《房地產他項權證》時終止。

38 資產抵押

於二〇〇四年十二月三十一日，越秀投資集團及本公司所獲授之若干銀行融資及貸款乃以下列各項作為抵押：

- (a) 越秀投資集團若干有待發展／發展中物業、持有作出售之物業、其他物業及投資物業，賬面總值分別為514,000,000港元(二〇〇三年：665,000,000港元)、291,000,000港元(二〇〇三年：246,000,000港元)及3,230,000,000港元(二〇〇三年：3,573,000,000港元)；
- (b) 若干附屬公司總賬面淨值(不包括公司間之貸款)4,086,000,000港元(二〇〇三年：3,849,000,000港元)若干資產之浮動押記；
- (c) 於若干附屬公司之越秀投資集團股權之抵押；及
- (d) 總額3,648,000,000港元(二〇〇三年：3,573,000,000港元)若干公司之間貸款的質押。

39 有關連人士交易

重大有關連人士交易在越秀投資集團於日常業務過程中進行，詳情如下：

	二〇〇四年 千港元	二〇〇三年 千港元
支付予附屬公司少數股東之租金及公用設施開支(附註(a))	260,384	186,303
支付及應付予附屬公司少數股東之收費公路管理費(附註(b))	62,235	62,223
支付予最終控股公司之租金開支及物業管理費(附註(c))	1,025	1,056
支付予附屬公司少數股東權益之利息開支(附註(d))	4,643	—
	<u>338,287</u>	<u>350,582</u>

附註：

- (a) 於二〇〇二年十月十七日，越秀投資集團與廣州造紙集團有限公司訂立租賃合約及公用設施供應合約，據此，廣州造紙集團有限公司同意出租若干固定資產予越秀投資集團，為期二十年，月租人民幣1,446,000元(相當於約1,364,000港元)，及按若干預定價格供應電、水、熱予越秀投資集團，為期二十年。本公司股東於二〇〇二年十一月二十五日舉行之股東特別大會上批准該等交易。

- (b) 於二〇〇四年九月六日，越秀投資集團之附屬公司少數股東廣州市公路開發公司（「公路開發公司」）與若干在中國經營收費公路之附屬公司訂立關於收費公路管理費之管理協議，據此，公路開發公司負責廣汕公路、廣深公路、廣從公路第一段及第二段、1909省道及廣花公路之日常運作及保養服務，包括收取路費及維修保養，換取每年預先釐定之固定金額。該等管理協議之詳情已刊登於本公司及越秀交通有限公司於二〇〇四年九月六日刊發之聯合公佈中。
- (c) 支付予本公司最終控股公司越秀企業（集團）有限公司之年內物業管理費為51,000港元；由一月至十月之租金開支每月為88,000港元，由十一月至十二月之租金開支每月為47,000港元（二〇〇三年：每月88,000港元）。
- (d) 附屬公司之少數股東廣州造紙集團有限公司提供之墊款於年內按年利率5.31厘計息。

6. 越秀投資集團未經審核財務資料

以下為越秀投資集團截至二〇〇五年六月三十日止六個月期間之未經審核簡明綜合財務報表，連同有關附註，該等財務資料抽取自本公司截至二〇〇五年六月三十日止六個月之中期報告。

簡明綜合損益表

截至二〇〇五年六月三十日止六個月

	附註	未經審核	
		截至六月三十日止六個月 二〇〇五年	二〇〇四年 經重列
		千港元	千港元
營業額	6	1,588,191	2,274,010
銷售成本	7	(1,237,618)	(1,734,213)
毛利		350,573	539,797
其他收益		6,839	9,795
銷售及分銷開支	7	(55,125)	(63,168)
一般及行政開支	7	(279,046)	(202,539)
投資物業的重估盈餘		662,539	—
經營盈利		685,780	283,885
財務費用		(114,092)	(75,463)
應佔下列公司的盈利減虧損			
共同控制實體		14,534	252
聯營公司		103,008	91,343
除稅前盈利		689,230	300,017
稅項	8	(327,893)	(58,057)
期內盈利		361,337	241,960
應佔：			
本公司股權持有人		132,434	111,506
少數股東權益		228,903	130,454
		361,337	241,960
按期內本公司股權持有人應佔 盈利計算的每股盈利	9		
— 基本		2.08港仙	1.77港仙
— 攤薄		2.05港仙	1.73港仙
中期股息	10	64,028	52,531

簡明綜合資產負債表

於二〇〇五年六月三十日及二〇〇四年十二月三十一日

	附註	於	
		二〇〇五年 六月三十日 未經審核 千港元	二〇〇四年 十二月三十一日 經重列 千港元
資產			
非流動資產			
於收費公路及橋樑之權益	11	1,951,634	2,001,376
其他無形資產	11	45,365	(489,960)
固定資產	11	1,375,794	1,351,358
投資物業	11	5,458,801	4,775,305
租賃土地及土地使用權	11	3,124,223	3,291,022
於共同控制實體之權益		739,254	643,437
於聯營公司之權益		1,775,477	1,760,348
遞延稅項資產	20	56,538	56,199
其他應收款項－非即期部分		104,900	104,900
可供出售之金融資產	12	387,380	—
其他投資		—	261,347
		<u>15,019,366</u>	<u>13,755,332</u>
流動資產			
持作發展／發展中物業		4,090,234	3,567,636
待售物業		1,079,953	1,235,566
租賃土地及土地使用權	11	3,738,029	3,766,295
存貨		208,816	195,288
應收關連公司款項		1,219	3,234
應收賬款	13	427,637	457,868
其他應收款項、預付款項及按金		469,692	593,644
已押記銀行存款		91,586	70,747
銀行結餘及現金		1,178,174	830,910
		<u>11,285,340</u>	<u>10,721,188</u>

	附註	於	
		二〇〇五年 六月三十日 未經審核 千港元	二〇〇四年 十二月三十一日 經重列 千港元
負債			
流動負債			
應付賬款	14	358,974	414,493
應付地價		785,685	729,410
其他應付款項及應計費用		3,657,210	3,054,229
應付共同控制實體款項		120,661	123,442
應付聯營公司款項		112,150	112,150
應付少數股東款項		149,092	186,831
借款	15	1,607,449	2,046,850
金融衍生工具	16	33,228	29,021
應付稅項		96,479	133,798
		<u>6,920,928</u>	<u>6,830,224</u>
流動資產淨值		<u>4,364,412</u>	<u>3,890,964</u>
總資產減流動負債		<u>19,383,778</u>	<u>17,646,296</u>
非流動負債			
借款	15	4,590,722	4,038,412
遞延稅項負債	20	3,469,419	3,159,380
		<u>8,060,141</u>	<u>7,197,792</u>
淨資產		<u>11,323,637</u>	<u>10,448,504</u>
權益			
本公司股權持有人應佔股本及儲備			
股本	17	637,913	635,160
其他儲備	19	5,918,499	5,770,281
保留盈利	19		
— 擬派股息		64,028	57,266
— 其他		1,118,357	527,661
		<u>7,738,797</u>	<u>6,990,368</u>
少數股東權益		<u>3,584,840</u>	<u>3,458,136</u>
權益總額		<u>11,323,637</u>	<u>10,448,504</u>

簡明綜合現金流量表

截至二〇〇五年六月三十日止六個月

	未經審核	
	截至六月三十日止六個月	
	二〇〇五年	二〇〇四年
	經重列	
	千港元	千港元
經營業務產生之現金流入淨額	546,185	743,708
投資業務之現金流出淨額	(167,292)	(128,625)
理財項目之現金流出淨額	(15,799)	(684,277)
	<u> </u>	<u> </u>
現金及現金等價物之增加／(減少)	363,094	(69,194)
於一月一日之現金及現金等價物	806,147	1,035,808
	<u> </u>	<u> </u>
於六月三十日之現金及現金等價物	<u>1,169,241</u>	<u>966,614</u>
現金及現金等價物結餘分析：		
銀行結餘及現金	1,178,174	991,992
銀行透支	(8,933)	(25,378)
	<u> </u>	<u> </u>
	<u>1,169,241</u>	<u>966,614</u>

簡明綜合權益變動表

截至二〇〇五年六月三十日止六個月

	附註	未經審核			總額 千港元
		本公司股權 持有人應佔		少數 股東權益 千港元	
		股本 千港元	儲備 千港元		
於二〇〇五年一月一日之結餘 (如前所述為權益)		635,160	6,599,141	—	7,234,301
於二〇〇五年一月一日之結餘 (如前所述單列為少數股東權益)		—	—	3,467,807	3,467,807
租賃土地及土地使用權攤銷	19	—	(459,085)	(18,904)	(477,989)
就投資物業重估所產生 遞延稅項作出之調整	19	—	215,152	9,233	224,385
於二〇〇五年一月一日之結餘(經重列)		635,160	6,355,208	3,458,136	10,448,504
採納香港會計準則第39號作出之期初調整	19	—	134,387	6,066	140,453
採納香港財務報告準則 第3號作出之期初調整	19	—	529,685	5,640	535,325
作出期初調整後於二〇〇五年一月一日 之結餘(經重列)		635,160	7,019,280	3,469,842	11,124,282
匯兌差額	19	—	2,695	1,062	3,757
可供出售之金融資產公允值減少	19	—	(21,673)	(43,964)	(65,637)
直接在權益中確認之開支淨額		—	(18,978)	(42,902)	(61,880)
期內盈利		—	132,434	228,903	361,337
截至二〇〇五年六月三十日止六個月 之確認收入總額		—	113,456	186,001	299,457
僱員購股權計劃 — 僱員服務價值	19	—	15,126	—	15,126
發行股本	17及19	2,753	10,350	—	13,103
二〇〇四年股息	19	—	(57,328)	(71,003)	(128,331)
		2,753	(31,852)	(71,003)	(100,102)
於二〇〇五年六月三十日之結餘		637,913	7,100,884	3,584,840	11,323,637

	附註	未經審核			總額 千港元
		本公司股權 持有人應佔		少數	
		股本 千港元	儲備 千港元	股東權益 千港元	
於二〇〇四年一月一日之結餘 (如前所述為權益)		624,872	6,344,488	—	6,969,360
於二〇〇四年一月一日之結餘 (如前所述單列為少數股東權益)		—	—	3,374,822	3,374,822
租賃土地及土地使用權攤銷	19	—	(421,230)	(16,209)	(437,439)
就投資物業重估所產生遞延 稅項作出之調整	19	—	216,413	9,220	225,633
於二〇〇四年一月一日之結餘 (經重列)		624,872	6,139,671	3,367,833	10,132,376
匯兌差額	19	—	(496)	(170)	(666)
出售待售物業時撥回儲備	19	—	(8,933)	—	(8,933)
直接在權益中確認之開支淨額		—	(9,429)	(170)	(9,599)
期內盈利		—	111,506	130,454	241,960
截至二〇〇四年六月三十日止六個月 之確認收入總額		—	102,077	130,284	232,361
僱員購股權計劃 — 僱員服務價值	19	—	6,223	—	6,223
發行股本	17及19	7,369	22,536	—	29,905
被視作收購附屬公司		—	—	27,822	27,822
二〇〇三年股息	19	—	(68,123)	(179,034)	(247,157)
		7,369	(39,364)	(151,212)	(183,207)
於二〇〇四年六月三十日之結餘		632,241	6,202,384	3,346,905	10,181,530

簡明綜合中期賬目附註

1 編製基準及會計政策

本未經審核簡明綜合中期賬目已根據香港會計師公會發出之香港會計準則（「香港會計準則」）第34號「中期財務報告」而編製。

該等簡明綜合中期賬目應與二〇〇四年財務報表一併閱讀。

除了越秀投資集團已於其採納新／經修訂香港財務報告準則及香港會計準則（「新香港財務報告準則」）（由二〇〇五年一月一日或該日之後之會計期間生效）後更改其若干會計政策外，編製該等簡明綜合財務資料所採用之會計政策及計算方法，均與編製截至二〇〇四年十二月三十一日止年度之年度財務報表所採用者一致。

該等中期賬目已根據於編製該等賬目時已發出及生效之該等香港財務報告準則及詮釋而編製。於二〇〇五年十二月三十一日將適用之香港財務報告準則及詮釋（包括將會按選擇性適用者），於編製該等中期財務資料時並未確定得悉。

越秀投資集團之會計政策之變動及採納該等新政策之影響載於下文附註2。

2 會計政策之變動

(a) 採納新香港財務報告準則之影響

於二〇〇五年，越秀投資集團已採納以下與其業務有關之新／經修訂香港財務報告準則。二〇〇四年之比較數字已根據有關規定在有需要時予以修訂。

香港會計準則第1號	財務報表之呈列
香港會計準則第8號	會計政策、會計估計之變動及差錯
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租賃
香港會計準則第21號	滙率變動之影響
香港會計準則第24號	關連人士之披露
香港會計準則第32號	財務工具：披露及呈列
香港會計準則第36號	資產減值
香港會計準則第38號	無形資產
香港會計準則第39號	財務工具：確認及計量
香港會計準則第40號	投資物業
香港會計準則－詮釋第15號	經營租約－獎勵
香港會計準則－詮釋第21號	所得稅－收回經重估非折舊資產
香港財務報告準則第2號	以股份為基礎之付款
香港財務報告準則第3號	企業合併
香港－詮釋第3號	收入－開發中物業預售合約
香港－詮釋第4號	租約－釐定香港土地租約租賃期之長短

採納新／經修訂香港會計準則第1、8、16、21及24號及香港會計準則一詮釋第15號及香港一詮釋第4號並無導致越秀投資集團之會計政策出現重大變動。總括而言，

- 香港會計準則第1號已影響少數股東權益、應佔聯營公司及共同控制實體之除稅後業績淨額及其他披露事宜之列報。
- 香港會計準則第8、第16號及香港會計準則一詮釋第15號及香港一詮釋第4號對越秀投資集團之政策並無任何重大影響。
- 香港會計準則第21號對越秀投資集團之政策並無重大影響。各合併實體之功能貨幣已按照經修訂準則之指引作重新評估。越秀投資集團實體全部以同一功能貨幣作為各項實體財務報表之報告貨幣。
- 香港會計準則第24號已影響識別有關連人士之身份及若干其他有關連人士之披露。

採納香港會計準則第17號已導致會計政策變更，租賃土地須由物業、廠房及設備重新歸類為經營租賃。就租賃土地作出之一次性預付款項，於租賃期內按照直線法在損益表中列作支出。若有減值，則減值部分會在損益表中列作支出。於以往年度，租賃土地是按照成本減去累計折舊及累計減值入賬。

採納香港會計準則第32號及39號導致有關對以公允價值計量並計入損益之金融資產及可供出售之金融資產之分類之會計政策變更。此外，亦導致按公允價值確認衍生財務工具，而對沖活動之確認及計量變更。

採納香港會計準則第40號已導致投資物業之會計政策有所轉變，當中公平值之變動於損益表內列作其他收入之一部分。於過往年度，公平值之增加乃計入投資物業重估儲備內。公平值之減少首先按投資組合基準抵銷較早時估值之增加，餘額則記入損益表。

採納香港會計準則一詮釋第21號已導致有關計算因重估投資物業產生之遞延稅項負債之會計政策出現變動。該等遞延稅項負債是根據將會隨著收回透過使用或透過使用及其後出售資產之賬面值出現之稅務後果計算。於過往年度，該項資產之賬面值預期會透過出售而收回。

採納香港財務報告準則第2號已導致對有關以股份為基礎之付款之會計政策之變更。直至二〇〇四年十二月三十一日，向僱員提供購股權並無導致損益表出現開支。由二〇〇五年一月一日，越秀投資集團於損益表列支購股權成本。作為一項過渡性條文，於二〇〇二年十一月七日後授出但於二〇〇五年一月一日尚未歸屬之購股權成本於各個期間之損益表內追溯列支。

採納香港財務報告準則第3號、香港會計準則第36及第38號已導致商譽之會計政策有所轉變。二〇〇四年十二月三十一日止，商譽是於最長二十年之期間以直線法攤銷及於每個結算日評估有否減值跡象。

按照香港財務報告準則第3號之條文，自二〇〇五年一月一日起，越秀投資集團停止對商譽進行攤銷，於二〇〇四年十二月三十一日之累計攤銷已經從商譽成本相應減少而沖銷；自截至二〇〇五年十二月三十一日止年度起，於每年及於減值跡象出現時對商譽進行減值測試。負商譽於二〇〇五年一月一日之賬面值已於二〇〇五年一月一日被取消確認，並對保留盈利之期初結餘作出相應調整。

越秀投資集團已根據香港會計準則第38號之條文，重估其無形資產之可使用年期。本項重估並無導致作出任何調整。

採納香港一詮釋第3號已導致有關因出售待售發展中物業之完成前合約產生之收益確認之會計政策變更。該等收益只會於銷售協議完成後確認，而銷售協議完成是指物業完成交付予買家之時候。於過往年度，乃採用完工進度法確認出售待售發展中物業之完成前合約產生之收益。

調整會計政策已依據各準則之過渡性條文作出一切變更。除下列所載外，越秀投資集團採納之所有準則均需追溯應用：

- 香港會計準則第16號：於資產交易之交換中收購一項物業、廠房及設備之初步計量按公允價值入賬，只會於日後交易中追溯計算；
- 香港會計準則第21號：規定商譽之會計處理須作追溯計算及公允值調整作為外國業務之一部分；
- 香港會計準則第39號不允許根據此準則對金融資產與負債作出追溯確認、終止確認及計量。越秀投資集團已對其他投資於二〇〇四年之比較資料採用先前之會計實務準則（「會計實務準則」）第24號「證券投資之會計處理」處理。會計實務準則第24號及香港會計準則第39號之間之會計差異（如有），均於二〇〇五年一月一日進行確定及確認；
- 經修訂香港會計準則第40號，自越秀投資集團採納公允值模式以來，越秀投資集團毋須重列比較資料。應就二〇〇五年一月一日之保留盈利作出任何調整，包括將投資物業重估盈餘中持有之任何金額重新分類；
- 香港會計準則一詮釋第15號並無規定於二〇〇五年一月一日前開始確認租約獎勵；
- 香港財務報告準則第2號只會追溯應用於二〇〇二年十一月七日後授出但於二〇〇五年一月一日歸屬之所有股本工具；及
- 香港財務報告準則第3號在採納日期以後採用，不須追溯。

(b) 會計政策變更對越秀投資集團之影響

以下是上述有關於二〇〇五年一月一日權益及截至二〇〇四年六月三十日止六個月之業績及每股盈利之會計政策變更影響之概要：

	增加／(減少) 於二〇〇五年 一月一日 千港元
權益	
租賃土地及土地使用權攤銷(附註i)	(477,989)
金融資產之重估盈餘(附註ii)	140,453
收回重估資產基準變更導致遞延稅項減少(附註iii)	224,385
取消確認負商譽(附註v)	535,325
	<u>422,174</u>
	截至 二〇〇四年 六月三十日 止六個月 千港元
業績	
租賃土地及土地使用權攤銷(附註i)	(15,682)
購股權計劃相關開支(附註iv)	(6,223)
	<u>(21,905)</u>
應佔：	
本公司股權持有人	(19,699)
少數股東權益	(2,206)
	<u>(21,905)</u>
	截至 二〇〇四年 六月三十日 止六個月 港仙
每股盈利	
基本及攤薄	
租賃土地及土地使用權攤銷(附註i)	(0.21)
購股權計劃相關開支(附註iv)	(0.10)
	<u>(0.31)</u>

以下是上述會計政策變更對個別會計項目影響之概要：

增加／(減少)	(附註i)	(附註ii)	(附註iii)	(附註iv)	(附註v)	總計
	採納 香港會計準則 第17號之影響 千港元	採納 香港會計準則 第39號之影響 千港元	採納香港會計 準則—詮釋 第21號之影響 千港元	採納香港 財務報告準則 第2號之影響 千港元	採納香港 財務報告準則 第3號之影響 千港元	
截至二〇〇四年六月三十日						
止六個月之損益表項目						
銷售成本	23,901	—	—	—	—	23,901
行政開支	3,527	—	—	6,223	—	9,750
稅項	(11,746)	—	—	—	—	(11,746)
少數股東權益	(2,206)	—	—	—	—	(2,206)
每股盈利						
—基本(港仙)	(0.21)	—	—	(0.10)	—	(0.31)
—攤薄(港仙)	(0.21)	—	—	(0.10)	—	(0.31)
於二〇〇五年一月一日之						
資產負債表項目						
固定資產	(89,967)	—	—	—	—	(89,967)
租賃土地及土地使用權—						
非即期部分	3,291,022	—	—	—	—	3,291,022
其他無形資產	—	—	—	—	535,325	535,325
於共同控制實體之權益	(3,280)	—	—	—	—	(3,280)
可供出售之金融資產	—	456,231	—	—	—	456,231
其他投資	—	(261,347)	—	—	—	(261,347)
持作發展／發展中物業	(6,734,381)	—	—	—	—	(6,734,381)
待售物業	(954,192)	—	—	—	—	(954,192)
租賃土地及土地使用權—						
即期部分	3,766,295	—	—	—	—	3,766,295
其他應收款項、						
預付款項及按金	—	15,008	—	—	—	15,008
總資產	(724,503)	209,892	—	—	535,325	20,714
遞延稅項負債	(246,514)	69,439	(224,385)	—	—	(401,460)
總負債	(246,514)	69,439	(224,385)	—	—	(401,460)
淨資產	(477,989)	140,453	224,385	—	535,325	422,174
儲備	(459,085)	134,387	215,152	—	529,685	420,139
少數股東權益	(18,904)	6,066	9,233	—	5,640	2,035
權益總額	(477,989)	140,453	224,385	—	535,325	422,174

採納香港一詮釋第3號已導致有關因出售待售發展中物業之完成前合約產生之收益確認之會計政策變更，而對於二〇〇五年六月三十日的綜合資產負債表及截至二〇〇五年六月三十日止六個月的綜合損益表之影響如下：

	於二〇〇五年 六月三十日 千港元
發展中物業增加	394,476
	截至 二〇〇五年 六月三十日 止六個月 千港元
銷售減少	543,030
銷售成本減少	394,476
稅項減少	49,023
每股盈利(港仙)減少	1.52
每股攤薄盈利(港仙)減少	1.50

3 新會計政策

截至二〇〇五年六月三十日止六個月之簡明綜合賬目所採用之會計政策與二〇〇四年賬目附註1所載者相同，惟下列各項除外：

3.1 外幣折算

(a) 功能貨幣和報告貨幣

越秀投資集團各實體財務報表之項目以該實體經營之主要經濟環境下的貨幣(「功能貨幣」)計量。本公司及其香港附屬公司以港元入賬及記錄，而所有其他主要集團成員公司則以人民幣入賬及記錄。綜合財務報表以本公司之功能貨幣和報告貨幣，即港幣，進行列報。

(b) 交易和餘額

外幣交易以交易日之匯率轉換為功能貨幣。由於外幣交易的結算和對以外幣顯示之貨幣性資產和負債按年末匯率折算所產生之收益和損失均在損益表確認，惟於股權遞延時列作符合資格之現金流量對沖或符合資格之投資淨額對沖。

非貨幣項目(如按公允值誌入損益賬內持有之股本工具)之匯兌差額列報作損益公允值之一部分。非貨幣項目(如列作可供出售金融資產之股權)之匯兌差額列作股本儲備之公允值。

(c) 集團公司

對其功能貨幣(均未使用惡性通貨膨脹的貨幣)和越秀投資集團的報告貨幣不一致之所有集團公司,其業績和財務狀況按下列方法折算為報告貨幣:

- (i) 各資產負債表之資產負債項目按照資產負債表日之匯率折算;
- (ii) 各損益表之收入和費用項目按照期內平均匯率折算。若平均匯率不能合理反映於交易日的匯率之累計影響,則需按照收入及費用發生時的匯率折算;及
- (iii) 外幣折算產生之差額,作為權益的單獨項目確認。

於綜合時,對國外實體投資、借款及專用作對沖該等投資之其他貨幣工具之折算產生之滙兌差額計入股東權益。處置國外業務時,相應的外幣折算差額作為處置損益的一部分於損益表中確認。

取得國外實體形成之商譽和公允價值之調整作為該國外實體之資產和負債,並按照資產負債表日匯率進行折算。

3.2 投資物業

持作長期出租或資本增值或以上兩項目的,而並非由綜合集團內各公司佔用之物業,均列作投資物業。

投資物業包括根據經營租賃持有之土地及根據融資租賃持有之樓宇。

當符合投資物業之其餘定義時,根據經營租賃持有之土地列作投資物業入賬。經營租賃會按如融資租賃般入賬。

投資物業初步按其成本(包括關連交易成本)計算。

於初步確認後,投資物業按公平值入賬。公平值是按交投活躍市場之價格計算,並在有需要時就指定資產之性質、地點或狀況之任何差異調整有關市價。

投資物業之公平值表示包括來自現有租約之租金收入,以及現時市況下對來自日後租約之租金收入之假設。

當該項目相關之日後經濟利益將會流入越秀投資集團,以及項目成本可被可靠計量時,方會從資產之賬面額中扣除其後開支。所有其他維修及保養成本於產生的財務期間內在損益報表內列支。

公平值之變動於損益表內確認。

倘一項投資物業由所有人佔用，則被重新分類為物業、廠房及設備，而其於重新分類日期之公允值就會計處理而言成為其成本。興建或發展作日後用作投資物業的物業被列作物業、廠房及設備，並於有關興建或發展工程完成前，按成本列賬，而於興建或發展工程完成時，會作重新分類，其後並列作投資物業入賬。

倘物業、廠房及設備之項目因其用途改變而成為一項投資物業，該項目於轉讓日期之賬面值與公允值之間所產生之任何差額，根據香港會計原則第16號於股本內被確認作物業、廠房及設備之重估。然而，倘公允值收益撥回先前之減值虧損，則收益會於損益報表內確認。

3.3 商譽／負商譽

商譽指收購成本超出於收購日越秀投資集團應佔所收購附屬公司／聯營公司／共同控制實體之可分辨淨資產公允值之數額。收購附屬公司之商譽計入無形資產。收購聯營公司及共同控制實體之商譽計入各自之投資。商譽每年經減值測試，並按成本減累計減值虧損入賬。

商譽獲分配予產生現金單位，以進行減值測試。

倘越秀投資集團於已確認之可分辨資產、負債及或然負債之公允淨值之權益超過業務合併之成本，越秀投資集團將會：

- 重新評估被收購人之可分辨資產、負債及或然負債之分辨及計量方法，並計算合併之成本；及
- 於進行該項重新評估後，即時將任何多出之餘額在損益表內確認。

3.4 資產減值

對使用年期不確定的資產不予以攤銷，但在出現顯示賬面金額不可收回之事件或變動之情況下，該資產需至少每年作減值測試。需計提攤銷的資產，於事件或環境變化顯示其賬面金額不能回收時進行減值復核。減值損失按資產賬面金額超過其可收回金額部分確認。可收回金額是指扣除銷售成本後之資產公允價值與資產使用價值中之較高者。在作減值評估時，對產生獨立可辨認的現金流量的資產按最小化組合為評估單位（現金產出單元）。

3.5 投資

由二〇〇四年一月一日至二〇〇四年十二月三十一日：

越秀投資集團將其證券投資（附屬公司、聯營公司及共同控制實體除外）列作其他投資。

持作長期投資之其他投資按成本減累積減值虧損入賬。個別投資之賬面金額於各個結算日作檢討，以評估公允值是否下降至低於賬面金額。當出現暫時下降以外之下降，該等投資之賬

面金額將減少至其公允值。減值虧損已於發生導致撤減或撤銷不再存在之情況及事件，以及有具說服力之證據顯示該等新情況及事件將於可見未來持續出現時，減值虧損撥回至損益表內。

倘越秀投資集團將於有關連合營期間終止時交出投資之權利及權益，將會就攤銷作出撥備，以直線法於合營期間內撤銷其成本。其他投資之結果按已收取及應收取之股息之基準列賬。

自二〇〇五年一月一日起：

越秀投資集團將其投資分以下類別：以公允價值計量並計入損益之金融資產、借款和應收款項，持有至到期日之投資及可供出售之金融資產。該等分類以取得該等投資之目的為依據。管理層在初始投資時確定其分類，並於每個報告日對該等認定進行重估。

(a) 按公允價值計入損益賬內之財務資產

此類別共有兩個分類：持作買賣之財務資產，以及於開始時指定按公允價值計入損益賬內之財務資產。倘主要用作短期出售或由管理層指定而收購之財務資產屬於此類別。除非衍生工具專門用作進行對沖，否則彼等會列作持作買賣之衍生工具。倘此類資產是持作買賣或預期於結算日起計之十二個月內變現，則會被列作流動資產。

(b) 貸款及應收款項

貸款及應收款項乃非衍生工具財務資產，連同並無於活躍市場上報價之固定或可予釐定之付款。貸款及應收款項於越秀投資集團向一名無意買賣應收款項之債務人直接提供金錢、貨物或服務時產生。貸款及應收款項計入流動資產內，惟到期日超過結算日後十二個月者除外。該等貸款及應收款項被列作非流動資產。貸款及應收款項於資產負債表內列作貿易及其他應收款項。

(c) 持有至到期投資

持有至到期投資是非衍生財務資產，連同固定或可予釐定之付款，以及越秀投資集團管理層有意積極及有能力持有至到期之固定到期項目。期內，越秀投資集團並無持有該類別之任何投資。

(d) 可供出售財務資產

可供出售財務資產乃此類別所指定或並無列作任何其他類別之非衍生工具。除非管理層有意於結算日起計之十二個月內出售投資，否則可供出售財務資產列作非流動資產。

越秀投資集團於各個結算日評估是否有客觀證據顯示一項財務資產或一組財務資產已減值。倘股本證券被列作可供出售，則於釐定證券是否減值時會考慮證券之公允值是否大幅或持續下降至低於其成本。倘可供出售財務資產出現該等證據，則累積虧損(計算作收購成本與現行公允值之間之差額減先前於損益表內確認之財務資產之任何減值虧損)會從股本中剔除，並於損益表內確認。在損益表確認的股本工具減值虧損不會在損益表內撥回。

3.6 以股本為基礎之補償

越秀投資集團負責推行以股本結算、以股本為基礎之補償計劃。為換取授出購股權而已接受僱員服務之公允值確認作一項開支。於歸屬期間內將予列支之總額乃經參考所授出購股權之公允值後釐定，當中不包括任何非市場歸屬條件之影響（例如盈利能力及銷售增長目標）。有關預期可予行使之購股權數目之假設包括非市場歸屬條件。於各個結算日，實體修改其對預期可予行使之購股權數目作出之假設。越秀投資集團於損益表內確認修改原有估計之影響（如有），以及於餘下歸屬期間內對股本相應作出之調整。

已收取之所得款項已扣減於購股權獲行使時撥入股本之任何直接應佔交易成本（面值）及股份溢價。

4 財務風險管理

4.1 財務風險因素

越秀投資集團之經營活動令其面臨各種財務風險：外匯風險、信貸風險、流動性風險和現金流量之利率風險。

(a) 外匯風險

越秀投資集團某部份於中國內地經營之附屬公司進行之大部分交易以人民幣為單位。越秀投資集團須承受來自人民幣兌港元之滙兌風險。越秀投資集團並無對沖其匯率風險。

此外，對人民幣轉換為外幣受中國政府頒佈之外匯管制條例監管。

(b) 信貸風險

越秀投資集團之信貸風險並無高度集中。綜合資產負債表內貿易應收款項之賬面金額指越秀投資集團有關其財務資產之最高信貸風險。

(c) 流動資金風險

越秀投資集團確保其擁有充裕現金及信貸額以應付其流動資金需要。

(d) 現金流量及公允價值之利率風險

越秀投資集團無重大計息之資產，故越秀投資集團之收入及經營現金流量與市場利率的變動保持較大的獨立性。

越秀投資集團之利率風險源自長期貸款。浮動利率的貸款令越秀投資集團承擔現金流量利率風險，而固定利率的貸款令越秀投資集團承擔公允價值之利率風險。越秀投資集團並無對沖其現金流量及公允價值利率風險。

4.2 公允價值之估計

名義價值減去應收賬款及應付賬款之信貸調整被假設與其公允價值相約。作為披露目的，金融負債之公允價值是根據類似金融工具之現時市場利率對未來約定之現金流量折現而估計。

5 重要會計估計及假設

估計及判斷會根據過往經驗及其他因素不斷復核，包括對於有關情況下被認為合理之未來事件之期望。

5.1 重要會計估計及假設

越秀投資集團對未來作出估計及假設。此會計估計，就其定義而言，甚少會與有關實際結果相符。凡會導致對資產及負債的賬面價值作重大調整的重大風險的估計及假設討論如下。

(a) 收費公路及橋樑權益之定義

越秀投資集團及受投資公司收費公路及橋樑之權益包括有形基本建設及無形經營權。有形基本建設之折舊乃根據於指定期間之車流量除以預測總流量為基準，按單位使用基準撇銷彼等之成本計算。

越秀投資集團會定期審閱於各資產年期內之預測總流量及(如適用)考慮所取得之獨立專業交通調查。倘出現重大變動，則會作出適當調整。

現時，預測個別收費公路及橋樑每年之流量增長率介乎百分之二至百分之五左右。

(b) 估計商譽減值

越秀投資集團每年測試商譽是否根據附註3.3所述之會計政策蒙受任何減值。現金產出單元之可收回金額已根據使用中價值計算方法釐定。該等計算須使用估計。

(c) 物業及設備、投資物業、租賃土地及土地使用權及用作長期投資之發展中物業之估計減值

無論發生任何有跡象顯示賬面金額可能不獲收回之事件或情況變動，物業及設備、投資物業、租賃土地及土地使用權及用作長期投資之發展中物業均須就減值作出檢討。物業及設備、租賃土地及土地使用權及用作長期投資之發展中物業之可收回金額已根據使用中價值計算方法釐定；而投資物業之可收回金額已於參考獨立估值後釐定。該等計算及估值規定須採用判斷及估計。

(d) 估計待售發展中物業及已完成出售物業之撇減

越秀投資集團將待售發展中物業及已完成出售物業撇減至根據評估待售發展中物業及已完成出售物業之可變現能力計算之可變現淨值。倘發生有跡象顯示結餘可能不獲變現之事件或情況變動，便會記錄撇減。辨別撇減規定須採用判斷及估計。倘預期與原有估計出現差異，則有關差異將會影響該等估計變更之期間內，待售發展中物業及已完成出售物業之賬面值及撇減。

(e) 投資物業公允值之估計

公允值之最佳憑證是類似租約及其他合約之活躍市場之現行價格。越秀投資集團聘請一間獨立專業測量師行漢華評值有限公司釐定越秀投資集團投資物業之公開市值。

在無獲得任何該等資料之情況下，越秀投資集團將金額釐定於合理公允值估計之範圍內。在作出其判斷時，越秀投資集團認為來自多項來源之資料包括：

- i) 不同性質、狀況或地點(或視乎不同租約或其他合約而定)之物業活躍市場之現行價格，經作出調整以反映該等差異。
- ii) 活躍程度較低市場內類似物業之最近價格，以及為反映自按該等價格進行交易當日起任何經濟狀況變動而作出之調整；及
- iii) 根據來自任何現有租約及其他合約之條款之日後現金流量可靠估計，以及如同一地點及條件類似物業之現行市場租金等外界證據，採用反映現行市場評估現金流量之金額及時間等不明朗因素所計算之貼現現金流量預測。

倘若未獲提供投資物業之現行或近期價格資料，投資物業之公允值將會按照貼現現金流量估值技巧釐定。越秀投資集團所採用之假設主要以結算日之現存市況為基準。

管理層估計公允值時所採用之主要假設乃與下列各項有關：收取合約訂明租金；預期未來市場租金；作廢期間；維修需求；及適當貼現率。該等估值會定期與實際市場收益數據，及越秀投資集團進行之實際交易以及市場所匯的交易進行比較。

預期未來市場租金乃以同一地點及狀況之類似物業之現行市場租金為基準釐定。

(f) 以股份為基礎之購股權公允值之估計

越秀投資集團已受惠於香港財務報告準則第2號之過渡性條文，就二〇〇二年十一月七日後授出但於二〇〇五年一月一日尚未既得之購股權應用相關準則。於二〇〇五年一月一日前既得的購股權合共有230,790,200份，並無計入已授購股權公允值之計算內。

已授購股權之公允值乃採用獨立估值師漢華評值有限公司進行之Black-Scholes估值模式釐定。此方法之主要輸入數據為於授出日期當日之股價、行使價、預期股價回報之標準差異、購股權之預計年期、預期派息率及年度無風險比率。根據預期股價回報之標準差異計算之波幅，乃以購股權授出日期前一年內之每日股價之統計數字分析為準。

(g) 現行稅項及遞延稅項

越秀投資集團須繳納中國內地及香港之稅項。於釐定稅項撥備金額及支付相關稅項之時間時，越秀投資集團須作出重大決定。日常業務過程中會出現許多最終稅項釐定並不明朗之交易及計算。倘若該等事宜之最後稅項結果有別於初步記錄之金額，差額將會對期間內與作出釐定有關之所得稅及遞延稅項撥備造成影響。

與若干暫時性差異及稅項虧損有關之遞延稅項資產會予以確認，是由於管理層認為有可能將未來應課稅溢利與可動用之暫時性差異或稅項虧損抵銷。倘若預期與原有估計有出入，該等差額將會影響期間內與估計有變有關之遞延稅項資產及稅項之確認。

5.2 採用實體之會計政策時之重要決定

投資物業與擁有人用佔物業之分別

越秀投資集團負責決定一項物業是否合資格成為投資物業。在作出其決定時，越秀投資集團會考慮該物業是否可在毋須依靠實體所持有之其他資產之情況下產生大量現金流量。擁有人佔用物業產生物業以及生產或供應過程中採用之其他資產應佔之現金流量。

某些物業會包括持有以賺取租金或供資本增值之部分及持有供生產或提供貨品或服務或作行政用途之另一部分。倘若該等部分可個別出售（或根據融資租約個別出租），越秀投資集團會將有關部分獨立列賬處理。倘若該等部分不可個別出售，只要一小部分乃持有供生產或提供貨品或服務或作行政用途，物業一律會列作投資物業處理。須判斷配套服務是否決定物業並不符合資格成為投資物業之重要因素。越秀投資集團在作出判斷時會個別考慮每項物業。

6 分部資料

越秀投資集團主要從事發展、經營及管理收費公路及橋樑；發展、出售及管理物業及持有投資物業；製造及銷售新聞紙。期內營業額及分部業績如下：

主要分部報告－業務分部資料

越秀投資集團主要在香港及中國內地（「中國」）經營三項主要業務：

- － 房地產－發展、出售及管理物業及持有投資物業

- 收費公路業務—發展、經營及管理收費公路及橋樑
- 造紙—製造及出售新聞紙

各項業務之間並無進行重大買賣活動。

從屬分部報告—地區分部資料

越秀投資集團的三項業務範疇主要在香港及中國管理：

- 香港—房地產
- 中國—房地產、造紙和收費公路
- 其他—房地產

地區分部之間並無進行重大買賣活動。

主要分部報告—業務分部資料

	截至六月三十日止六個月							
	收費公路		房地產		造紙		集團	
	二〇〇五年	二〇〇四年	二〇〇五年	二〇〇四年	二〇〇五年	二〇〇四年	二〇〇五年	二〇〇四年
	經重列		經重列		經重列		經重列	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
營業額	204,006	191,002	767,512	1,520,151	616,673	562,857	1,588,191	2,274,010
分部業績	87,926	70,925	551,399	181,094	68,505	52,493	707,830	304,512
利息收入							3,789	3,077
未分配經營成本							(25,839)	(23,704)
財務費用							(114,092)	(75,463)
應佔下列公司的								
盈利減虧損：								
— 共同控制實體	20,008	252	(5,474)	—	—	—	14,534	252
— 聯營公司	103,008	91,035	—	308	—	—	103,008	91,343
除稅前盈利							689,230	300,017
稅項							(327,893)	(58,057)
期內盈利							361,337	241,960
資本開支	1,309	4,404	84,350	542	101,569	30,558	187,228	35,504
折舊及攤銷	52,057	56,883	79,094	66,807	57,964	61,332	189,115	185,022

於二〇〇五年六月三十日及二〇〇四年十二月三十一日

	收費公路		房地產		造紙		集團	
	二〇〇五年 六月 三十日	二〇〇四年 十二月 三十一日	二〇〇五年 六月 三十日	二〇〇四年 十二月 三十一日	二〇〇五年 六月 三十日	二〇〇四年 十二月 三十一日	二〇〇五年 六月 三十日	二〇〇四年 十二月 三十一日
		經重列		經重列		經重列		經重列
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
分部資產	2,120,203	2,229,404	18,684,566	17,331,255	1,592,434	1,495,642	22,397,203	21,056,301
於共同控制實體權益	495,482	422,892	243,772	220,545	—	—	739,254	643,437
於聯營公司權益	1,686,656	1,671,842	88,821	88,506	—	—	1,775,477	1,760,348
未分配資產							1,392,772	1,016,434
總資產							26,304,706	24,476,520
分部負債	722,574	768,172	10,401,586	9,430,464	589,427	506,246	11,713,587	10,704,882
未分配負債							3,267,482	3,323,134
總負債							14,981,069	14,028,016

從屬分部報告—地區分部資料

	截至六月三十日止六個月				於二〇〇五年六月三十日及 二〇〇四年十二月三十一日	
	營業額		資本性開支		資產總值	
	二〇〇五年	二〇〇四年	二〇〇五年	二〇〇四年	於二〇〇五年 六月三十日	於二〇〇四年 十二月三十一日
	千港元	經重列 千港元	千港元	經重列 千港元	千港元	經重列 千港元
香港	82,853	392,883	1,686	925	1,319,396	1,362,281
中國	1,504,457	1,856,258	185,533	34,579	23,558,495	22,051,223
海外	881	24,869	9	—	34,043	46,582
	1,588,191	2,274,010	187,228	35,504	24,911,934	23,460,086
未分配資產					1,392,772	1,016,434
資產總值					26,304,706	24,476,520

7 按性質分類之開支

計入銷售成本、銷售及分銷開支以及一般及行政開支之開支分析如下：

	截至六月三十日止六個月	
	二〇〇五年	二〇〇四年 經重列
	千港元	千港元
已扣除		
廣告開支	43,275	43,630
已出售存貨之成本	966,073	1,520,737
帶來租金收入之投資物業產生之直接營運開支	73,338	44,573
折舊：		
— 自置固定資產	79,659	68,474
— 租賃固定資產	13	13
收費公路及橋樑權益之攤銷／折舊	50,779	50,696
租賃土地及土地使用權之攤銷		
— 計入銷售成本	54,775	61,820
— 計入行政開支	3,889	4,019
衍生工具 — 未符合資格對沖之利率掉期	4,206	7,173
固定資產減值撥備	10,418	—
將持作發展／發展中物業撇減至其可變現淨值	31,850	—
員工成本		
— 薪金及薪酬(包括董事酬金)	98,195	93,198
— 退休金成本 — 定額供款計劃	8,475	7,545
— 醫療福利成本	2,050	3,501
— 社會保障成本	11,472	8,093
— 解僱成本	874	6,349
— 員工福利	7,071	9,051
— 授予董事及僱員之購股權	15,126	6,223
經營租賃		
— 租賃廠房及工作坊	8,107	8,184
— 土地及樓宇	37,336	25,643
呆賬準備	49,272	2,891
滙兌虧損淨額	1,517	—

8 稅項

- (a) 年內的香港利得稅已按17.5%稅率(二〇〇四年：17.5%)及按估計應課稅溢利計提撥備。
- (b) 越秀投資集團根據中國外商投資企業所得稅法(「中國稅法」)，按18%至33%稅率，就中國內地附屬公司、聯營公司及共同控制實體的盈利作出中國企業所得稅準備。根據中國稅法，越秀投資集團的若干附屬公司、聯營公司及共同控制實體由首個獲利年度起的兩年五年獲享免繳所得稅，在免稅期後三年至五年享有所得稅減半的優惠。
- (c) 中國土地增值稅按介乎30%至60%的累進稅率及按土地增值價值(即出售物業所得款項減可扣減的開支，包括土地的成本，以及發展及建設開支)徵收。
- (d) 在簡明綜合損益表內扣除的稅項金額為：

	截至六月三十日止六個月	
	二〇〇五年	二〇〇四年 經重列
	千港元	千港元
本期稅項		
— 香港利得稅	809	1,086
— 以往年度撥備不足	5,545	—
— 中國企業所得稅	33,821	48,785
— 中國土地增值稅	2,210	8,695
與產生及撥回暫時性差額有關的遞延稅項	285,508	(509)
	<u>327,893</u>	<u>58,057</u>

下列各項應佔中國企業所得稅乃於損益表內列作聯營公司及共同控制實體所佔業績：

	截至六月三十日止六個月	
	二〇〇五年	二〇〇四年 經重列
	千港元	千港元
聯營公司		
— 本期稅項	8,521	7,138
— 遞延稅項	5,648	5,794
共同控制實體		
— 本期稅項	602	—
— 遞延稅項	1,668	1,748
	<u>16,839</u>	<u>14,680</u>

9 每股盈利

基本

每股基本盈利乃按本公司股權持有人應佔盈利除以期內已發行普通股加權平均數計算。

	截至六月三十日止六個月	
	二〇〇五年	二〇〇四年 經重列
本公司股權持有人應佔盈利(千港元)	132,434	111,506
已發行普通股加權平均數(千股)	6,362,643	6,300,121
每股基本盈利(港仙)	2.08	1.77

攤薄

每股攤薄盈利乃按調整未行使普通股加權平均數至假設全數兌換具潛在攤薄影響之普通股計算。本公司於期內尚未行使之購股權可發行具潛在攤薄影響之普通股，並根據尚未行使購股權所附認購權之貨幣價值計算，以釐定原可按公允值(按本公司股份每日平均市價釐定)收購之股份數目。按上文所計算之股份數目與假設購股權獲行使原已發行股份數目相若。

	截至六月三十日止六個月	
	二〇〇五年	二〇〇四年 經重列
本公司股權持有人應佔盈利(千港元)	132,434	111,506
已發行普通股加權平均數(千股)	6,362,643	6,300,121
購股權調整(千股)	96,957	131,390
每股攤薄盈利之普通股加權平均數(千股)	6,459,600	6,431,511
每股攤薄盈利(港仙)	2.05	1.73

10 股息

	截至六月三十日止六個月	
	二〇〇五年 千港元	二〇〇四年 千港元
擬派發二〇〇五年中期股息每股0.01港元 (二〇〇四年：0.0083港元)	64,028	52,531

11 資本性開支

	其他無形資產		收費公路及橋樑之權益					租賃土地及土地	
	收購 附屬公司 之商譽 千港元	收購 附屬公司 之負商譽 千港元	總計 千港元	無形經營權 千港元	有形基建 千港元	總計 千港元	固定資產 千港元	投資物業 千港元	使用權 千港元
於二〇〇五年一月一日之 期初賬面淨值，如前報告 會計政策變更之影響	45,365	(535,325)	(489,960)	1,665,040	336,336	2,001,376	1,441,325	4,775,305	—
	—	—	—	—	—	—	(89,967)	—	7,057,317
於二〇〇五年一月一日之 期初賬面淨值，經重列 採納香港財務報告準則 第3號作出之期初調整	45,365	(535,325)	(489,960)	1,665,040	336,336	2,001,376	1,351,358	4,775,305	7,057,317
	—	535,325	535,325	—	—	—	—	—	—
作出期初調整後於 二〇〇五年一月一日 之賬面淨值	45,365	—	45,365	1,665,040	336,336	2,001,376	1,351,358	4,775,305	7,057,317
添置	—	—	—	1,037	—	1,037	123,266	62,925	—
出售	—	—	—	—	—	—	(51,501)	(178,824)	(89,163)
重估盈餘	—	—	—	—	—	—	—	662,539	—
轉撥自待售物業	—	—	—	—	—	—	33,376	88,584	—
轉撥	—	—	—	—	—	—	(1,033)	48,272	(47,238)
期內折舊／攤銷	—	—	—	(44,473)	(6,306)	(50,779)	(79,672)	—	(58,664)
於二〇〇五年六月三十日 之期終賬面淨值	45,365	—	45,365	1,621,604	330,030	1,951,634	1,375,794	5,458,801	6,862,252
列作：									
非流動									3,124,223
流動									3,738,029
									6,862,252

附註：越秀投資集團大部分租賃土地及土地使用權以及投資物業位於中國內地。

	其他無形資產		收費公路及橋樑之權益				租賃土地及土地		
	收購 附屬公司 之商譽	收購 附屬公司 之負商譽	總計	無形經營權	有形基建	總計	固定資產	投資物業	使用權
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
於二〇〇四年一月一日之									
期初賬面淨值，如前報告	49,039	(584,292)	(535,253)	1,750,864	348,783	2,099,647	1,405,545	4,845,537	—
會計政策變更之影響	—	—	—	—	—	—	(99,278)	—	8,143,566
於二〇〇四年一月一日之									
期初賬面淨值，經重列	49,039	(584,292)	(535,253)	1,750,864	348,783	2,099,647	1,306,267	4,845,537	8,143,566
添置	—	—	—	85	—	85	35,419	—	—
出售	—	—	—	—	—	—	(1,634)	(28,406)	(317,482)
期內折舊／攤銷	(1,590)	16,553	14,963	(44,472)	(6,224)	(50,696)	(68,487)	—	(65,839)
於二〇〇四年六月三十日									
之期終賬面淨值	47,449	(567,739)	(520,290)	1,706,477	342,559	2,049,036	1,271,565	4,817,131	7,760,245
添置	—	—	—	3,035	—	3,035	41,116	122,978	—
轉撥(至)／自持作發展／									
發展中物業	—	—	—	—	—	—	46,260	(261,873)	—
重估盈餘	—	—	—	—	—	—	—	76,750	—
出售	—	—	—	—	—	—	(16,368)	—	(550,389)
轉撥	—	—	—	—	—	—	78,444	20,319	(98,763)
期內折舊／攤銷	(2,084)	32,414	30,330	(44,472)	(6,223)	(50,695)	(69,659)	—	(53,776)
於二〇〇四年十二月三十一日									
之期終賬面淨值	45,365	(535,325)	(489,960)	1,665,040	336,336	2,001,376	1,351,358	4,775,305	7,057,317
列作：									
非流動									3,291,022
流動									3,766,295
									<u>7,057,317</u>

12 可供出售之金融資產

	二〇〇五年 六月三十日 千港元
期初	456,231
添置	463
在權益中扣除之公允值減少	(65,002)
減值虧損	(2,673)
出售	(1,639)
期終	<u>387,380</u>

該等結餘指非上市證券之金融資產於二〇〇五年六月三十日之市值。

13 應收賬款

越秀投資集團對不同業務分類及市場已有既定之信貸政策。越秀投資集團之賒賬期一般為三至六個月。貿易應收款之賬齡分析如下：

	二〇〇五年 六月三十日 千港元	二〇〇四年 十二月三十一日 千港元
0至30日	118,889	174,569
31至90日	97,266	76,788
91至180日	37,260	81,345
181至365日	74,318	43,789
一年以上	99,904	81,377
	<u>427,637</u>	<u>457,868</u>

14 應付賬款

應付賬款包括與債權人之貿易結餘，以及就建築合約應付之保修款項。

貿易應付款之賬齡分析如下：

	二〇〇五年 六月三十日 千港元	二〇〇四年 十二月三十一日 千港元
0至30日	98,352	32,433
31至90日	31,629	70,560
91至180日	54,962	24,008
181至365日	3,962	65,755
一至兩年	35,905	39,243
兩年以上	134,164	182,494
	<u>358,974</u>	<u>414,493</u>

15 借款

	二〇〇五年 六月三十日 千港元	二〇〇四年 十二月三十一日 千港元
非流動		
長期銀行借款		
— 有抵押	3,406,669	2,726,859
— 無抵押	336,706	420,806
融資租賃承擔—有抵押	40	53
最終控股公司貸款—無抵押	254,710	298,890
關連公司貸款—無抵押	126,962	127,917
附屬公司少數股東貸款—無抵押	465,635	463,887
	<u>4,590,722</u>	<u>4,038,412</u>
流動		
銀行透支—無抵押	8,933	24,763
短期銀行借款		
— 有抵押	112,150	453,644
— 無抵押	566,532	608,919
長期銀行借款即期部分		
— 有抵押	689,622	645,277
— 無抵押	228,998	314,222
融資租賃承擔—有抵押	25	25
最終控股公司貸款—無抵押	1,189	—
	<u>1,607,449</u>	<u>2,046,850</u>
總借款	<u>6,198,171</u>	<u>6,085,262</u>

借款到期日如下：

	銀行借款及透支		其他貸款	
	二〇〇五年 六月三十日 千港元	二〇〇四年 十二月三十一日 千港元	二〇〇五年 六月三十日 千港元	二〇〇四年 十二月三十一日 千港元
一年內	1,606,235	2,046,825	1,214	25
第二年	768,277	1,324,388	25	25
第三至五年	2,975,098	1,823,277	253,012	267,487
無指定還款期	—	—	594,310	623,235
	<u>5,349,610</u>	<u>5,194,490</u>	<u>848,561</u>	<u>890,772</u>

16 金融衍生工具

	二〇〇五年 六月三十日 千港元	二〇〇四年 十二月三十一日 千港元
利率掉期	33,228	29,021

未履行利率掉期之名義本金額為2,535,000,000港元(二〇〇四年十二月三十一日：2,535,000,000港元)。

17 股本

	公司	
	股數 千股	千港元
法定：		
10,000,000,000股每股0.10港元之普通股	10,000,000	1,000,000
已發行及繳足：		
於二〇〇四年一月一日	6,248,718	624,872
於行使購股權時發行股份	102,880	10,288
於二〇〇四年十二月三十一日	6,351,598	635,160
於二〇〇五年一月一日	6,351,598	635,160
於行使購股權時發行股份	27,528	2,753
於二〇〇五年六月三十日	6,379,126	637,913

18 購股權

於二〇〇二年六月二十六日，本公司採納新購股權計劃，據此，本公司可向僱員(包括本公司執行董事)授出購股權以認購本公司的股份，惟上限為於二〇〇二年六月二十六日已發行之股份數目之10%。行使價將由本公司之董事會釐定，最少將為(i)本公司股份於購股權授出日期之收市價，(ii)本公司股份於緊接購股權授出日期前五個營業日之平均收市價，及(iii)本公司股份之面值(以較高者為準)。

於二〇〇五年六月三十日，根據舊購股權計劃授出之尚未行使購股權，可認購本公司股份合共6,798,000股。根據舊購股權計劃之規定，所有根據舊購股權計劃授出之購股權將繼續有效及可行使。

購股權變動如下：

	購股權數目 千股
於二〇〇四年一月一日	393,526
期內已授出	320,310
期內已行使	(73,690)
期內失效	(228)
	<hr/>
於二〇〇四年六月三十日	639,918
期內已行使	(29,190)
期內失效	(6,720)
	<hr/>
於二〇〇四年十二月三十一日	<u>604,008</u>
	<hr/>
於二〇〇五年一月一日	604,008
期內已行使	(27,528)
期內失效	(8,496)
	<hr/>
於二〇〇五年六月三十日	<u><u>567,984</u></u>

於二〇〇五年六月三十日及二〇〇四年十二月三十一日之購股權詳情如下：

授出日期	行使期	行使價 港元	購股權數目	
			於二〇〇五年 六月三十日 千股	於二〇〇四年 十二月三十一日 千股
舊購股權計劃				
一九九九年十二月十四日	二〇〇〇年十二月十四日至 二〇〇五年十二月十三日	0.5008	6,798	9,626
新購股權計劃				
二〇〇三年五月二日	二〇〇三年五月二日至 二〇一三年五月一日	0.4100	86,876	109,180
二〇〇三年六月二日	二〇〇三年六月二日至 二〇一三年六月一日	0.5400	58,950	60,150
二〇〇三年十月二十七日	二〇〇三年十月二十七日至 二〇一三年十月二十六日	0.8140	12,404	12,404
二〇〇三年十二月二十三日	二〇〇三年十二月二十三日至 二〇一三年十二月二十二日	0.8460	100,234	100,234
二〇〇四年六月二十三日	二〇〇四年六月二十三日至 二〇一四年六月二十二日	0.6300	302,722	312,414
			567,984	604,008

567,984,000股未行使購股權(二〇〇四年十二月三十一日：604,008,000股)之中，394,559,200股購股權(二〇〇四年十二月三十一日：230,790,200股)於截至二〇〇五年六月三十日止六個月及截至二〇〇四年十二月三十一日止年度可予行使。

越秀投資集團已受惠於香港財務報告準則第2號之過渡性條文，就二〇〇二年十一月七日後授出但於二〇〇五年一月一日尚未既得之購股權應用相關準則。於二〇〇五年一月一日前既得的購股權合共有230,790,200份，並無計入已授購股權公允值之計算內。

已授購股權之公允值乃採用獨立估值師漢華評值有限公司進行之Black-Scholes估值模式釐定。此方法之主要輸入數據為於授出日期當日之股價、行使價、預期股價回報之標準差異、購股權之預計年期、預期派息率及年度無風險比率。根據預期股價回報之標準差異計算之波幅，乃以購股權授出日期前一年內之每日股價之統計數字分析為準。

19 儲備

(未經審核)

	股份溢價 千港元	資本 贖回儲備 千港元	法定儲備 千港元	匯兌 波動儲備 千港元	僱員 以股份 為基礎之 補償儲備 千港元	保留盈利 千港元	總額 千港元
於二〇〇四年 一月一日之結餘 (如前所述)	5,707,378	1,815	62,606	(76,709)	—	649,398	6,344,488
租賃土地及土地 使用權攤銷	—	—	—	—	—	(421,230)	(421,230)
就投資物業重估 所產生遞延稅項 作出之調整	—	—	—	—	—	216,413	216,413
確認購股權開支	—	—	—	—	4,016	(4,016)	—
於二〇〇四年 一月一日之結餘 (經重列)	5,707,378	1,815	62,606	(76,709)	4,016	440,565	6,139,671
匯兌差額(越秀投資集團)	—	—	—	(496)	—	—	(496)
出售待售物業時 撥回儲備	—	—	—	—	—	(8,933)	(8,933)
本公司股權持有人 應佔盈利	—	—	—	—	—	111,506	111,506
轉撥	—	—	260	—	—	(260)	—
僱員購股權計劃開支	—	—	—	—	6,223	—	6,223
發行股份減發行開支	22,536	—	—	—	—	—	22,536
已付股息	—	—	—	—	—	(68,123)	(68,123)
於二〇〇四年 六月三十日之結餘	5,729,914	1,815	62,866	(77,205)	10,239	474,755	6,202,384
匯兌差額(越秀投資集團)	—	—	—	(1,092)	—	—	(1,092)
商譽減值撥備	—	—	—	—	—	43,533	43,533
出售待售物業時 撥回儲備	—	—	—	—	—	(21,742)	(21,742)
被視作出售附屬公司 若干權益時 撥回儲備	—	—	(1)	(2)	—	—	(3)
本公司股權持有人 應佔盈利	—	—	—	—	—	157,582	157,582
轉撥	—	—	16,532	—	—	(16,532)	—
僱員購股權計劃	—	—	—	—	16,396	—	16,396
發行股份減發行開支	10,819	—	—	—	—	—	10,819
已付股息	—	—	—	—	—	(52,669)	(52,669)
於二〇〇四年 十二月三十一日 之結餘	5,740,733	1,815	79,397	(78,299)	26,635	584,927	6,355,208
相當於：							
二〇〇四年擬派 末期股息						57,266	
其他						527,661	
						584,927	

	(未經審核)							
	股份溢價 千港元	資本 贖回儲備 千港元	法定儲備 千港元	匯兌 波動儲備 千港元	可供出售 之金融資 產公允值 儲備 千港元	僱員以 股份為 基礎之 補償儲備 千港元	保留盈利 千港元	總額 千港元
於二〇〇五年一月一日 之結餘 (如前所述為權益)	5,740,733	1,815	79,397	(78,299)	—	—	855,495	6,599,141
租賃土地及土地 使用權攤銷	—	—	—	—	—	—	(459,085)	(459,085)
就投資物業重估所產生 遞延稅項作出之調整	—	—	—	—	—	—	215,152	215,152
確認購股權開支	—	—	—	—	—	26,635	(26,635)	—
於二〇〇五年一月一日 之結餘(經重列)	5,740,733	1,815	79,397	(78,299)	—	26,635	584,927	6,355,208
採納香港會計準則 第39號作出之 期初調整	—	—	—	—	—	—	134,387	134,387
採納香港財務報告準則 第3號作出之 期初調整	—	—	—	—	—	—	529,685	529,685
作出期初調整後於 二〇〇五年一月一日 之結餘(經重列)	5,740,733	1,815	79,397	(78,299)	—	26,635	1,248,999	7,019,280
滙兌差額(越秀投資集團)	—	—	—	2,695	—	—	—	2,695
金融資產公允值轉變	—	—	—	—	(21,038)	—	—	(21,038)
—總額	—	—	—	—	(635)	—	—	(635)
—稅項	—	—	—	—	—	—	—	—
本公司股權持有人 應佔盈利	—	—	—	—	—	—	132,434	132,434
轉撥	—	—	7,333	—	134,387	—	(141,720)	—
僱員購股權計劃開支	—	—	—	—	—	15,126	—	15,126
發行股份減發行開支	10,350	—	—	—	—	—	—	10,350
二〇〇四年股息	—	—	—	—	—	—	(57,328)	(57,328)
於二〇〇五年 六月三十日	<u>5,751,083</u>	<u>1,815</u>	<u>86,730</u>	<u>(75,604)</u>	<u>112,714</u>	<u>41,761</u>	<u>1,182,385</u>	<u>7,100,884</u>
相當於：								
二〇〇五年擬派 中期股息							64,028	
其他							1,118,357	
							<u>1,182,385</u>	

越秀投資集團之保留盈利包括聯營公司應佔保留盈利904,949,000港元(二〇〇四年十二月三十一日：801,941,000港元)及共同控制實體應佔累計虧損280,388,000港元(二〇〇四年十二月三十一日：298,204,000港元)。

法定儲備指在中國經營之附屬公司及聯營公司所成立之企業發展及一般儲備基金。據中國法規所規定，本公司於中國成立及經營之附屬公司及聯營公司，須按其各自之董事會所釐定之比率，對企業擴充及一般儲備金撥出其一部分之除稅後盈利(經抵銷過往年度虧損後)。根據中國外資企業會計準則，經董事會批准後，一般儲備基金可用作補償虧損及增加資本，而企業發展基金可用作增加資本。越秀投資集團之法定儲備中，包括一間聯營公司應佔之538,000港元(二〇〇四年十二月三十一日：538,000港元)。

20 遞延稅項

遞延稅項乃按負債法就暫時性差異按適用所得稅率作全數撥備。

於二〇〇五年六月三十日之遞延稅項指：

	二〇〇五年 六月三十日	二〇〇四年 十二月三十一日
	千港元	經重列 千港元
遞延稅項資產		
— 香港利得稅	7,110	10,054
— 中國企業所得稅	49,428	46,145
	<u>56,538</u>	<u>56,199</u>
遞延稅項負債		
— 香港利得稅	15,805	15,648
— 中國企業所得稅	1,564,838	1,514,192
— 中國土地增值稅	1,888,776	1,629,540
	<u>3,469,419</u>	<u>3,159,380</u>

21 或然負債

	二〇〇五年 六月三十日	二〇〇四年 十二月三十一日
	千港元	千港元
授予越秀投資集團物業若干買家之按揭融資擔保(附註)	<u>126,441</u>	<u>250,250</u>

附註：

越秀投資集團為物業單位之若干買家安排銀行融資，並提供擔保以保證該等買家償還款項。該等擔保於發出《房地產權證》時終止。

除上文所述者外，自上年度結算日起並無重大或然負債變動。

22 經營租賃承擔

越秀投資集團根據有關土地及樓宇之不可撤銷經營租賃而於未來支付之最低租賃付款總額如下：

	二〇〇五年 六月三十日 千港元	二〇〇四年 十二月三十一日 千港元
土地及樓宇		
第一年內	27,032	26,380
第二至第五年內	100,288	97,388
五年後	213,188	215,354
	<u>340,508</u>	<u>339,122</u>

23 其他承擔

	二〇〇五年 六月三十日 千港元	二〇〇四年 十二月三十一日 千港元
就收購固定資產已簽約但未撥備之資本承擔	<u>25,267</u>	<u>14,359</u>

24 資產抵押

於二〇〇五年六月三十日，越秀投資集團及本公司所獲授之若干銀行融資及貸款乃以下列各項作為抵押：

- 越秀投資集團若干持作發展／發展中物業、待售物業及投資物業，賬面總值分別為44,000,000港元(二〇〇四年十二月三十一日：無)、736,000,000港元(二〇〇四年十二月三十一日：514,000,000港元)、520,000,000港元(二〇〇四年十二月三十一日：291,000,000港元)及3,853,000,000港元(二〇〇四年十二月三十一日：3,230,000,000港元)；
- 若干附屬公司若干資產總賬面淨值6,465,000,000港元(二〇〇四年十二月三十一日：438,000,000港元)之浮動押記；
- 越秀投資集團於若干附屬公司之股權抵押；及
- 若干公司間貸款之質押。

25 重大有關連人士交易及結餘

a) 有關連人士

有關連人士為該等有能力直接或間接控制另一方，或在作出財務及營運決策方面對另一方行使重大影響力的人士，如受到共同控制或共同重大影響時，亦被視為有關連人士。下表概述本公司於二〇〇五年六月三十日之重大有關連人士名稱及關係性質：

重大有關連人士	與本公司關係
越秀企業(集團)有限公司(「越秀企業」)	最終控股公司
越秀發展有限公司(「YXIDL」)	越秀企業之附屬公司
越秀興業有限公司	越秀企業之附屬公司
越秀企業服務有限公司	越秀企業之附屬公司
廣州市公路開發公司(「GHDC」)	附屬公司之少數股東
廣州造紙集團有限公司(「GZPHL」)	附屬公司之少數股東
Super Win Trading Ltd(「SWTL」)	附屬公司之少數股東
Smart Image Investment Ltd(「SHL」)	附屬公司之少數股東
Festoon Enterprises Limited(「Festoon」)	附屬公司之少數股東
廣州市城市建設開發集團有限公司(「GCDHL」)	附屬公司之少數股東
廣東新時代房地產有限公司	附屬公司之共同控制實體
廣州市北二環高速公路有限公司	附屬公司之共同控制實體
廣州市西二環高速公路有限公司	附屬公司之共同控制實體
海南華城房產開發有限公司	附屬公司之共同控制實體
舟山鑫源房地產開發有限公司	附屬公司之共同控制實體
廣東虎門大橋有限公司	附屬公司之聯營公司
廣東清連公路發展有限公司	附屬公司之聯營公司
廣東汕頭海灣大橋有限公司	附屬公司之聯營公司
廣州北環高速公路有限公司	附屬公司之聯營公司
廣州新越房地產開發有限公司	附屬公司之聯營公司
國營企業(見下文(e))	本公司之有關連人士

b) 與國營企業以外之有關連人士進行之交易

	截至六月三十日止六個月	
	二〇〇五年 千港元	二〇〇四年 千港元
與越秀企業進行之交易		
付予越秀企業之租金開支	1,127	528
付予越秀企業之貸款利息	3,617	1,521
與GZPHL進行之交易		
付予GZPHL之租金及公共開支(附註)	136,343	92,016
與YXIDL進行之交易		
付予YXIDL之貸款利息	1,081	472

附註：

付予GZPHL之租金及公共開支乃按越秀投資集團二〇〇四年年報披露之條款進行。

所有其他關連人士交易乃按有關訂約方協定之條款進行。

c) 國營企業以外之有關連人士結餘

	二〇〇五年 六月三十日 千港元	二〇〇四年 十二月三十一日 千港元
越秀企業集團結餘		
應收越秀企業集團款項(附註i)	1,219	3,234
來自越秀企業集團之貸款(附註ii)	(382,861)	(426,807)
共同控制實體結餘		
應收共同控制實體款項(附註i)	185,312	155,664
應付共同控制實體款項(附註i)	(120,661)	(123,442)
聯營公司結餘		
應收聯營公司款項(附註iii)	792,757	854,278
應付聯營公司款項(附註i)	(112,150)	(112,150)
SIIL結餘		
來自SIIL之貸款(附註i)	(23,340)	(23,340)
SWTL結餘		
來自SWTL之貸款(附註i)	(2,000)	(2,000)
GZPHL結餘		
應付GZPHL款項(附註i)	(2,700)	(599)
GCDHL結餘		
應付GCDHL款項(附註i)	(80,482)	(118,107)
GHDC結餘		
來自GHDC之貸款(附註iv)	(403,487)	(403,487)
應付GHDC款項(附註i)	(68,610)	(68,125)
Festoon結餘		
來自Festoon之貸款(附註i)	(34,108)	(35,060)

附註：

- (i) 該等結餘均無抵押、免息及須於要求時償還。
- (ii) 除合共353,749,000港元(二〇〇四年十二月三十一日：351,994,000港元)按香港銀行同業拆息加利率一厘計算年息外，其他結餘均為免息。除合共273,560,000港元(二〇〇四年十二月三十一日：267,459,000港元)之指定還款期為一年後還款外，其他結餘並無指定還款期。
- (iii) 除合共506,927,000港元(二〇〇四年：568,414,000港元)分別按香港最優惠利率5厘至5.75厘、美國最優惠利率5.25厘至6厘及中國金融機構貸款利率6.12厘計算年息外，其他結餘均無抵押、免息及須於要求時償還。
- (iv) 除合共120,561,000港元(二〇〇四年：120,561,000港元)按中國金融機構現行貸款利率4.00厘至6.12厘計算年息外，其他結餘均為免息並無指定還款期。
- d) 主要管理人員酬金

付予或須付本公司主要管理人員之酬金總額如下：

	截至六月三十日止六個月	
	二〇〇五年 千港元	二〇〇四年 千港元
袍金	—	—
其他酬金：		
基本薪酬、房屋津貼、其他津貼及實物利益	1,726	1,877
以權益為基礎之付款	—	367
董事退休金	34	45
	<u>1,760</u>	<u>2,289</u>

e) 與國營企業進行之交易

根據香港會計準則第24號，與中央政府控制之國營企業進行之業務交易屬於有關連人士交易範疇。越秀投資集團最終控股公司越秀企業為國營企業。大部分越秀投資集團與其他國營企業進行之主要業務交易為建造及銷售新聞紙業務，與其他國營企業進行之有關連交易均於日常業務過程中進行。由於擁有權架構繁複，中央政府可持有多間公司之直接權益，而當中部分權益本身或與其他間接權益合併後可能屬於非越秀投資集團知悉之控制權益。然而，越秀投資集團相信以下為重大之有關連人士交易。

於二〇〇五年六月三十日，越秀投資集團有89%以上銀行存款(二〇〇四年十二月三十一日：91%以上)與國營企業有關；約26%應收賬款(二〇〇四年十二月三十一日：約24%)與國營企業有關；50%以上應付賬款(二〇〇四年十二月三十一日：73%以上)與國營企業有關；全部應付土地補價(二〇〇四年十二月三十一日：全部)；約25%其他應付款項及應計費用(二〇〇四年十二月三十一日：約25%)與國營企業有關；及約44%銀行借款(二〇〇四年十二月三十一日：約51%)與國營銀行有關。

截至二〇〇五年六月三十日止六個月，越秀投資集團有約17%銷售額與國營企業有關(二〇〇四年：約11%)；90%以上建造費用(二〇〇四年：90%以上)已支付給國營企業；85%以上銀行存款利息收入(二〇〇四年：約71%)來自國營銀行；及約20%財務費用(二〇〇四年：約57%)已支付給國營銀行。

26 結算日後事項

於二〇〇五年九月二十一日，越秀投資集團取得在廣州市興建珠江新城雙塔之西塔(「項目」)的開發權，該項目佔地31,085平方米，預計在年底前開工並於二〇〇九年建成。由於越秀投資集團尚待簽訂有關西塔項目的正式合同，本公司董事認為待該項目建設詳細條款最終確定之後，再行評估其財務影響更適宜。

1. 責任聲明

本通函之資料乃遵照上市規則而刊載，旨在提供有關本公司之資料。各董事願就本通函所載資料的準確性共同及個別地承擔全部責任，並於作出一切合理查詢後，確認就其所知及所信，本通函所表達之意見乃經審慎周詳的考慮後方作出，並無遺漏任何事項，足以令致本通函所載任何陳述產生誤導。

2. 本公司之股本

於最後實際可行日期，本公司之法定股本為1,000,000,000港元，分成10,000,000,000股股份，其中6,437,007,914股為已發行並繳足。

3. 本公司董事權益披露

除下文所披露者外，於最後實際可行日期，本公司董事或主要行政人員(如有)概無在本公司或其任何相聯法團(定義見證券及期貨條例第XV部)擁有或被視作擁有須根據證券及期貨條例第XV部第7及8分部通知本公司及聯交所的股份、相關股份及債券的任何權益或淡倉，包括根據證券及期貨條例相關條文被當作或視作擁有的權益或淡倉；或根據證券及期貨條例第352條須載於登記冊的權益或淡倉；或根據《上市公司董事進行證券交易的標準守則》規定須通知本公司及聯交所的權益或淡倉。

(a) 於本公司及其相聯法團的股份中的好倉

董事	於本公司或其相聯法團的權益	持有權益的身份	於相同類別的證券中的股權概約百分比	證券數目及類別
梁凝光先生	本公司	實益擁有人	0.01	400,000股股份
李家麟先生	本公司	實益擁有人	0.02	1,050,000股股份

(b) 於本公司及其相聯法團股本衍生工具的相關股份中的好倉

董事	於本公司 或其相聯 法團的權益	持有 權益的身份	授出日期 (附註)	每股 行使價 港元	尚未行使 的購股權 數目
區秉昌先生	本公司	實益擁有人	02/06/2003	0.5400	9,000,000
梁毅先生	本公司	實益擁有人	02/06/2003	0.5400	7,000,000
陳光松先生	本公司	實益擁有人	02/06/2003	0.5400	8,000,000
梁凝光先生	本公司	實益擁有人	02/06/2003	0.5400	7,000,000
李飛先生	本公司	實益擁有人	02/06/2003	0.5400	7,000,000
余立發先生	本公司	實益擁有人	02/06/2003	0.5400	3,500,000
李家麟先生	本公司	實益擁有人	02/06/2003	0.5400	2,450,000

附註：購股權可由二〇〇三年六月二日起至二〇一三年六月一日止期間內隨時行使，惟限於(i)直至購股權授出日期首週年的期間內，行使最多達所授予購股權的30%；及(ii)直至購股權授出日期第二週年的期間內，行使最多達所授予購股權的60% (包括根據第(i)項已行使的任何購股權)。

於最後實際可行日期，概無本公司董事或名列於本通函下文第6(a)段的專業機構自二〇〇四年十二月三十一日 (即編製越秀投資集團最近期公佈經審核綜合賬目之日) 起收購或出售或租予任何越秀投資集團成員公司，或建議收購或出售或租予任何越秀投資集團成員公司的任何資產中擁有任何直接或間接權益。

於最後實際可行日期，各董事於任何越秀投資集團成員公司訂立的任何有效並與越秀投資集團業務有重大關連的合約或安排中概無擁有重大權益。

於最後實際可行日期，概無董事及其各自的聯繫人擁有任何與越秀投資集團競爭的業務權益。

4. 本公司的主要股東

除下文所披露者外，於最後實際可行日期，就任何本公司董事或主要行政人員（如有）所知，概無任何人士（除本公司或越秀投資集團任何成員公司的董事或主要行政人員（如有）以外）於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須予披露的權益或淡倉（包括根據證券及期貨條例的該等條文被當作或視作擁有的權益或淡倉），或直接或間接擁有任何類別附有權利可於任何情況下在本公司的股東大會上投票的股份面值10%或以上權益。

名稱	持有 權益的身份	好倉/ 淡倉	於相同 類別的證券 的股權 概約百分比	所持證券 數目及類別
越秀（附註1）	實益擁有人及 受控法團的權益	好倉	50.2	3,229,435,248股股份
JPMorgan Chase & Co.（附註2）	投資經理及核准 借出代理人	好倉	5.1	328,517,000股股份

附註：

1. 越秀直接持有10,928,184股股份；根據證券及期貨條例，由於透過其全資附屬公司間接持有股份，故被視為擁有本公司3,218,507,064股股份的權益，有關的詳情如下：

名稱	持有 權益的身份	好倉/ 淡倉	所持證券 數目及類別
Excellence Enterprises Co., Ltd.（「Excellence」） （附註i）	受控法團的權益	好倉	3,174,015,064股股份
Bosworth International Limited	實益擁有人	好倉	2,279,312,904股股份
Sun Peak Enterprises Ltd. （「Sun Peak」）（附註ii）	受控法團的權益	好倉	565,683,000股股份
Novena Pacific Limited （「Novena」）	實益擁有人	好倉	565,683,000股股份
Shine Wah Worldwide Limited（「Shine Wah」） （附註iii）	受控法團的權益	好倉	158,049,000股股份
Morrison Pacific Limited （「Morrison」）	實益擁有人	好倉	158,049,000股股份

名稱	持有 權益的身份	好倉/ 淡倉	所持證券 數目及類別
Perfect Goal Development Co., Ltd. (「Perfect Goal」) (附註iv)	受控法團的權益	好倉	135,737,000股股份
Greenwood Pacific Limited (「Greenwood」)	實益擁有人	好倉	135,737,000股股份
越秀財務有限公司	實益擁有人	好倉	44,492,000股股份
Seaport Development Limited (「Seaport」) (附註v)	受控法團的權益	好倉	35,233,160股股份
Goldstock International Limited (「Goldstock」)	實益擁有人	好倉	35,233,160股股份

- i. 根據證券及期貨條例，由於Excellence(越秀的全資附屬公司)透過其全資附屬公司間接持有股份，故被視為擁有3,174,015,064股股份的權益。
 - ii. 根據證券及期貨條例，由於Sun Peak透過其全資附屬公司Novena間接持有股份，故被視為擁有565,683,000股股份的權益。
 - iii. 根據證券及期貨條例，由於Shine Wah透過其全資附屬公司Morrison間接持有股份，故被視為擁有158,049,000股股份的權益。
 - iv. 根據證券及期貨條例，由於Perfect Goal透過其全資附屬公司Greenwood間接持有股份，故被視為擁有135,737,000股股份的權益。
 - v. 根據證券及期貨條例，由於Seaport透過其全資附屬公司Goldstock間接持有股份，故被視為擁有35,233,160股股份的權益。
2. JPMorgan Chase & Co.持有328,517,000股股份權益的身份包括305,936,000股為投資經理，22,581,000股為核准借出代理人。

5. 重大合約

於本通函刊發日期前兩年內，本公司及其任何附屬公司並無訂立任何重大或可屬重大之合約(在日常業務過程中訂立者除外)。

6. 專業機構的權益披露及同意書

(a) 以下為提供本通函所載的意見或建議的專業機構的資格：

名稱	資格
禹銘	根據證券及期貨條例的被視為持牌法團，可進行第1、4、6及9類受規管活動
高力	獨立物業估值師

(b) 於最後實際可行日期，禹銘或高力概無直接或間接於越秀投資集團任何成員公司擁有任何股權或擁有可認購或委任他人認購越秀投資集團任何成員公司股份的權利（不論在法律上可強制執行與否）。

(c) 禹銘及高力已就本通函的刊行發出同意書，同意按本通函的形式及涵義轉載其函件及引述彼等之名稱，且迄今並無撤回其同意書。

(d) 由禹銘發出的函件及意見，以及高力發出的報告，乃於本通函刊發日期編製，以供載入本通函。

7. 服務合約

於最後實際可行日期，區秉昌先生及梁毅先生均已與本公司的附屬公司越秀交通有限公司訂立服務協議，於分別由二〇〇三年一月八日及二〇〇三年二月二十八日起計的最初固定年期一年屆滿後，已再續約兩年至二〇〇六年，除非由越秀交通有限公司向有關董事提出三個月的事先書面通知而提早終止，或有關董事向越秀交通有限公司提出六個月的事先書面通知而提早終止。

除以上所披露外，於最後實際可行日期，概無董事與本集團任何成員公司訂立或擬訂立在一年內不得由僱主終止而毋須作出賠償（法定賠償除外）的服務合約。

8. 無重大逆轉

於最後實際可行日期，董事並不知悉越秀投資集團的財務或貿易狀況自二〇〇四年十二月三十一日（即編製越秀投資集團最近期公佈經審核綜合賬目之日）起有出現任何重大逆轉。

9. 法律訴訟

於最後實際可行日期，越秀投資集團概無任何成員公司涉及任何重大訴訟、仲裁或索償，且據董事所知，概無尚未了結或對本公司或其任何附屬公司構成威脅之重大訴訟或索償。

10. 股東要投票之程序

章程細則之細則第58條有關股東可要求投票表決之程序：

於每次股東大會提呈會議表決之決議案將以舉手表決方式表決，除非（在宣佈舉手表決結果前或當時）經正式要求進行投票方式表決或根據上市規則需要投票。有關要求可由下述任何一方提出：

- (i) 大會主席；或
- (ii) 不少於五名有權在會上投票之股東；或
- (iii) 一名或多名佔總數不少於全體有權於會上投票之股東之總投票權十分一之股東；或
- (iv) 一名或多名持有獲賦予權利於會上就該決議案投票之股份之股東，而該等股份之實繳股款總額須為不少於全部獲賦予該項權利之股份實繳股款總額十分一。

除非要求投票表決，否則大會主席宣佈決議案經舉手表決通過或一致通過或以某一大多數通過或不予通過，並將實情記錄於會議記錄之記錄冊中，即為該項實情不可推翻之證據，而毋須證明就投票贊成或反對該決議案所記錄之票數或比例。

11. 一般事項

- (a) 本公司之註冊辦事處於香港灣仔駱克道160-174號越秀大廈24樓。
- (b) 本公司之公司秘書為余達峯先生，余先生為香港高等法院律師。
- (c) 本公司之合資格會計師為高鏞麗女士，高女士為香港會計師公會及英國特許管理會計師公會的資深會員。
- (d) 本通函中英文本如有歧義，概以英文本為準。

12. 備查文件

下列文件由即日起至股東特別大會日期止(包括該日)任何週日(星期六及公眾假期除外)之一般營業時間內,可在本公司的註冊辦事處查閱,地址為香港灣仔駱克道160-174號越秀大廈24樓:

- (a) 本公司的組織章程大綱及細則;
- (b) 越秀投資集團截至二〇〇四年十二月三十一日止兩個財政年度之經審核綜合會計賬目;
- (c) 越秀投資集團截至二〇〇五年六月三十日止六個月之未經審核中期報告;
- (d) 禹銘致獨立董事委員會及股東之意見函件,其全文載於本通函第50頁至第71頁;
- (e) 物業估值報告;
- (f) 本附錄題為「專業機構的權益披露及同意書」一段所述的同意書;
- (g) 本附錄第7段所述的服務合同;及
- (h) 本公司於二〇〇五年三月二十一日刊發之通函。

股東特別大會通告



越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(在香港註冊成立的有限公司)

(股份代號：123)

茲通告越秀投資有限公司(「本公司」)謹訂於二〇〇五年十二月十日(星期六)上午九時三十分，假座香港灣仔駱克道160號越秀大廈26樓就以下事項舉行股東特別大會(「股東特別大會」)：

普通決議案

動議待(其中包括)以下條件達成後(i)香港聯合交易所有限公司(「聯交所」)上市委員會批准根據(其中包括)本公司及越秀房託(控股)2005有限公司將訂立的重組契約將發行的越秀房地產投資信託基金及有關全球發售(定義見下文)的所有基金單位(「基金單位」)上市及買賣；及(ii)包銷商根據有關獨立上市(定義見下文)的包銷協議的責任成為及繼續為無條件(包括(如適用)由於聯席全球協調人為及代表包銷商對任何條件授出豁免)，且並未根據該等協議的條款或以其他方式被終止：

- (a) 以投票表決方式批准獨立上市(就聯交所證券上市規則(「上市規則」)而言構成本公司的主要交易)及有關的文件或協議或預計簽訂的文件或協議，並授權本公司董事會代表本公司，酌情批准並執行獨立上市及所有相關事項，並採取與獨立上市有關或因此而引致的一切行動；
- (b) 本公司透過向於二〇〇五年十二月九日(或本公司董事會可能釐定的其他日期)(「記錄日期」)營業時間結束時名列本公司股東名冊的股東(「股東」)派發特別股息的方式，分派一筆由本公司董事釐定的金額，即本公司儲備進賬額的一部分(「分派」)，惟分派須以下列方式作出：
 - (i) 安排按於記錄日期營業時間結束時所持每400股股份的完整倍數獲發一個基金單位的比例，向股東(有關海外股東(定義見下文)除外)轉讓有關數目的基金

股東特別大會通告

單位，惟零碎基金單位不予理會，亦不獲轉讓予有關股東，且就轉讓有關基金單位予股東(有關海外股東除外)的所有費用由本公司承擔；或

- (ii) 按有關海外股東根據分派原應獲取的基金單位數目，以及基金單位發售價，向有關海外股東支付經扣除相關稅項、印花稅、香港證券及期貨事務監察委員會(「證監會」)交易徵費、聯交所交易費及投資者賠償徵費(如有)後的現金付款(「現金付款」)；
- (c) 授權本公司要求聯席全球協調人出售(作為國際發售的一部份)根據分派建議轉讓的基金單位予股東(有關海外股東除外)及選擇按本通函(當中包括本通告)所述選擇權(「選擇權」)條款收取現金付款代替建議獲轉讓全部基金單位的股東，並授權本公司向有關股東以現金支付上述現金付款總額；
- (d) 批准優先購買權契約(註有「A」字樣之最後草稿副本已呈交大會並由大會主席簡簽以資識別)，並授權本公司董事會採取其認為必要或合適之一切行動，以令優先購買權契約生效；
- (e) 批准彌償保證契約(註有「B」字樣之副本已呈交大會並由大會主席簡簽以資識別)，並授權本公司董事會採取其認為必要或合適之一切行動，以令彌償保證契約生效；
- (f) 批准將由本公司提供，有關若干租賃服務安排的承諾契據(已註有「C」字樣的副本已呈交大會並已由大會主席簡簽以資識別)，並授權本公司董事會採取其認為必要或合適的一切行動，以令承諾契據生效；及
- (g) 授權本公司董事行使彼等認為必要或合適的一切權力，並採取彼等認為必要或合適的一切行動，以執行獨立上市、分派及選擇權，包括但不限於向越秀房地產投資信託基金授出優先購買權契約。」

股東特別大會通告

「全球發售」指建議向香港公眾提呈基金單位以供認購及建議向若干專業、機構及其他投資者提呈基金單位(包括建議根據分派轉讓予股東(有關海外股東除外)及選擇行使選擇權的股東之基金單位及有關海外股東根據分派原應獲取的基金單位)以供銷售或認購(如於二〇〇五年十一月二十五日刊發之通函所詳述)，惟受制於本公司董事認為不屬重大的任何差異或變動。

「有關海外股東」指於記錄日期名列本公司股東名冊而地址位於香港以外的股東，且因有關地區法例限制或該等地區相關監管機構或證券交易所規定不得包括在分派及選擇權內的股東，而本公司董事經作出合理查詢後認為有關股東不包括在分派及選擇權內乃屬必要或適當。

「獨立上市」指根據重組契約將發行及全球發售將發行的基金單位在聯交所主板獨立上市。

承董事會命
公司秘書
余達峯

香港，二〇〇五年十一月二十五日

註冊辦事處：

香港

灣仔

駱克道160-174號

越秀大廈24樓

股東特別大會通告

附註：

- (1) 本公司將於二〇〇五年十二月九日暫停辦理股份過戶登記手續，並於二〇〇五年十二月十二日重新辦理過戶登記手續。為確定可出席大會並於會上投票的權利，所有過戶文件連同有關股票必須不遲於二〇〇五年十二月八日下午四時正交回本公司股份過戶登記處雅柏勤證券登記有限公司，地址為香港灣仔告士打道56號東亞銀行港灣中心地下。
- (2) 凡有權出席根據上述通告召開之大會並於大會上投票之股東，均有權委任一位或多位代表出席，並代其投票。受委代表毋須為本公司股東。
- (3) 如任何股份屬聯名註冊持有人持有，則該等人士中任何一位均可親身或委派代表在大會上就有關股份投票，猶如其為唯一有權就有關股份在大會上投票者；惟如有超過一位聯名持有人親身或委派代表出席股東特別大會，則僅在本公司股東名冊中就該等股份排名最先之上述人士方有權就有關股份進行投票。
- (4) 一份適用於大會之代表委任表格隨附於致本公司股東之通函內。
- (5) 本代表委任表格連同經簽署之授權書(如有)或其他授權文件或經公證人簽署證明(如有)之該等文件副本，最遲須於大會或其任何續會指定舉行時間四十八小時前交回本公司之股份過戶登記處雅柏勤證券登記有限公司，地址為香港灣仔告士打道56號東亞銀行港灣中心地下，方為有效。
- (6) 填妥及交回代表委任表格後，股東仍可出席大會，並親身於會上投票。然而，倘股東出席大會，則其代表委任表格將被視作撤銷論。
- (7) 本公佈之中文譯本僅供參考。中英文本之間如有任何歧異，概以英文本為準。

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) The register of members of the Company will be closed on 9 December 2005 and will be re-opened on 12 December 2005. In order to determine the entitlement to attend and vote at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Abacus Share Registrars Limited of Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong no later than 4:00 p.m. on 8 December 2005.
- (2) Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- (3) Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders is present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company shall, in respect of such share, be entitled alone to vote in respect thereof.
- (4) A form of proxy for use at the meeting is enclosed with the circular to shareholders of the Company.
- (5) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited with the Company's share registrar, Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting thereof.
- (6) Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting. If such member attends the meeting, however, his form of proxy will be deemed to have been revoked.
- (7) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

NOTICE OF EXTRAORDINARY GENERAL MEETING

“**Global Offering**” means the proposed offering of Units to the public in Hong Kong for subscription and the proposed offering of Units to certain professional, institutional and other investors (including Units proposed to be transferred to the Shareholders (other than the Relevant Overseas Shareholders) pursuant to the Distribution and who elect to exercise the Option and the Units to which the Relevant Overseas Shareholders would otherwise have been entitled to receive under the Distribution) for sale or subscription, as more particularly described in the circular dated 25 November 2005, subject to any variations or changes which are considered by the Company’s directors not to be material.

“**Relevant Overseas Shareholders**” means shareholders of the Company whose addresses on the register of members of the Company were outside Hong Kong on the Record Date and have to be excluded from the Distribution and the Option on the account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place which the directors of the Company after reasonable enquiries consider such exclusion to be necessary or expedient.

“**Separate Listing**” means the separate listing of the Units to be issued pursuant to the reorganisation deed and to be issued in connection with the Global Offering on the main board of the Stock Exchange.

By order of the Board
Yu Tat Fung
Company Secretary

Hong Kong, 25 November 2005

Registered office:
24th Floor, Yue Xiu Building
160-174 Lockhart Road
Wanchai
Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

on the Record Date, provided that fractional entitlements will be disregarded and not be transferred to such Shareholders and provided further that all costs due in respect of the transfer of such Units to the Shareholders (other than the Relevant Overseas Shareholders) shall be borne by the Company; or

- (ii) cash payment (after deducting applicable taxes, stamp duty, Securities and Futures Commission of Hong Kong (“SFC”) transaction levy, Stock Exchange trading fee and investor compensation levy, if any) to the Relevant Overseas Shareholders on the basis of the number of Units which the Relevant Overseas Shareholders would otherwise have been entitled to receive under the Distribution and the offer price of the Units (the “Cash Payment”);
- (c) the Company be and is hereby authorised to request the joint global coordinators to sell, as part of the international offering, the Units proposed to be transferred to the Shareholders (other than the Relevant Overseas Shareholders) pursuant to the Distribution and who elect to receive a Cash Payment in lieu of the whole of the Units proposed to be transferred to them on the terms of the option referred to in the circular to which this notice forms part (“Option”) and that the Company be and is hereby authorised to pay to such Shareholders, in cash, the aggregate amount of such Cash Payments;
- (d) the deed of right of first refusal (a copy of the final draft of which is tabled at the meeting, marked “A” and signed by the chairman of the meeting for the purpose of identification) be and is hereby approved and the board of directors of the Company be and is hereby authorised to take such steps as it may consider necessary or desirable to effect the deed of right of first refusal;
- (e) the deed of indemnity (a copy of which is tabled at the meeting marked “B” and signed by the chairman of the meeting for the purpose of identification) be and is hereby approved and the board of directors of the Company be and is hereby authorised to take such steps as it may consider necessary or desirable to effect the deed of indemnity;
- (f) the deed of undertaking to be given by the Company relating to certain tenancy services arrangements (a copy of which is tabled at the meeting marked “C” and signed by the chairman of the meeting for the purpose of identification) be and is hereby approved and the board of directors of the Company be and is hereby authorised to take such steps as it may consider necessary or desirable to effect the deed of undertaking; and
- (g) the directors of the Company be and are hereby authorised to exercise all such powers and do all such acts as they consider necessary or desirable to give effect to the Separate Listing, the Distribution and the Option including, but without limitation, the grant of right of first refusal to GZI REIT.”

NOTICE OF EXTRAORDINARY GENERAL MEETING



越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 123)

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting (“EGM”) of the Guangzhou Investment Company Limited (“Company”) will be held at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong on Saturday, 10 December 2005 at 9:30 a.m. for the following purpose:

ORDINARY RESOLUTION

THAT subject to and conditional upon (among other things) (i) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, all the units of GZI Real Estate Investment Trust (“**Units**”) to be issued pursuant to the reorganisation deed to be entered into between, among others, the Company and GZI REIT (Holding) 2005 Company Limited and in connection with the Global Offering (as defined below); and (ii) the obligations of the underwriters under the underwriting agreements in respect of the Separate Listing (as defined below) becoming and remaining unconditional (including, if relevant, as a result of the waiver of any condition(s) by the joint global coordinators for and on behalf of, the underwriters) and not being terminated in accordance with the terms of such agreements or otherwise:

- (a) the Separate Listing, which constitutes a major transaction (for the purposes of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”)) for the Company, and the documents or agreements in connection therewith or contemplated thereunder, be and is hereby approved by way of poll and the board of directors of the Company be and is hereby authorised on behalf of the Company to approve and implement the Separate Listing and all incidental matters and to take all actions in connection therewith or arising therefrom relating to the Separate Listing as it shall think fit;
- (b) a distribution (the “**Distribution**”) by the Company of a sum to be determined by the directors of the Company, being part of the amount standing to the credit of the Company’s reserves, by way of special dividend to the shareholders of the Company (the “**Shareholders**”), whose names appear on the register of members of the Company as at the close of business on 9 December 2005 (or such other date as the board of directors of the Company may determine) (the “**Record Date**”) on the condition that the distribution is to be satisfied by:
 - (i) procuring the transfer to the Shareholders (other than the Relevant Overseas Shareholders (as defined below)) of such number of Units in the proportion of one Unit for every whole multiple of 400 Shares held by them as at the close of business

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the registered office of the Company at 24/F., Yue Xiu Building, 160-174 Lockhart Road, Wanchai, Hong Kong up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the audited consolidated accounts of the GZI Group for the two financial years ended 31 December 2004;
- (c) the unaudited interim report of the GZI Group for the six months ended 30 June 2005;
- (d) the letter of advice from Yu Ming to the Independent Board Committee and the Shareholders, the text of which is set out on pages 50 to 71 of this circular;
- (e) the property valuation report;
- (f) the written consents referred to in the paragraph headed "Experts' disclosure of interest and consent" of this Appendix;
- (g) the service contracts referred to in paragraph 7 of this Appendix; and
- (h) the circular of the Company dated 21 March 2005.

9. LITIGATION

As at the Latest Practicable Date, no member of the GZI Group was engaged in any litigation, arbitration or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

10. PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

Article 58 of the Articles of Association sets out the procedure by which Shareholders may demand a poll:

At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of a show of hands) a poll is duly demanded or a poll is required under the Listing Rules. A poll may be demanded by:

- (i) the chairman of the meeting; or
- (ii) not less than five members having the right to vote at the meeting; or
- (iii) a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) a member or members holding Shares conferring a right to vote on the resolution on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

Unless a poll be so demanded, a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11. GENERAL

- (a) The registered office of the Company is situated at 24th Floor, Yue Xiu Building, 160-174 Lockhart Road, Wanchai, Hong Kong.
- (b) The company secretary of the Company is Mr. Yu Tat Fung, solicitor of the High Court of Hong Kong.
- (c) The qualified accountant of the Company is Ms. Ko Yung Lai Jackie, who is qualified as fellow member of both the Hong Kong Institute of Certified Public Accountants and the Chartered Institute of Management Accountants (United Kingdom).
- (d) The English text of this circular shall prevail over the Chinese text.

6. EXPERTS' DISCLOSURE OF INTEREST AND CONSENT

- (a) The following are the qualifications of the experts who have given opinion or advice contained in this circular:

Name	Qualification
Yu Ming	a deemed licensed corporation for types 1, 4, 6 and 9 regulated activities under the SFO
Colliers	independent property valuer

- (b) As at the Latest Practicable Date, neither Yu Ming nor Colliers has any direct or indirect shareholding in any member of the GZI Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the GZI Group.
- (c) Yu Ming and Colliers have given and have not withdrawn their respective written consents to the issue of this circular with the inclusion therein of their letters or reports and reference to their names in the form and context in which they appear.
- (d) The letter and advice given by Yu Ming and the report given by Colliers are given as of the date of this circular for incorporation herein.

7. SERVICE CONTRACTS

As at the Latest Practicable Date, each of Messrs. Ou Bingchang and Liang Yi had entered into a service agreement with GZI Transport Limited, a subsidiary of the Company which, after an initial fixed term of one year commencing on 8 January 2003 and 28 February 2003 respectively, had been extended for a further term of two years up to 2006 unless terminated sooner by GZI Transport Limited giving to the relevant Director three months' prior written notice or by the relevant Director giving to GZI Transport Limited six months' prior written notice.

Save as disclosed above, none of the Directors had, as at the Latest Practicable Date, a service contract or a proposed service contract with any member of the GZI Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

8. NO MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the GZI Group since 31 December 2004, the date to which the latest published consolidated audited accounts of the GZI Group were made up.

Name	Capacity in holding interest	Long/short position	Number and class of securities held
Perfect Goal Development Co., Ltd. ("Perfect Goal") (Note iv)	Interest of controlled corporation	Long position	135,737,000 Shares
Greenwood Pacific Limited ("Greenwood")	Beneficial owner	Long position	135,737,000 Shares
Yue Xiu Finance Company Limited	Beneficial owner	Long position	44,492,000 Shares
Seaport Development Limited ("Seaport") (Note v)	Interest of controlled corporation	Long position	35,233,160 Shares
Goldstock International Limited ("Goldstock")	Beneficial owner	Long position	35,233,160 Shares

- i. Excellence, a wholly-owned subsidiary of Yue Xiu, is deemed by the SFO to be interested in 3,174,015,064 Shares as a result of its indirect holding of such Shares through its wholly-owned subsidiaries.
 - ii. Sun Peak is deemed by the SFO to be interested in 565,683,000 Shares as a result of its indirect holding of such Shares through its wholly-owned subsidiary, Novena.
 - iii. Shine Wah is deemed by the SFO to be interested in 158,049,000 Shares as a result of its indirect holding of such Shares through its wholly-owned subsidiary, Morrison.
 - iv. Perfect Goal is deemed by the SFO to be interested in 135,737,000 Shares as a result of its indirect holding of such Shares through its wholly-owned subsidiary, Greenwood.
 - v. Seaport is deemed by the SFO to be interested in 35,233,160 Shares as a result of its indirect holding of such Shares through its wholly-owned subsidiary, Goldstock.
2. The capacity of JPMorgan Chase & Co. in holding the 328,517,000 Shares is as to 305,936,000 Shares as investment manager and as to 22,581,000 Shares as approved lending agent.

5. MATERIAL CONTRACTS

Neither the Company nor any of its subsidiaries has entered into any contracts (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this circular and which are or may be material.

4. SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

Save as disclosed below, as at the Latest Practicable Date, so far as is known to any Director or chief executive (if any) of the Company, no person (not being a Director or chief executive (if any) of the Company nor any member of the GZI Group), has an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provision of the SFO) or who is directly or indirectly interested in 10 per cent. or more of the nominal value of any class of shares carrying rights to vote in all circumstances at general meetings of the Company.

Name	Capacity in holding interest	Long/short position	Approximate % of shareholding in the same class of securities	Number and class of securities held
Yue Xiu (<i>Note 1</i>)	Beneficial owner and interest of controlled corporation	Long position	50.2	3,229,435,248 Shares
JPMorgan Chase & Co. (<i>Note 2</i>)	Investment manager and approved lending agent	Long position	5.1	328,517,000 Shares

Notes:

1. Yue Xiu has direct holding of 10,928,184 Shares and is deemed by the SFO to be interested in 3,218,507,064 Shares as a result of its indirect holding of such shares through its wholly-owned subsidiaries, details of which were as follows:

Name	Capacity in holding interest	Long/short position	Number and class of securities held
Excellence Enterprises Co., Ltd. (" Excellence ") (<i>Note i</i>)	Interest of controlled corporation	Long position	3,174,015,064 Shares
Bosworth International Limited	Beneficial owner	Long position	2,279,312,904 Shares
Sun Peak Enterprises Ltd. (" Sun Peak ") (<i>Note ii</i>)	Interest of controlled corporation	Long position	565,683,000 Shares
Novena Pacific Limited (" Novena ")	Beneficial owner	Long position	565,683,000 Shares
Shine Wah Worldwide Limited (" Shine Wah ") (<i>Note iii</i>)	Interest of controlled corporation	Long position	158,049,000 Shares
Morrison Pacific Limited (" Morrison ")	Beneficial owner	Long position	158,049,000 Shares

(b) Long positions in underlying shares of equity derivatives of the Company and its associated corporations

Directors	Interests in the Company or its associated corporation	Capacity in holding interest	Date of grant (Note)	Exercise price per share HK\$	Number of outstanding share options
Mr. Ou Bingchang	The Company	Beneficial owner	02/06/2003	0.5400	9,000,000
Mr. Liang Yi	The Company	Beneficial owner	02/06/2003	0.5400	7,000,000
Mr. Chen Guangsong	The Company	Beneficial owner	02/06/2003	0.5400	8,000,000
Mr. Liang Ningguang	The Company	Beneficial owner	02/06/2003	0.5400	7,000,000
Mr. Li Fei	The Company	Beneficial owner	02/06/2003	0.5400	7,000,000
Mr. Yu Lup Fat Joseph	The Company	Beneficial owner	02/06/2003	0.5400	3,500,000
Mr. Lee Ka Lun	The Company	Beneficial owner	02/06/2003	0.5400	2,450,000

Note: The share options are exercisable from 2nd June, 2003 to 1st June, 2013, of which a maximum of up to (i) 30 per cent.; and (ii) 60 per cent. (inclusive of any options exercised under (i)) thereof are exercisable during the period (i) up to the first anniversary; and (ii) up to the second anniversary of the date of grant, respectively.

As at the Latest Practicable Date, none of the Directors or the experts named in paragraph 6(a) below in this circular had any direct or indirect interests in any assets which have since 31 December 2004 (being the date to which the latest published audited consolidated accounts of the GZI Group were made up) been acquired or disposed of by or leased to any member of the GZI Group, or are proposed to be acquired or disposed of by or leased to any member of the GZI Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the GZI Group, which was subsisting and was significant in relation to the business of the GZI Group.

As at the Latest Practicable Date, none of the Directors and their respective associates had any competing interest with the GZI Group.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts the omission of which would make any statement herein misleading.

2. SHARE CAPITAL OF THE COMPANY

As at Latest Practicable Date, the authorised share capital of the Company was HK\$1,000,000,000 divided into 10,000,000,000 Shares, of which 6,437,007,914 Shares were issued and fully paid.

3. DISCLOSURE OF DIRECTORS' INTERESTS IN THE COMPANY

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executives (if any) of the Company had, or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO including interests and short positions which they were taken or deemed to have under such provisions of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

(a) Long positions in shares of the Company and its associated corporations

Directors	Interests in the Company or its associated corporation	Capacity in holding interest	Approximate % of shareholding in the same class of securities	Number and class of securities
Mr. Liang Ningguang	The Company	Beneficial owner	0.01	400,000 Shares
Mr. Lee Ka Lun	The Company	Beneficial owner	0.02	1,050,000 Shares

As at 30 June 2005, more than 89 per cent (31 December 2004: more than 91 per cent) of bank deposits were with state-controlled banks; approximately 26 per cent (31 December 2004: approximately 24 per cent) of the trade receivables were with state-controlled enterprises; more than 50 per cent (31 December 2004: more than 73 per cent) of the trade payables were with state-controlled enterprises; all the land premium payable (31 December 2004: all) were with state-controlled bodies; approximately 25 per cent (31 December 2004: approximately 25 per cent) of other payables and accrued charges were with state-controlled enterprises; approximately 44 per cent (31 December 2004: approximately 51 per cent) of bank borrowings were with state-controlled banks.

For the six months ended 30 June 2005, approximately 17 per cent (2004: approximately 11 per cent) of the sales of the GZI Group were with state-controlled enterprises; more than 90 per cent (2004: more than 90 per cent) construction fee were paid to state-controlled enterprises; more than 85 per cent (2004: approximately 71 per cent) of bank deposit interest incomes were from state-controlled banks; approximately 20 per cent (2004: approximately 57 per cent) of finance costs were paid to state-controlled banks.

26 Event after balance sheet date

On 21 September 2005, the GZI Group has been successful in the tender for the right to build the West Tower of Zhujiang New City Twin Towers in Guangzhou (the "Project"). The site area of the Project amounts to 31,085 square meters and the project is expected to commence this year and to be completed in 2009. As the GZI Group has yet to enter into formal agreement in relation to the tender, the Company's directors consider it to be more appropriate to make an estimate of the financial effect at a later stage when detailed terms of development of the Project are finalized.

Note:

- (i) Balances are unsecured, interest-free and repayable on demand.
- (ii) Except for an aggregate amount of HK\$353,749,000 (31 December 2004: HK\$351,994,000) which bears interest at Hong Kong Interbank Offered Rate plus 1 per cent per annum, the remaining balances are interest free. Except for an aggregate amount of HK\$273,560,000 (31 December 2004: HK\$267,459,000), which has fixed repayment terms over 1 year, the remaining balances do not have fixed repayment term.
- (iii) Except for loans in aggregate amount of HK\$506,927,000 (2004: HK\$568,414,000) which bear interest at prevailing Hong Kong dollars prime rates ranging of 5 to 5.75 per cent per annum; US dollars prime rates ranging from 5.25 to 6 per cent per annum and lending rate of financial institutions in China is 6.12 per cent per annum, the remaining balance are unsecured, interest-free and repayment on demand.
- (iv) Except for an aggregate amount of HK\$120,561,000 (2004: HK\$120,561,000) which bears interest at the prevailing leading rates of financial institutions in China ranging from 4.00 to 6.12 per cent per annum, the remaining balances are interest-free and have no fixed repayment term.
- d) *Key management compensation*

The aggregate amounts of emoluments paid or payable to key management of the Company are as follows:

	Six months ended 30 June	
	2005	2004
	HK\$'000	HK\$'000
Fees	—	—
Other emoluments:		
Basis salaries, housing allowances, other allowances and benefits in kind	1,726	1,877
Share-based payments	—	367
Directors' pension	34	45
	<u>1,760</u>	<u>2,289</u>

- e) *Transactions with state-controlled enterprises*

Under HKAS 24, business transactions between state-controlled enterprises controlled by Chinese government are within the scope of related party transactions. YXE, the ultimate holding company of the GZI Group, is a state-controlled enterprise. The GZI Group's key business transactions with other state-controlled enterprises are primarily related to construction and sales of newsprint activities. The related party transactions with other state-controlled enterprises were conducted in the ordinary course of business. Due to complex ownership structure, the Chinese government may hold indirect interests in many companies. Some of these interests may, in themselves or when combined with other indirect interests, be controlling interests which may not be known by the GZI Group. Nevertheless, the GZI Group believes that the following shall capture the material related party transactions.

Note:

The rental and utility expenses paid to GZPHL were conducted in accordance with the terms as disclosed in the GZI Group's 2004 annual report.

All the other related party transactions were carried out at the terms as agreed by the relevant parties.

c) *Balances with related parties other than state-controlled enterprises*

	30 June 2005 HK\$'000	31 December 2004 HK\$'000
Balances with YXE Group		
Amounts due from YXE Group (<i>Note i</i>)	1,219	3,234
Loans from YXE Group (<i>Note ii</i>)	(382,861)	(426,807)
Balances with jointly controlled entities		
Amounts due from jointly controlled entities (<i>Note i</i>)	185,312	155,664
Amounts due to jointly controlled entities (<i>Note i</i>)	(120,661)	(123,442)
Balances with associated companies		
Amounts due from associated companies (<i>Note iii</i>)	792,757	854,278
Amounts due to associated companies (<i>Note i</i>)	(112,150)	(112,150)
Balance with SIIL		
Loans from SIIL (<i>Note i</i>)	(23,340)	(23,340)
Balance with SWTL		
Loans from SWTL (<i>Note i</i>)	(2,000)	(2,000)
Balance with GZPHL		
Amounts due to GZPHL (<i>Note i</i>)	(2,700)	(599)
Balance with GCDHL		
Amounts due to GCDHL (<i>Note i</i>)	(80,482)	(118,107)
Balances with GHDC		
Loans from GHDC (<i>Note iv</i>)	(403,487)	(403,487)
Amounts due to GHDC (<i>Note i</i>)	(68,610)	(68,125)
Balance with Festoon		
Loans from Festoon (<i>Note i</i>)	(34,108)	(35,060)

25 Significant related party transactions and balances

a) *Related parties*

Related parties are those parties which have the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. The table set forth below summarised the names of significant parties and nature of relationship with the Company as at 30 June 2005:

Significant related party	Relationship with the Company
Yue Xiu Enterprises (Holdings) Limited ("YXE")	The ultimate holding company
Yue Xiu International Development Limited ("YXIDL")	A subsidiary of YXE
Yue Xiu Hotel and Housing Investment Limited	A subsidiary of YXE
Yue Xiu Corporate Consultancy and Services Co., Ltd.	A subsidiary of YXE
Guangzhou Highways Development Company ("GHDC")	A minority shareholder of subsidiaries
Guangzhou Paper Holdings Limited ("GZPHL")	A minority shareholder of a subsidiary
Super Win Trading Ltd ("SWTL")	A minority shareholder of a subsidiary
Smart Image Investment Ltd ("SIIL")	A minority shareholder of a subsidiary
Festoon Enterprises Limited ("Festoon")	A minority shareholder of a subsidiary
Guangzhou City Construction & Development Holdings Limited ("GCDHL")	A minority shareholder of a subsidiary
Guangdong Xinshidai Real Estate Limited	A jointly controlled entity of a subsidiary
Guangzhou Northern Second Ring Expressway Co., Limited	A jointly controlled entity of a subsidiary
Guangzhou Western Second Ring Expressway Co., Limited	A jointly controlled entity of a subsidiary
Hainan China City Property Development Co., Limited	A jointly controlled entity of a subsidiary
Zhoushan Xinyuan Real Estate Development Co., Limited	A jointly controlled entity of a subsidiary
Guangdong Humen Bridge Co., Limited	An associated company of a subsidiary
Guangdong Qinglian Highway Development Co., Limited	An associated company of a subsidiary
Guangdong Shantou Bay Bridge Co., Limited	An associated company of a subsidiary
Guangzhou Northring Freeway Co., Limited	An associated company of a subsidiary
Guangzhou Xin Yue Real Estate Development Co., Limited	An associated company of a subsidiary
State-controlled enterprises (see (e) below)	Related parties of the Company

b) *Transactions with related parties other than state-controlled enterprises*

	Six months ended 30 June	
	2005	2004
	HK\$'000	HK\$'000
Transactions with YXE		
Rental expenses paid to YXE	1,127	528
Loan interest paid to YXE	3,617	1,521
Transactions with GZPHL		
Rental and utility expenses paid to GZPHL (Note)	136,343	92,016
Transactions with YXIDL		
Loan interest paid to YXIDL	1,081	472

Note:

The GZI Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon issuance of the real estate ownership certificate.

Except for the above, there is no material change in contingent liabilities since the last annual balance sheet date.

22 Commitments under operating leases

The GZI Group had future aggregate minimum lease payments under non-cancellable leases in respect of land and buildings as follows:

	30 June 2005 HK\$'000	31 December 2004 HK\$'000
Land and buildings		
Not later than one year	27,032	26,380
Later than one year and not later than five years	100,288	97,388
Later than five years	<u>213,188</u>	<u>215,354</u>
	<u>340,508</u>	<u>339,122</u>

23 Other commitments

	30 June 2005 HK\$'000	31 December 2004 HK\$'000
Commitments in respect of acquisition of fixed assets, contracted but not provided for	<u>25,267</u>	<u>14,359</u>

24 Pledge of assets

At 30 June 2005, certain banking facilities and loans granted to the GZI Group and the Company were secured by the following:

- (a) certain of the GZI Group's fixed assets, properties held for/under development, properties held for sale and investment properties with an aggregate carrying value of HK\$44 million (31 December 2004: Nil), HK\$736 million (31 December 2004: HK\$514 million), HK\$520 million (31 December 2004: HK\$291 million) and HK\$3,853 million (31 December 2004: HK\$3,230 million) respectively;
- (b) floating charge over certain assets of certain subsidiaries with aggregate net book value of HK\$6,465 million (31 December 2004: HK\$438 million);
- (c) mortgages of the GZI Group's shareholdings in certain subsidiaries; and
- (d) charge over certain intercompany loans.

Included in the GZI Group's retained profits are retained profits amounting to HK\$904,949,000 (31 December 2004: HK\$801,941,000) and accumulated losses of HK\$280,388,000 (31 December 2004: HK\$298,204,000) which are attributable to associated companies and jointly controlled entities, respectively.

Statutory reserves represent enterprise expansion and general reserve funds set by the subsidiaries and associated companies in China. As stipulated by regulation in China, the Company's subsidiaries and associated companies established and operated in China are required to appropriate a portion of their after-tax profits (after offsetting prior year losses) to the enterprise expansion and general reserve funds, at rates determined by their respective boards of directors, according to the Foreign Investment Enterprises Accounting Standards in China, upon approval by the board, the general reserve fund may be used for making up losses and increasing capital while the enterprise expansion fund may be used for increasing capital. Included in the GZI Group's statutory reserves is HK\$538,000 (31 December 2004: HK\$538,000) attributable to associated companies.

20 Deferred taxation

Deferred taxation are calculated in full on temporary differences under the liability method using the applicable income tax rate.

Deferred taxation as at 30 June 2005 represents:

	30 June 2005	31 December 2004 Restated
	HK\$'000	HK\$'000
Deferred tax assets		
— Hong Kong profits tax	7,110	10,054
— China enterprise income tax	49,428	46,145
	<u>56,538</u>	<u>56,199</u>
Deferred tax liabilities		
— Hong Kong profits tax	15,805	15,648
— China enterprise income tax	1,564,838	1,514,192
— China land appreciation tax	1,888,776	1,629,540
	<u>3,469,419</u>	<u>3,159,380</u>

21 Contingent liabilities

	30 June 2005	31 December 2004
	HK\$'000	HK\$'000
Guarantees for mortgage facilities granted to certain buyers of the GZI Group's properties (<i>Note</i>)	<u>126,441</u>	<u>250,250</u>

APPENDIX II
FINANCIAL INFORMATION ON THE GZI GROUP

	(Unaudited)							
	Share premium HK\$'000	Capital redemption reserve HK\$'000	Statutory reserves HK\$'000	Exchange fluctuation reserves HK\$'000	Available- for-sale financial assets fair value reserves HK\$'000	Employee share-based compensation reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000
Balance at 1 January 2005, as previously reported as equity	5,740,733	1,815	79,397	(78,299)	—	—	855,495	6,599,141
Amortisation of leasehold land and land use rights	—	—	—	—	—	—	(459,085)	(459,085)
Adjustment for deferred tax arising from the revaluation of investment properties	—	—	—	—	—	—	215,152	215,152
Recognition of share-based options expenses	—	—	—	—	—	26,635	(26,635)	—
Balance at 1 January 2005, as restated	5,740,733	1,815	79,397	(78,299)	—	26,635	584,927	6,355,208
Opening adjustment on adoption of HKAS 39	—	—	—	—	—	—	134,387	134,387
Opening adjustment on adoption of HKFRS 3	—	—	—	—	—	—	529,685	529,685
Balance at 1 January 2005 after opening adjustments, as restated	5,740,733	1,815	79,397	(78,299)	—	26,635	1,248,999	7,019,280
Currency translation differences, GZI Group	—	—	—	2,695	—	—	—	2,695
Change of fair value of financial assets								
— gross	—	—	—	—	(21,038)	—	—	(21,038)
— tax	—	—	—	—	(635)	—	—	(635)
Profit attributable to equity holders of the Company	—	—	—	—	—	—	132,434	132,434
Transfers	—	—	7,333	—	134,387	—	(141,720)	—
Employee share option scheme expenses	—	—	—	—	—	15,126	—	15,126
Issue of shares net of issuing expenses	10,350	—	—	—	—	—	—	10,350
Dividend relating to 2004	—	—	—	—	—	—	(57,328)	(57,328)
At 30 June 2005	<u>5,751,083</u>	<u>1,815</u>	<u>86,730</u>	<u>(75,604)</u>	<u>112,714</u>	<u>41,761</u>	<u>1,182,385</u>	<u>7,100,884</u>
Representing:								
2005 Interim dividend proposed							64,028	
Others							<u>1,118,357</u>	
							<u>1,182,385</u>	

19 Reserves

	(Unaudited)						
	Share premium HK\$'000	Capital redemption reserve HK\$'000	Statutory reserves HK\$'000	Exchange fluctuation reserves HK\$'000	Employee share-based compensation reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000
Balance at 1 January 2004, as previously reported	5,707,378	1,815	62,606	(76,709)	—	649,398	6,344,488
Amortisation of leasehold land and land use rights	—	—	—	—	—	(421,230)	(421,230)
Adjustment for deferred tax arising from the revaluation of investment properties	—	—	—	—	—	216,413	216,413
Recognition of share-based options expenses	—	—	—	—	4,016	(4,016)	—
Balance at 1 January 2004, as restated	5,707,378	1,815	62,606	(76,709)	4,016	440,565	6,139,671
Currency translation differences, GZI Group	—	—	—	(496)	—	—	(496)
Release of reserve upon disposal of properties held for sales	—	—	—	—	—	(8,933)	(8,933)
Profit attributable to equity holders of the Company	—	—	—	—	—	111,506	111,506
Transfers	—	—	260	—	—	(260)	—
Employee share option scheme expenses	—	—	—	—	6,223	—	6,223
Issue of shares net of issuing expenses	22,536	—	—	—	—	—	22,536
Dividend paid	—	—	—	—	—	(68,123)	(68,123)
Balance at 30 June 2004	5,729,914	1,815	62,866	(77,205)	10,239	474,755	6,202,384
Currency translation differences, GZI Group	—	—	—	(1,092)	—	—	(1,092)
Provision for impairment of goodwill	—	—	—	—	—	43,533	43,533
Release of reserve upon disposal of properties held for sales	—	—	—	—	—	(21,742)	(21,742)
Release of reserve upon deemed disposal of certain interest in a subsidiary	—	—	(1)	(2)	—	—	(3)
Profit attributable to equity holders of the Company	—	—	—	—	—	157,582	157,582
Transfers	—	—	16,532	—	—	(16,532)	—
Employee share option scheme expenses	—	—	—	—	16,396	—	16,396
Issue of shares net of issuing expenses	10,819	—	—	—	—	—	10,819
Dividend paid	—	—	—	—	—	(52,669)	(52,669)
Balance at 31 December 2004	<u>5,740,733</u>	<u>1,815</u>	<u>79,397</u>	<u>(78,299)</u>	<u>26,635</u>	<u>584,927</u>	<u>6,355,208</u>
Representing:							
2004 Final dividend proposed						57,266	
Others						527,661	
						<u>584,927</u>	

Particulars of share options as at 30 June 2005 and 31 December 2004 are as follows:

Date of grant	Exercise period	Exercise price HK\$	Number of share options	
			as at 30 June 2005 '000	as at 31 December 2004 '000
Old share option scheme				
14 December 1999	14 December 2000 - 13 December 2005	0.5008	6,798	9,626
New share option scheme				
2 May 2003	2 May 2003 - 1 May 2013	0.4100	86,876	109,180
2 June 2003	2 June 2003 - 1 June 2013	0.5400	58,950	60,150
27 October 2003	27 October 2003 - 26 October 2013	0.8140	12,404	12,404
23 December 2003	23 December 2003 - 22 December 2013	0.8460	100,234	100,234
23 June 2004	23 June 2004 - 22 June 2014	0.6300	<u>302,722</u>	<u>312,414</u>
			<u>567,984</u>	<u>604,008</u>

Out of 567,984,000 outstanding options (31 December 2004: 604,008,000), 394,559,200 options (31 December 2004: 230,790,200) were exercisable as at the six months ended 30 June 2005 and year ended 31 December 2004.

The GZI Group has taken advantage of the transitional provisions of HKFRS 2 to apply the standard to grants of share options after 7 November 2002 and had not yet vested at 1 January 2005. Share options vested before 1 January 2005 totalling 230,790,200 were not included in the calculation of fair value of options granted.

The fair value of options granted was determined using the Black-Scholes valuation model which was performed by an independent valuer, Greater China Appraisal Limited. The significant inputs into the model were share price at the grant date, exercise price, standard deviation of expected share price returns, expected life of options, expected dividend paid out rate and annual risk-free rate. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over one year before the option granted date.

18 Share options

On 26 June 2002, the Company has adopted a new share option scheme, under which it may grant options to employees (including executive directors of the Company) to subscribe for shares in the Company, subject to a maximum of 10 per cent of the number of shares in issue as at 26 June 2002. The exercise price will be determined by the Company's Board of Directors and shall at least be the highest of (i) the closing price of the Company's shares on the date of grant of the options, (ii) an average closing price of the Company's shares for the five business days immediately preceding the date of grant of the options, and (iii) the nominal value of the Company's shares.

As at 30 June 2005, there were outstanding options granted under an old share option scheme to subscribe for an aggregate of 6,798,000 shares of the Company. All options granted under the old share option scheme will continue to be valid and exercisable in accordance with the rules of the old share option scheme.

Movement of share options are as follows:

	Number of share options '000
At 1 January 2004	393,526
Granted during the period	320,310
Exercised during the period	(73,690)
Lapsed during the period	<u>(228)</u>
At 30 June 2004	639,918
Exercised during the period	(29,190)
Lapsed during the period	<u>(6,720)</u>
At 31 December 2004	<u>604,008</u>
At 1 January 2005	604,008
Exercised during the period	(27,528)
Lapsed during the period	<u>(8,496)</u>
At 30 June 2005	<u>567,984</u>

16 Derivative financial instrument

	30 June 2005 HK\$'000	31 December 2004 HK\$'000
Interest-rate swaps	<u>33,228</u>	<u>29,021</u>

The notional principal amount of the outstanding interest-rate swap amounted to HK\$2,535,000,000 (31 December 2004: HK\$2,535,000,000).

17 Share capital

	Company Number of Shares '000	HK\$'000
Authorised:		
10,000,000,000 ordinary shares of HK\$0.10 each	<u>10,000,000</u>	<u>1,000,000</u>
Issued and fully paid:		
At 1 January 2004	6,248,718	624,872
Issue of share upon exercise of share options	<u>102,880</u>	<u>10,288</u>
At 31 December 2004	<u>6,351,598</u>	<u>635,160</u>
At 1 January 2005	6,351,598	635,160
Issue of share upon exercise of share options	<u>27,528</u>	<u>2,753</u>
At 30 June 2005	<u>6,379,126</u>	<u>637,913</u>

15 Borrowings

	30 June 2005 HK\$'000	31 December 2004 HK\$'000
Non-current		
Long term bank borrowings		
— Secured	3,406,669	2,726,859
— Unsecured	336,706	420,806
Obligations under finance leases — Secured	40	53
Loans from ultimate holding company — Unsecured	254,710	298,890
Loans from related companies — Unsecured	126,962	127,917
Loans from minority shareholders of subsidiaries — Unsecured	465,635	463,887
	<u>4,590,722</u>	<u>4,038,412</u>
Current		
Bank overdrafts - Unsecured	8,933	24,763
Short-term bank borrowings		
— Secured	112,150	453,644
— Unsecured	566,532	608,919
Current portion of long-term bank borrowings		
— Secured	689,622	645,277
— Unsecured	228,998	314,222
Obligations under finance leases — Secured	25	25
Loans from ultimate holding company — Unsecured	1,189	—
	<u>1,607,449</u>	<u>2,046,850</u>
Total borrowings	<u>6,198,171</u>	<u>6,085,262</u>

The maturity of borrowings is as follows:

	Bank borrowings and overdrafts		Other loans	
	30 June 2005 HK\$'000	31 December 2004 HK\$'000	30 June 2005 HK\$'000	31 December 2004 HK\$'000
Within one year	1,606,235	2,046,825	1,214	25
In the second year	768,277	1,324,388	25	25
In the third to fifth year	2,975,098	1,823,277	253,012	267,487
With no fixed repayment terms	—	—	594,310	623,235
	<u>5,349,610</u>	<u>5,194,490</u>	<u>848,561</u>	<u>890,772</u>

12 Available-for-sale financial assets

	30 June 2005 HK\$'000
At the beginning of the period	456,231
Additions	463
Decrease in fair value charged to equity	(65,002)
Impairment losses	(2,673)
Disposals	<u>(1,639)</u>
At the end of the period	<u>387,380</u>

Balances represent financial assets of unlisted securities stated at market value at 30 June 2005.

13 Trade receivables

The GZI Group has defined credit policies for different business segments and markets. The credit terms of the GZI Group are generally within three to six months. The ageing analysis of the trade receivables is as follows:

	30 June 2005 HK\$'000	31 December 2004 HK\$'000
0 - 30 days	118,889	174,569
31 - 90 days	97,266	76,788
91 - 180 days	37,260	81,345
181 - 365 days	74,318	43,789
Over 1 year	<u>99,904</u>	<u>81,377</u>
	<u>427,637</u>	<u>457,868</u>

14 Trade payables

Trade payables include trade balances with creditors and retention money payable on construction contracts.

The ageing analysis of the trade payables is as follows:

	30 June 2005 HK\$'000	31 December 2004 HK\$'000
0 - 30 days	98,352	32,433
31 - 90 days	31,629	70,560
91 - 180 days	54,962	24,008
181 - 365 days	3,962	65,755
1 - 2 year	35,905	39,243
Over 2 years	<u>134,164</u>	<u>182,494</u>
	<u>358,974</u>	<u>414,493</u>

APPENDIX II

FINANCIAL INFORMATION ON THE GZI GROUP

	Other intangible assets			Interests in toll highways and bridges				Leasehold	
	Goodwill on acquisition of subsidiaries	Negative goodwill on acquisition of subsidiaries		Intangible Operating rights	Tangible infrastructure	Total	Fixed assets	Investment properties	land and leasehold right
		HK\$'000	HK\$'000						
Opening net book value at 1 January 2004, as previously reported	49,039	(584,292)	(535,253)	1,750,864	348,783	2,099,647	1,405,545	4,845,537	—
Effect of changes in accounting policies	—	—	—	—	—	—	(99,278)	—	8,143,566
Opening net book value at 1 January 2004, as restated	49,039	(584,292)	(535,253)	1,750,864	348,783	2,099,647	1,306,267	4,845,537	8,143,566
Additions	—	—	—	85	—	85	35,419	—	—
Disposals	—	—	—	—	—	—	(1,634)	(28,406)	(317,482)
Depreciation/amortisation for the period	(1,590)	16,553	14,963	(44,472)	(6,224)	(50,696)	(68,487)	—	(65,839)
Closing net book value at 30 June 2004	47,449	(567,739)	(520,290)	1,706,477	342,559	2,049,036	1,271,565	4,817,131	7,760,245
Additions	—	—	—	3,035	—	3,035	41,116	122,978	—
Transfer (to)/from properties held for/under development	—	—	—	—	—	—	46,260	(261,873)	—
Revaluation surplus	—	—	—	—	—	—	—	76,750	—
Disposals	—	—	—	—	—	—	(16,368)	—	(550,389)
Transfer	—	—	—	—	—	—	78,444	20,319	(98,763)
Depreciation/amortisation for the period	(2,084)	32,414	30,330	(44,472)	(6,223)	(50,695)	(69,659)	—	(53,776)
Closing net book value at 31 December 2004	45,365	(535,325)	(489,960)	1,665,040	336,336	2,001,376	1,351,358	4,775,305	7,057,317
Analysis as:									
Non-current									3,291,022
Current									3,766,295
									7,057,317

11 Capital expenditure

	Other intangible assets		Interests in toll highways and bridges				Leasehold land and		
	Goodwill on acquisition of subsidiaries	Negative	Total	Intangible Operating rights	Tangible infrastructure	Total	Fixed assets	Investment properties	land and land use right
		goodwill on acquisition of subsidiaries							
		HK\$'000							
Opening net book value at 1 January 2005, as previously reported	45,365	(535,325)	(489,960)	1,665,040	336,336	2,001,376	1,441,325	4,775,305	—
Effect of changes in accounting policies	—	—	—	—	—	—	(89,967)	—	7,057,317
Opening net book value at 1 January 2005, as restated	45,365	(535,325)	(489,960)	1,665,040	336,336	2,001,376	1,351,358	4,775,305	7,057,317
Opening adjustments on adoption of HKFRS 3	—	535,325	535,325	—	—	—	—	—	—
Net book value at 1 January 2005 after opening adjustments	45,365	—	45,365	1,665,040	336,336	2,001,376	1,351,358	4,775,305	7,057,317
Additions	—	—	—	1,037	—	1,037	123,266	62,925	—
Disposals	—	—	—	—	—	—	(51,501)	(178,824)	(89,163)
Revaluation surplus	—	—	—	—	—	—	—	662,539	—
Transfers from properties held for sales	—	—	—	—	—	—	33,376	88,584	—
Transfers	—	—	—	—	—	—	(1,033)	48,272	(47,238)
Depreciation/amortisation for the period	—	—	—	(44,473)	(6,306)	(50,779)	(79,672)	—	(58,664)
Closing net book value at 30 June 2005	<u>45,365</u>	<u>—</u>	<u>45,365</u>	<u>1,621,604</u>	<u>330,030</u>	<u>1,951,634</u>	<u>1,375,794</u>	<u>5,458,801</u>	<u>6,862,252</u>
Analysis as:									
Non-current									3,124,223
Current									<u>3,738,029</u>
									<u>6,862,252</u>

Note: Majority of leasehold land and land use rights and investment properties of the GZI Group are located in China.

9 Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended	
	30 June	
	2005	2004
		Restated
Profit attributable to equity holders of the Company (HK\$'000)	<u>132,434</u>	<u>111,506</u>
Weighted average number of ordinary shares in issue ('000)	<u>6,362,643</u>	<u>6,300,121</u>
Basic earnings per share (HK cents)	<u>2.08</u>	<u>1.77</u>

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options outstanding during the period which are dilutive potential ordinary shares. Calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average daily market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Six months ended	
	30 June	
	2005	2004
		Restated
Profit attributable to equity holders of the Company (HK\$'000)	<u>132,434</u>	<u>111,506</u>
Weighted average number of ordinary shares in issue ('000)	6,362,643	6,300,121
Adjustments for - share options ('000)	<u>96,957</u>	<u>131,390</u>
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>6,459,600</u>	<u>6,431,511</u>
Diluted earnings per share (HK cents)	<u>2.05</u>	<u>1.73</u>

10 Dividend

	Six months ended	
	30 June	
	2005	2004
	HK\$'000	HK\$'000
2005 interim, proposed of HK\$0.01 (2004: HK\$0.0083) per share	<u>64,028</u>	<u>52,531</u>

8 Taxation

- (a) Hong Kong profits tax has been provided at the rate of 17.5 per cent (2004: 17.5 per cent) on the estimated assessable profit for the period.
- (b) China enterprise income taxation is provided on the profits of the GZI Group's subsidiaries, associated companies and jointly controlled entities in Mainland China in accordance with the Income Tax Law of China for Enterprises with Foreign Investment and Foreign Enterprises ("China Tax Law") at 18 per cent to 33 per cent. Under the China Tax Law, certain of the GZI Group's subsidiaries, associated companies and jointly controlled entities in China are entitled to an income tax holiday for two to five years from its first profit making year followed by a 50 per cent reduction in income tax for the next three to five years.
- (c) China land appreciation tax is levied at progressive rates ranging from 30 per cent to 60 per cent on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditure.
- (d) The amount of taxation charged to the condensed consolidated profit and loss account represents:

	Six months ended 30 June	
	2005	2004 Restated
	HK\$'000	HK\$'000
Current taxation		
— Hong Kong profits tax	809	1,086
— Underprovision in prior years	5,545	—
— China enterprise income tax	33,821	48,785
— China land appreciation tax	2,210	8,695
Deferred taxation in relation to the origination and reversal of temporary differences.	<u>285,508</u>	<u>(509)</u>
	<u>327,893</u>	<u>58,057</u>

Share of China enterprise income taxation attributable to the following are included in the profit and loss account as share of results of associated companies and jointly controlled entities:

	Six months ended 30 June	
	2005	2004 Restated
	HK\$'000	HK\$'000
Associated companies		
— current taxation	8,521	7,138
— deferred taxation	5,648	5,794
Jointly controlled entities		
— current taxation	602	—
— deferred taxation	<u>1,668</u>	<u>1,748</u>

7 Expenses by nature

Expenses included in cost of sales, selling and distribution expenses and general and administrative expenses are analysed as follows:

	Six months ended	
	30 June	
	2005	2004
		Restated
	HK\$'000	HK\$'000
Charging		
Advertising expenses	43,275	43,630
Cost of inventories sold	966,073	1,520,737
Direct operating expenses arising from investment properties that generate rental income	73,338	44,573
Depreciation:		
- Owned fixed assets	79,659	68,474
- Leased fixed assets	13	13
Amortisation/depreciation of interests in toll highways and bridges	50,779	50,696
Amortisation of leasehold land and land use right		
- included in cost of sales	54,775	61,820
- included in administrative expenses	3,889	4,019
Derivative instruments — interest rate swap not qualifying as hedge	4,206	7,173
Provision for impairment in value of fixed assets	10,418	—
Write-down of properties held for/under development to net realisable value	31,850	—
Staff costs		
- Wages and salaries (including directors' remuneration)	98,195	93,198
- Pension costs — defined contribution plans	8,475	7,545
- Medical benefits costs	2,050	3,501
- Social security costs	11,472	8,093
- Termination benefits	874	6,349
- Staff welfare	7,071	9,051
- Share option granted to directors and employees	15,126	6,223
Operating leases		
- Hire of plant and workshops	8,107	8,184
- Land and buildings	37,336	25,643
Provision for doubtful debts	49,272	2,891
Net exchange loss	1,517	—

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	As at 30 June 2005 and 31 December 2004							
	Toll operations		Properties		Paper		Group	
	30 June 2005	31 December 2004	30 June 2005	31 December 2004	30 June 2005	31 December 2004	30 June 2005	31 December 2004
	Restated		Restated		Restated		Restated	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Segment assets	2,120,203	2,229,404	18,684,566	17,331,255	1,592,434	1,495,642	22,397,203	21,056,301
Interests in jointly controlled entities	495,482	422,892	243,772	220,545	—	—	739,254	643,437
Interests in associated companies	1,686,656	1,671,842	88,821	88,506	—	—	1,775,477	1,760,348
Unallocated assets							<u>1,392,772</u>	<u>1,016,434</u>
Total assets							<u>26,304,706</u>	<u>24,476,520</u>
Segment liabilities	722,574	768,172	10,401,586	9,430,464	589,427	506,246	11,713,587	10,704,882
Unallocated liabilities							<u>3,267,482</u>	<u>3,323,134</u>
Total liabilities							<u>14,981,069</u>	<u>14,028,016</u>

Secondary reporting format — geographical segments

	For the six months ended 30 June				As at 30 June 2005 and 31 December 2004 Total assets	
	Turnover		Capital expenditure		30 June 2005	31 December 2004
	2005	2004	2005	2004		
	Restated		Restated		Restated	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Hong Kong	82,853	392,883	1,686	925	1,319,396	1,362,281
China	1,504,457	1,856,258	185,533	34,579	23,558,495	22,051,223
Overseas	<u>881</u>	<u>24,869</u>	<u>9</u>	<u>—</u>	<u>34,043</u>	<u>46,582</u>
	<u>1,588,191</u>	<u>2,274,010</u>	<u>187,228</u>	<u>35,504</u>	24,911,934	23,460,086
Unallocated asset					<u>1,392,772</u>	<u>1,016,434</u>
Total assets					<u>26,304,706</u>	<u>24,476,520</u>

— Toll operations - development, operation and management of toll highways and bridges

— Paper - manufacturing and selling of newsprint

There are no significant sales between the business segments.

Secondary reporting format — geographical segments

The GZI Group's three business segments are mainly managed in Hong Kong and China:

Hong Kong — properties

China — properties, paper and toll operations

Others — properties

There are no significant sales between the geographical segments.

Primary reporting format — business segments

	Six months ended 30 June							
	Toll operations		Properties		Paper		Group	
	2005	2004	2005	2004	2005	2004	2005	2004
		Restated		Restated		Restated		Restated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	<u>204,006</u>	<u>191,002</u>	<u>767,512</u>	<u>1,520,151</u>	<u>616,673</u>	<u>562,857</u>	<u>1,588,191</u>	<u>2,274,010</u>
Segment results	<u>87,926</u>	<u>70,925</u>	<u>551,399</u>	<u>181,094</u>	<u>68,505</u>	<u>52,493</u>	707,830	304,512
Interest income							3,789	3,077
Unallocated operation costs							(25,839)	(23,704)
Finance costs							(114,092)	(75,463)
Share of profits less losses of:								
— Jointly controlled entities	20,008	252	(5,474)	—	—	—	14,534	252
— Associated companies	103,008	91,035	—	308	—	—	<u>103,008</u>	<u>91,343</u>
Profit before taxation							689,230	300,017
Taxation							<u>(327,893)</u>	<u>(58,057)</u>
Profit for the period							<u>361,337</u>	<u>241,960</u>
Capital expenditure	1,309	4,404	84,350	542	101,569	30,558	187,228	35,504
Depreciation and amortisation	<u>52,057</u>	<u>56,883</u>	<u>79,094</u>	<u>66,807</u>	<u>57,964</u>	<u>61,332</u>	<u>189,115</u>	<u>185,022</u>

The fair value of options granted was determined using the Black-Scholes valuation model which was performed by an independent valuer, Greater China Appraisal Limited. The significant inputs into the model were share price at the grant date, exercise price, standard deviation of expected share price returns, expected life of options, expected dividend paid out rate and annual risk-free rate. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over one year before the option granted date.

(g) *Current taxation and deferred taxation*

The GZI Group is subject to taxation in Mainland China and Hong Kong. Significant judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the periods in which such determination are made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred taxation assets and taxation in the periods in which such estimate is changed.

5.2 **Critical judgements in applying the entity's accounting policies**

Distinction between investment properties and owner-occupied properties

The GZI Group determines whether a property qualifies as investment property. In making its judgement, the GZI Group considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions can be sold separately (or leased out separately under a finance lease), the GZI Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The GZI Group considers each property separately in making its judgement.

6 **Segment information**

The GZI Group is principally engaged in development, operation and management of toll highways and bridges, development, selling and management of properties and holding of investment properties, manufacturing and trading of newsprint. Turnover and segment results for the period are as follows:

Primary reporting format — business segments

The GZI Group operates mainly in Hong Kong and Mainland of China ("China") and in three main business segments:

- Properties - development, selling and management of properties and holding of investment properties

(d) *Estimated write-downs of properties under development for sale and completed properties for sale*

The GZI Group writes down properties under development for sale and completed properties for sale to net realisable value based on assessment of the realisability of properties under development for sale and completed properties for sale. Write-downs are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value and write-downs of properties under development for sale and completed properties for sale in the periods in which such estimate is changed.

(e) *Estimate of fair value of investment properties*

The best evidence of fair value is current prices in an active market for similar lease and other contracts. The GZI Group employed an independent firm of professional surveyor, Greater China Appraisal Limited, to determine the open market values for the investment properties of the GZI Group.

In the absence of such information, the GZI Group determines the amount within a range of reasonable fair value estimates. In making its judgment, the GZI Group considers information from a variety of sources including:

- i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences.
- ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- iii) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

If information on current or recent prices of investment properties is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The GZI Group uses assumptions that are mainly based on market conditions existing at each balance date.

The principal assumptions underlying management's estimation of fair value are those related to: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data, and actual transactions by the GZI Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

(f) *Estimate of fair value of share-based options*

The GZI Group has taken advantage of the transitional provisions of HKFRS 2 to apply the standard to grants of share options after 7 November 2002 and had not yet vested at 1 January 2005. Share options vested before 1 January 2005 totalling 230,790,200 were not included in the calculation of fair value of options granted.

4.2 Fair value estimation

The nominal value less estimated credit adjustments of accounts receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the GZI Group for similar financial instruments.

5 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Critical accounting estimates and assumptions

The GZI Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets or liabilities are discussed below.

(a) *Definition of interests in toll highways and bridges*

Interests in toll highways and bridges of the GZI Group and investee companies comprise tangible infrastructures and intangible operating rights. Depreciation of tangible infrastructures is calculated to write off their costs on a units-of-usage basis based on the traffic volume for a particular period over the projected total traffic volume throughout the life of the assets.

The GZI Group reviews regularly the projected total traffic volume throughout the life of the respective assets, and if it is considered appropriate, independent professional traffic studies will be obtained. Appropriate adjustment will be made should there be a material change.

At present, the range of annual traffic growth rates that have been projected for individual toll highways and bridges is around 2 per cent to 5 per cent.

(b) *Estimated impairment of goodwill*

The GZI Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 3.3. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

(c) *Estimated impairment of properties and equipment, investment properties, leasehold land and land use rights and properties under development for long-term investment*

Properties and equipment, investment properties, leasehold land and land use rights and properties under development for long-term investment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of properties and equipment, leasehold land and land use rights and properties under development for long-term investment have been determined based on value-in-use calculations; while that of investment properties has been determined with reference to independent valuations. These calculation and valuations require the use of judgement and estimates.

3.6 Share-based compensation

The GZI Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

4 Financial risk management

4.1 Financial risk factors

The GZI Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and cash flow interest-rate risk.

(a) Foreign exchange risk

Certain of the subsidiaries of the GZI Group operates in Mainland China with most of the transactions denominated in Renminbi. The GZI Group is exposed to foreign exchange risk arising from the exposure of Renminbi against Hong Kong dollars. It has not hedged its foreign exchange rate risk.

In addition, the conversion of Renminbi into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the Mainland China government.

(b) Credit risk

The GZI Group has no significant concentrations of credit risk. The carrying amount of the trade receivables included in the consolidated balance sheets represents the GZI Group's maximum exposure to credit risk in relation to its financial assets.

(c) Liquidity risk

The GZI Group ensures that it maintains sufficient cash and credit lines to meet its liquidity requirements.

(d) Cash flow and fair value interest rate risk

As the GZI Group has no significant interest-bearing assets, the GZI Group's income and operating cash flows are substantially independent of changes in market interest rates.

The GZI Group's interest-rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the GZI Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the GZI Group to fair value interest-rate risk. It has not hedged its cash flow and fair value interest rate risk.

be reduced to its fair value. The impairment loss is recognised as an expense in the profit and loss account. This impairment loss is written back to profit and loss when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

If the rights and interest in investments are to be surrendered by the GZI Group upon the termination of related joint venture period, amortisation is provided to write off its cost over the joint venture period on a straight-line basis. The results of other investments are accounted for on the basis of dividends received and receivable.

From 1 January 2005 onwards:

The GZI Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

(a) *Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within 12 months of the balance sheet date.

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the GZI Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(c) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the GZI Group's management has the positive intention and ability to hold to maturity. During the period, the GZI Group did not hold any investments in this category.

(d) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

The GZI Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the income statement — is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognized in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognized in the income statement.

3.3 Goodwill/negative goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the GZI Group's share of the net identifiable assets of the acquired subsidiary/ associated company/jointly controlled entity at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associated companies and jointly controlled entities is included in respective investments. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

If the GZI Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the GZI Group will:

- reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and
- recognise immediately in profit and loss account any excess remaining after that reassessment.

3.4 Impairment of assets

Assets that have an indefinite useful life are not subject to amortization, which are at least tested annually for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

3.5 Investments

From 1 January 2004 to 31 December 2004:

The GZI Group classified its investments in securities, other than subsidiaries, associates and jointly controlled entities, as other investments.

Other investments held for long term are stated at cost less accumulated impairment losses. The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair value have declined below the carrying amounts. When a decline other than temporary has occurred, the carrying amount of such investment will

(c) *Group companies*

The results and financial position of all the GZI group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

3.2 **Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property.

Investment property comprises land held under operating leases and buildings held under finance leases.

Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the GZI Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

Changes in fair values are recognised in the profit and loss account.

The adoption of HK-Int 3 has resulted in a change in the accounting policy relating to revenue recognition arising from pre-completion contracts for the sale of properties under development for sale and the effect for the consolidated balance sheet as at 30 June 2005 and consolidated profit and loss account for the six months ended 30 June 2005 are as follows:

	As at 30 June 2005 HK'000
Increase in properties under development	394,476
	For the six month ended 30 June 2005 HK'000
Decrease in sales	543,030
Decrease in cost of sales	394,476
Decrease in taxation	49,023
Decrease in earnings per share (HK cents)	1.52
Decrease in diluted earnings per share (HK cents)	1.50

3 New Accounting Policies

The accounting policies used for the condensed consolidated accounts for the six months ended 30 June 2005 are the same as those set out in note 1 to the 2004 annual accounts except for the following:

3.1 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the GZI Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Company and its Hong Kong subsidiaries maintain their books and records in Hong Kong Dollars while all other major group companies maintain their books and record in RMB. The consolidated financial statements are presented in HK dollars, which is the Company's functional and presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Translation differences on non-monetary items, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation difference on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

APPENDIX II
FINANCIAL INFORMATION ON THE GZI GROUP

The following is a summary of the effect of changes in the accounting policies described above on individual accounting caption:

Increase/(decrease)	(note i) Effect on adoption of HKAS 17 HK\$'000	(note ii) Effect on adoption of HKAS 39 HK\$'000	(note iii) Effect on adoption of HKAS-Int 21 HK\$'000	(note iv) Effect on adoption of HKFRS 2 HK\$'000	(note v) Effect on adoption of HKFRS 3 HK\$'000	Total HK\$'000
Profit and loss account items for the six months ended 30 June 2004						
Cost of sales	23,901	—	—	—	—	23,901
Administrative expenses	3,527	—	—	6,223	—	9,750
Taxation	(11,746)	—	—	—	—	(11,746)
Minority interests	(2,206)	—	—	—	—	(2,206)
Earnings per share						
— basic (HK cents)	(0.21)	—	—	(0.10)	—	(0.31)
— diluted (HK cents)	(0.21)	—	—	(0.10)	—	(0.31)
Balance sheet items as at 1 January 2005						
Fixed assets	(89,967)	—	—	—	—	(89,967)
Leasehold land and land use rights						
— non-current portion	3,291,022	—	—	—	—	3,291,022
Other intangible assets	—	—	—	—	535,325	535,325
Interest in jointly controlled entities	(3,280)	—	—	—	—	(3,280)
Available-for-sales financial assets	—	456,231	—	—	—	456,231
Other investments	—	(261,347)	—	—	—	(261,347)
Properties held for/under development	(6,734,381)	—	—	—	—	(6,734,381)
Properties held for sale	(954,192)	—	—	—	—	(954,192)
Leasehold land and land use rights						
— current portion	3,766,295	—	—	—	—	3,766,295
Other receivables, prepayments and deposits	—	15,008	—	—	—	15,008
Total assets	(724,503)	209,892	—	—	535,325	20,714
Deferred tax liabilities	(246,514)	69,439	(224,385)	—	—	(401,460)
Total liabilities	(246,514)	69,439	(224,385)	—	—	(401,460)
Net assets	(477,989)	140,453	224,385	—	535,325	422,174
Reserves	(459,085)	134,387	215,152	—	529,685	420,139
Minority interests	(18,904)	6,066	9,233	—	5,640	2,035
Total equity	(477,989)	140,453	224,385	—	535,325	422,174

(b) The impact of changes in accounting policies to the GZI Group

The following is a summary of the effect of changes in the accounting policies described above on equity as at 1 January 2005 and results and earnings per share for the six months 30 June 2004:

	Increase/ (decrease)
	As at 1 January
Equity	2005
	<i>HK\$'000</i>
Amortisation of leasehold land and land use rights (note i)	(477,989)
Revaluation surplus of financial assets (note ii)	140,453
Decrease in deferred tax on change of basis of recovery of revalued assets (note iii)	224,385
De-recognition of negative goodwill (note v)	<u>535,325</u>
	<u>422,174</u>
	For the six months ended
Results	30 June 2004
	<i>HK\$'000</i>
Amortisation of leasehold land and land use rights (note i)	(15,682)
Expenses related to share option schemes (note iv)	<u>(6,223)</u>
	<u>(21,905)</u>
Attributable to:	
Equity holders of the Company	(19,699)
Minority interests	<u>(2,206)</u>
	<u>(21,905)</u>
	For the six months ended
Earnings per share	30 June 2004
	<i>HK cents</i>
Basic and diluted	
Amortisation of leasehold land and land use rights (note i)	(0.21)
Expenses related to share option schemes (note iv)	<u>(0.10)</u>
	<u>(0.31)</u>

In accordance with the provisions of HKFRS 3, the GZI Group ceased amortisation of goodwill from 1 January 2005 and the accumulated amortisation as at 31 December 2004 has been eliminated with a corresponding decrease in the cost of goodwill. From the year ending 31 December 2005 onwards, goodwill is tested annually for impairment, as well as when there is indication of impairment. The carrying amount of negative goodwill as at 1 January 2005 has been derecognised at 1 January 2005 with a corresponding adjustment to the opening balance of retained earnings.

The GZI Group has reassessed the useful lives of its intangible assets in accordance with the provisions of HKAS 38. No adjustment has resulted from this reassessment.

The adoption of HK-Int 3 has resulted in a change in the accounting policy relating to revenue recognition arising from pre-completion contracts for the sale of properties under development for sale. Such revenue is recognised only upon completion of sale agreement, which refers to the time when properties are completed and delivered to the buyers. In prior years, the percentage of completion method was used as the policy to recognise revenue arising from pre-completion contracts for the sale of properties under development for sale.

All changes in the accounting policies have been made in accordance with the transition provisions in the respective standards. All standards adopted by the GZI Group require retrospective application other than:

- HKAS 16 under which the initial measurement of an item of property, plant and equipment acquired in an exchange of assets transaction is accounted at fair value prospectively only to future transaction;
- HKAS 21 which requires prospective application for accounting goodwill and fair value adjustments as part of foreign operations;
- HKAS 39 which does not permit recognition, decognition and measurement of financial assets and liabilities in accordance with this standard on a retrospective basis. The GZI Group applied the previous Statement of Standard Accounting Practice ("SSAP") 24 "Accounting for investments in securities" to other investments for the 2004 comparative information. The adjustments required for the accounting differences between SSAP 24 and HKAS 39, if any, are determined and recognised at 1 January 2005;
- revised HKAS 40 since the GZI Group has adopted the fair value model, there is no requirement for the GZI Group to restate the comparative information, any adjustment should be made to the retained earnings as at 1 January 2005, including the reclassification of any amount held in revaluation surplus for investment property;
- HKAS-Int 15 which does not require the recognition of incentives for leases beginning before 1 January 2005;
- HKFRS 2 which only requires retrospective application for all equity instruments granted after 7 November 2002 and not vested at 1 January 2005; and
- HKFRS 3 which is applied prospectively after the adoption date.

The adoption of new/revised HKASs 1, 8, 16, 21, 24 and HKAS-Int 15 and HK-Int 4 did not result in substantial changes to the GZI Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of minority interests, share of net after-tax results of associates and jointly controlled entities and other disclosures.
- HKASs 8,16 and HKAS-Int 15 and HK-Int 4 had no material effect on the GZI Group's policies.
- HKAS 21 had no material effect on the GZI Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard. All the GZI Group's entities have the same functional currency as the presentation currency for respective entity financial statements.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land from property, plant and equipment to operating leases. The up-front prepayments made for the leasehold land are expensed in the profit and loss account on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the profit and loss account. In prior years, the leasehold land was accounted for at cost less accumulated depreciation and accumulated impairment.

The adoption of HKAS 32 and 39 has resulted in a change in the accounting policy relating to the classification of financial assets at fair value through profit and loss and available-for-sale financial assets. It has also resulted in the recognition of derivative financial instruments at fair value and the change in the recognition and measurement of hedging activities.

The adoption of revised HKAS 40 has resulted in a change in the accounting policy of investment properties of which the changes in fair values are recorded in the profit and loss account as part of other income. In prior years, the increases in fair value were credited to the investment properties revaluation reserve. Decreases in fair value were first set off against increases on earlier valuations on a portfolio basis and thereafter expensed in the profit and loss account.

The adoption of revised HKAS-Int 21 has resulted in a change in the accounting policy relating to the measurement of deferred tax liabilities arising from the revaluation of investment properties. Such deferred tax liabilities are measured on the basis of tax consequences that would follow from recovery of the carrying amount of that asset through use or through use and subsequent sale. In prior years, the carrying amount of that asset was expected to be recovered through sale.

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. Until 31 December 2004, the provision of share options to employees did not result in an expense in the profit and loss accounts. Effective on 1 January 2005, the GZI Group expenses the cost of share options in the income statement. As a transitional provision, the cost of share options granted after 7 November 2002 and had not yet vested on 1 January 2005 was expensed retrospectively in the income statement of the respective periods.

The adoption of HKFRS 3, HKAS 36 and HKAS 38 has resulted in a change in the accounting policy for goodwill. Until 31 December 2004, goodwill was amortised on a straight-line basis over a maximum period of 20 years and assessed for an indication of impairment at each balance sheet date.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM ACCOUNTS

1 Basis of preparation and accounting policies

This unaudited condensed consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

These condensed consolidated interim accounts should be read in conjunction with the 2004 annual financial statements.

The accounting policies and methods of computation used in the preparation of these condensed consolidated financial information are consistent with those used in the annual financial statements for the year ended 31 December 2004 except that the GZI Group has changed certain of its accounting policies following its adoption of new/revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRS") which are effective for accounting periods commencing on or after 1 January 2005.

These interim financial information have been prepared in accordance with those HKFRS standards and interpretations issued and effective as at the time of preparing these accounts. The HKFRS standards and interpretations that will be applicable at 31 December 2005, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing these interim financial information.

The changes to the GZI Group's accounting policies and the effect of adopting these new policies are set out in note 2 below.

2 Change in accounting policies

(a) Effect of adopting new HKFRS

In 2005, the GZI Group adopted the new/revised HKFRS below, which are relevant to its operations. The 2004 comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The effects of Changes in Foreign Exchange Rates
HKAS 24	Related Party Disclosures
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 40	Investment Property
HKAS-Int 15	Operating Leases — Incentives
HKAS-Int 21	Income Taxes — Recovery of Revalued Non-Depreciable Assets
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations
HK-Int 3	Revenue — Pre-completion Contracts for the Sale of Development Properties
HK-Int 4	Leases — Determination of the Length of Lease Term in respect of Hong Kong Land Leases

	Note	Unaudited			Total HK\$'000
		Attributable to equity holders of the Company			
		Share capital HK\$'000	Reserves HK\$'000	Minority interest HK\$'000	
Balance at 1 January 2004, as previously reported as equity		624,872	6,344,488	—	6,969,360
Balance at 1 January 2004, as previously separately reported as minority interest		—	—	3,374,822	3,374,822
Amortisation of leasehold land and land use rights	19	—	(421,230)	(16,209)	(437,439)
Adjustment for deferred tax arising from the revaluation of investment properties	19	—	216,413	9,220	225,633
Balance at 1 January 2004, as restated		624,872	6,139,671	3,367,833	10,132,376
Currency translation differences	19	—	(496)	(170)	(666)
Release of reserve upon disposal of properties held for sale	19	—	(8,933)	—	(8,933)
Net expenses recognised directly in equity		—	(9,429)	(170)	(9,599)
Profit for the period		—	111,506	130,454	241,960
Total recognised income for the six months ended 30 June 2004		—	102,077	130,284	232,361
Employees share option schemes - value of employee services	19	—	6,223	—	6,223
Issue of share capital	17 & 19	7,369	22,536	—	29,905
Deemed acquisition of a subsidiary		—	—	27,822	27,822
Dividend relating to 2003	19	—	(68,123)	(179,034)	(247,157)
		7,369	(39,364)	(151,212)	(183,207)
Balance at 30 June 2004		632,241	6,202,384	3,346,905	10,181,530

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2005

	Note	Unaudited			Total HK\$'000
		Attributable to equity holders of the Company			
		Share capital	Reserves	Minority interest	
		HK\$'000	HK\$'000	HK\$'000	
Balance at 1 January 2005, as previously reported as equity		635,160	6,599,141	—	7,234,301
Balance at 1 January 2005, as previously separately reported as minority interests		—	—	3,467,807	3,467,807
Amortisation of leasehold land and land use rights	19	—	(459,085)	(18,904)	(477,989)
Adjustment for deferred tax arising from the revaluation of investment properties	19	—	215,152	9,233	224,385
Balance at 1 January 2005, as restated		635,160	6,355,208	3,458,136	10,448,504
Opening adjustment on adoption of HKAS 39	19	—	134,387	6,066	140,453
Opening adjustment on adoption of HKFRS 3	19	—	529,685	5,640	535,325
Balance at 1 January 2005 after opening adjustment, as restated		635,160	7,019,280	3,469,842	11,124,282
Currency translation differences	19	—	2,695	1,062	3,757
Decrease in fair value of available-for-sale financial assets	19	—	(21,673)	(43,964)	(65,637)
Net expenses recognised directly in equity		—	(18,978)	(42,902)	(61,880)
Profit for the period		—	132,434	228,903	361,337
Total recognised income for the six months ended 30 June 2005		—	113,456	186,001	299,457
Employees share option scheme - value of employee services	19	—	15,126	—	15,126
Issue of share capital	17 & 19	2,753	10,350	—	13,103
Dividend relating to 2004	19	—	(57,328)	(71,003)	(128,331)
		2,753	(31,852)	(71,003)	(100,102)
Balance at 30 June 2005		637,913	7,100,884	3,584,840	11,323,637

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2005.

	Unaudited	
	Six months ended 30 June	
	2005	2004
	HK\$000	Restated HK\$000
Net cash inflow generated from operating activities	546,185	743,708
Net cash outflow from investing activities	(167,292)	(128,625)
Net cash outflow from financing activities	<u>(15,799)</u>	<u>(684,277)</u>
Increase/(decrease) in cash and cash equivalents	363,094	(69,194)
Cash and cash equivalents at 1 January	<u>806,147</u>	<u>1,035,808</u>
Cash and cash equivalents at 30 June	<u><u>1,169,241</u></u>	<u><u>966,614</u></u>
Analysis of the balances of cash and cash equivalents:		
Bank balances and cash	1,178,174	991,992
Bank overdrafts	<u>(8,933)</u>	<u>(25,378)</u>
	<u><u>1,169,241</u></u>	<u><u>966,614</u></u>

APPENDIX II | FINANCIAL INFORMATION ON THE GZI GROUP

	Note	As at	
		30 June 2005 Unaudited HK\$'000	31 December 2004 Restated HK\$'000
LIABILITIES			
Current liabilities			
Trade payables	14	358,974	414,493
Land premium payables		785,685	729,410
Other payables and accrued charges		3,657,210	3,054,229
Amounts due to jointly controlled entities		120,661	123,442
Amounts due to associated companies		112,150	112,150
Amounts due to minority shareholders		149,092	186,831
Borrowings	15	1,607,449	2,046,850
Derivative financial instruments	16	33,228	29,021
Taxation payable		96,479	133,798
		<u>6,920,928</u>	<u>6,830,224</u>
Net current assets		<u>4,364,412</u>	<u>3,890,964</u>
Total assets less current liabilities		<u>19,383,778</u>	<u>17,646,296</u>
Non-current liabilities			
Borrowings	15	4,590,722	4,038,412
Deferred tax liabilities	20	3,469,419	3,159,380
		<u>8,060,141</u>	<u>7,197,792</u>
Net assets		<u>11,323,637</u>	<u>10,448,504</u>
EQUITY			
Capital and reserves attributable to the			
Company's equity holders			
Share capital	17	637,913	635,160
Other reserves	19	5,918,499	5,770,281
Retained earnings	19		
— Proposed dividend		64,028	57,266
— Others		1,118,357	527,661
		<u>7,738,797</u>	<u>6,990,368</u>
Minority interests		<u>3,584,840</u>	<u>3,458,136</u>
Total equity		<u>11,323,637</u>	<u>10,448,504</u>

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2005 and 31 December 2004

	Note	As at	
		30 June 2005 Unaudited HK\$'000	31 December 2004 Restated HK\$'000
ASSETS			
Non-current assets			
Interests in toll highways and bridges	11	1,951,634	2,001,376
Other intangible assets	11	45,365	(489,960)
Fixed assets	11	1,375,794	1,351,358
Investment properties	11	5,458,801	4,775,305
Leasehold land and land use rights	11	3,124,223	3,291,022
Interests in jointly controlled entities		739,254	643,437
Interests in associated companies		1,775,477	1,760,348
Deferred tax assets	20	56,538	56,199
Other receivables-non current portion		104,900	104,900
Available-for-sale financial assets	12	387,380	—
Other investments		—	261,347
		<u>15,019,366</u>	<u>13,755,332</u>
Current assets			
Properties held for/under development		4,090,234	3,567,636
Properties held for sale		1,079,953	1,235,566
Leasehold land and land use rights	11	3,738,029	3,766,295
Inventories		208,816	195,288
Amount due from related companies		1,219	3,234
Trade receivables	13	427,637	457,868
Other receivables, prepayments and deposits		469,692	593,644
Charged bank deposits		91,586	70,747
Bank balances and cash		<u>1,178,174</u>	<u>830,910</u>
		<u>11,285,340</u>	<u>10,721,188</u>

APPENDIX II : FINANCIAL INFORMATION ON THE GZI GROUP

6. UNAUDITED FINANCIAL INFORMATION OF THE GZI GROUP

The following is the unaudited condensed financial statements of the GZI Group for the six months ended 30 June 2005 together with the relevant notes as extracted from the interim report of the Company for the six months ended 30 June 2005.

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 30 June 2005

	Note	Unaudited Six months ended 30 June	
		2005 HK\$'000	2004 Restated HK\$'000
Turnover	6	1,588,191	2,274,010
Cost of sales	7	<u>(1,237,618)</u>	<u>(1,734,213)</u>
Gross profit		350,573	539,797
Other revenues		6,839	9,795
Selling and distribution expenses	7	(55,125)	(63,168)
General and administrative expenses	7	(279,046)	(202,539)
Revaluation surplus on investment properties		<u>662,539</u>	<u>—</u>
Profit from operations		685,780	283,885
Finance costs		(114,092)	(75,463)
Share of profits less losses of			
Jointly controlled entities		14,534	252
Associated companies		<u>103,008</u>	<u>91,343</u>
Profit before taxation		689,230	300,017
Taxation	8	<u>(327,893)</u>	<u>(58,057)</u>
Profit for the period		<u>361,337</u>	<u>241,960</u>
Attributable to			
Equity holders of the Company		132,434	111,506
Minority interests		<u>228,903</u>	<u>130,454</u>
		<u>361,337</u>	<u>241,960</u>
Earnings per share for profit attributable to the equity holders of the Company during the period	9		
— Basic		<u>HK2.08 cents</u>	<u>HK1.77 cents</u>
— Diluted		<u>HK2.05 cents</u>	<u>HK1.73 cents</u>
Interim dividend	10	<u>64,028</u>	<u>52,531</u>

- (b) On 6 September 2004, management agreements in respect of toll road management fee were entered into between Guangzhou Highways Development Company ("GHDC"), a minority shareholder of subsidiaries, and certain subsidiaries engaging in the operation of toll highways in China, whereby GHDC carries out the day-to-day routine operational and maintenance services of the Guangshan Highway, Guangshen Highway, Guangcong Highway Section I and II, Provincial Highway 1909 and Guanghua Highway respectively including the collection of toll charges and repairs and maintenance in return for a fixed sum to be predetermined annually. Particulars of these management agreements have been published in a joint announcement dated 6 September 2004 issued by the Company and GZI Transport Limited.
- (c) Property management fee charged at HK\$51,000 for the year and rental expenses charged at HK\$88,000 per month from January to October and HK\$47,000 per month from November to December (2003: HK\$88,000 per month) were paid to Yue Xiu Enterprises (Holdings) Limited, the ultimate holding company.
- (d) Advance from Guangzhou Paper Holdings Limited, a minority shareholder of a subsidiary, bore interest at 5.31 per cent per annum during the year.

A counter-indemnity has been provided by the Joint Venture Partner to the GZI Group against all liabilities arising from such pledge. In addition, Yue Xiu has issued an indemnity to the GZI Group under which any shortfall between the counter indemnity give by the Joint Venture Partner and the Relevant Loan to the bank will be satisfied/paid by Yue Xiu if the counter-indemnity given by the Joint Venture Partner to the GZI Group is insufficient to cover the Relevant Loan.

Note: The GZI Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon issuance of the real estate ownership certificate.

38 PLEDGE OF ASSETS

At 31 December 2004, certain banking facilities and loans granted to the GZI Group and the Company were secured by the following:

- (a) certain of the GZI Group's properties held for/under development, properties held for sale and investment properties with an aggregate carrying value of HK\$514 million (2003: HK\$665 million), HK\$291 million (2003: HK\$246 million and HK\$3,230 million (2003: HK\$3,573 million) respectively;
- (b) floating charge over certain assets of certain subsidiaries with aggregate net book value (excluding intercompany loans) of HK\$4,086 million (2003: HK\$3,849 million);
- (c) mortgages of the GZI Group's shareholdings in certain subsidiaries; and
- (d) charge over certain intercompany loans with an aggregate amount of HK\$3,648 million (2003: HK\$3,573 million).

39 RELATED PARTY TRANSACTIONS

Significant related party transactions entered into in the normal course of the GZI Group's business are as follows:

	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental and utility expenses paid to a minority shareholder of a subsidiary <i>(note (a))</i>	260,384	186,303
Toll highways management fee paid and payable to a minority shareholder of subsidiaries <i>(note (b))</i>	62,235	62,223
Rental expenses and property management fee paid to the ultimate holding company <i>(note (c))</i>	1,025	1,056
Interest expenses paid to a minority shareholder of a subsidiary <i>(note (d))</i>	<u>4,643</u>	<u>—</u>

Notes:

- (a) On 17 October 2002, the GZI Group entered into a lease contract and a utilities supply contract with Guangzhou Paper Holdings Limited whereby Guangzhou Paper Holdings Limited agreed to lease certain fixed assets to the GZI Group for 20 years at a monthly rental of RMB1,446,000 (equivalent to approximately HK\$1,364,000) and to supply electricity, water and steam to the GZI Group for 20 years at certain pre-determined rates. The shareholders of the Company approved these transactions in an extraordinary general meeting held on 25 November 2002.

35 FUTURE MINIMUM RENTAL PAYMENTS RECEIVABLE

At 31 December 2004, the GZI Group and the Company had future minimum rental payments receivable under non-cancellable leases as follows:

	Group		Company	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Not later than one year	296,187	331,295	70	28
Later than one year and not later than five years	495,792	527,200	—	—
Later than five years	12,803	129,839	—	—
	<u>804,782</u>	<u>988,334</u>	<u>70</u>	<u>28</u>

36 OTHER COMMITMENTS

	Group	
	2004	2003
	HK\$'000	HK\$'000
Capital commitments in respect of fixed assets:		
Contracted but not provided for	14,359	16,755
Authorised but not contracted for	—	—
	<u>14,359</u>	<u>16,755</u>

At 31 December 2004, the GZI Group had financial commitments in respect of equity capital to be injected to a jointly controlled entity of approximately HK\$247,990,000 (2003: Nil).

37 CONTINGENT LIABILITIES

	Group		Company	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(a) Guarantees for mortgage facilities granted to certain buyers of the GZI Group's properties (<i>note</i>)	250,520	117,052	—	—
(b) Guarantees for banking and loan facilities granted to subsidiaries	—	—	390,215	694,915
	<u>250,520</u>	<u>117,052</u>	<u>390,215</u>	<u>694,915</u>

- (c) At 31 December 2004 and 2003, the GZI Group has pledged its income to be derived from its 24.3 per cent effective interest in an associated company to a bank in favour of a joint venture partner in this associated company (the "Joint Venture Partner"), in respect of the repayment of a bank loan by the Joint Venture Partner amounting to Rmb500 million (approximately HK\$467 million) and interest thereon (collectively referred to as "Relevant Loan").

	Share capital (including share premium)	Bank loans	Amounts due to associated companies and jointly controlled entities	Amounts due to minority shareholders of subsidiaries and other long-term loans	Minority interests
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2004	6,332,250	6,038,333	187,561	1,131,576	3,374,822
Issue of ordinary shares for cash	43,643	—	—	—	—
Capital contribution from minority shareholders of subsidiaries	—	—	—	—	4,476
Minority interest share of profits	—	—	—	—	280,947
Deemed acquisition of a subsidiary (note 33(b))	—	—	—	—	27,822
Deemed disposal of certain interests of a subsidiary	—	—	—	—	799
Minority interest share of exchange reserve	—	—	—	—	(2,066)
Dividends paid to minority shareholders of subsidiaries	—	—	—	—	(218,993)
New borrowings	—	932,996	48,031	177,745	—
Repayments	—	(1,801,602)	—	(231,818)	—
At 31 December 2004	<u>6,375,893</u>	<u>5,169,727</u>	<u>235,592</u>	<u>1,077,503</u>	<u>3,467,807</u>

34 COMMITMENTS UNDER OPERATING LEASES

The GZI Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings (mainly arising from the related party transactions referred to in note 39(a)) as follows:

	2004 HK\$'000	2003 HK\$'000
Not later than one year	26,380	31,591
Later than one year and not later than five years	97,388	85,560
Later than five years	<u>215,354</u>	<u>254,977</u>
	<u>339,122</u>	<u>372,128</u>

The Company did not have any commitment under operating leases at 31 December 2004 (2003: Nil).

(c) Disposal of certain interests in subsidiaries

	2004 HK\$'000	2003 HK\$'000
Net asset value of the GZI Group's interests disposed of	—	18,494
Negative goodwill released upon disposal	—	(8,857)
Loss on disposal	—	(998)
	<u>—</u>	<u>(998)</u>
Net inflow of cash and cash equivalents in respect of the disposal of certain interests in subsidiaries	<u>—</u>	<u>8,639</u>

(d) Analysis of changes in financing

	Share capital (including share premium)	Convertible bonds	Bank loans	Amounts due to associated companies and jointly controlled entities	Amounts due to minority shareholders of subsidiaries and other long-term loans	Minority interests
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2003	6,261,219	200,623	6,763,073	185,162	764,922	3,403,865
Issue of ordinary shares for purchase of subsidiaries	27,306	—	—	—	—	—
Issue of ordinary shares for cash	43,725	—	—	—	—	—
Redemption of convertible bonds	—	(200,623)	—	—	200,623	—
Premium on redemption of convertible bonds	—	—	—	—	1,950	—
Capital contribution from minority shareholders of subsidiaries	—	—	—	—	—	6,037
Increase in shareholdings of subsidiaries	—	—	—	—	—	(244,177)
Acquisition of subsidiaries	—	—	28,037	—	—	617
Decrease in shareholdings of a subsidiary	—	—	—	—	—	18,494
Minority interest share of profits	—	—	—	—	—	213,680
Deemed disposal of certain interests in a subsidiary	—	—	—	—	—	152,307
Minority interest share of exchange reserve	—	—	—	—	—	668
Dividends paid to minority shareholders of subsidiaries	—	—	—	—	—	(129,377)
Transfer from minority interests	—	—	—	—	344	(344)
New borrowings	—	—	2,252,575	2,399	183,093	—
Repayments	—	—	(3,005,352)	—	(19,356)	(46,948)
	<u>6,332,250</u>	<u>—</u>	<u>6,038,333</u>	<u>187,561</u>	<u>1,131,576</u>	<u>3,374,822</u>
At 31 December 2003	<u>6,332,250</u>	<u>—</u>	<u>6,038,333</u>	<u>187,561</u>	<u>1,131,576</u>	<u>3,374,822</u>

(b) Deemed acquisition/purchase of subsidiaries

	2004	2003
	HK\$'000	HK\$'000
Net assets acquired		
Fixed assets	—	17,685
Other investments	—	1,402
Interest in jointly controlled entity	(24,242)	—
Amount due from a jointly controlled entity	(350,628)	—
Properties held for/under development	471,115	—
Inventories	—	21,938
Other receivables, prepayments and deposits	10,966	18,587
Bank balances and cash	2,339	16,683
Trade payables, other payables and accrued charges	(81,728)	(15,330)
Minority interests (<i>note 33(d)</i>)	(27,822)	(617)
Bank loans	—	(28,037)
	—	32,311
Negative goodwill arising from the acquisition	—	(5,005)
Total cost of acquisition	<u>—</u>	<u>27,306</u>
Satisfied by:		
Issue of shares	—	27,306
Total cost of acquisition	<u>—</u>	<u>27,306</u>

In connection with the changes of terms on the joint venture agreement, a jointly controlled entity became a subsidiary of the GZI Group. As there was no change in the shareholding interest attributable to the GZI Group, the GZI Group did not pay any consideration for the deemed acquisition.

The subsidiaries acquired during the year contributed HK\$36 million cash outflow from operating activities (2003: outflow of HK\$3 million), nil from investing activities (2003: outflow of HK\$1 million) and HK\$37 million inflow from financing activities (2003: nil).

Analysis of net inflow of cash and cash equivalents in respect of the deemed acquisition/purchase of subsidiaries

	2004	2003
	HK\$'000	HK\$'000
Cash consideration	—	—
Bank balances and cash acquired	2,339	16,683
Net inflow of cash and cash equivalents in respect of the deemed acquisition/purchase of subsidiaries	<u>2,339</u>	<u>16,683</u>

Deferred income tax assets are recognised for tax loss carry forwards and the revaluation of properties to the extent that realisation of the related tax benefit through the future taxation profits is probable. As at 31 December 2004, the GZI Group has unrecognised tax losses of HK\$967 million (2003: HK\$752 million) for Hong Kong profits tax purposes with no expiry date and unrecognised tax benefits arising from revaluation of properties of HK\$251 million (2003: HK\$459 million).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

	2004 HK\$'000	2003 HK\$'000
Deferred tax assets		
- Hong Kong profits tax	10,054	12,712
- China enterprise income tax	46,145	26,349
	<u>56,199</u>	<u>39,061</u>
Deferred tax liabilities		
- Hong Kong profits tax	15,648	19,449
- China enterprise income tax	1,576,982	1,506,745
- China land appreciation tax	2,037,649	2,124,342
	<u>3,630,279</u>	<u>3,650,536</u>

33 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of profit from operations to net cash inflow generated from operations:

	2004 HK\$'000	2003 HK\$'000
Profit from operations	743,486	721,591
Depreciation and amortisation	211,441	184,280
Loss on disposal/deemed disposal of certain interests in a subsidiary	481	95,940
Loss on disposal of fixed assets	6,436	27,628
Loss on disposal of other investments	—	1,059
Interest income	(5,587)	(8,450)
Dividend income	(14,904)	(3,483)
Revaluation surplus on investment properties	(76,750)	(165,840)
(Write-back)/write-down of properties held for/under development to net realisable value	<u>(44,546)</u>	<u>5,805</u>
Operating profit before working capital changes	820,057	858,530
Net decrease in properties held for/under development and properties held for sale	857,212	982,306
Decrease/(increase) in inventories	24,839	(28,438)
Increase in trade receivables, other receivables, prepayments and deposits including amounts due from related companies	(63,133)	(71,033)
Decrease in trade payables, other payables and accrued charges	<u>(206,700)</u>	<u>(749,618)</u>
Net cash inflow generated from operations	<u>1,432,275</u>	<u>991,747</u>

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

Deferred tax assets:

	Group				
	Different bases in reporting expenses with tax authorities	Revaluation of			Total
	HK\$'000	properties HK\$'000	Tax loss HK\$'000	Others HK\$'000	
At 1 January 2003	9,725	16,800	3,065	4,254	33,844
Credited/(charged) to profit and loss account	<u>793</u>	<u>(1,645)</u>	<u>822</u>	<u>10,966</u>	<u>10,936</u>
At 31 December 2003	<u>10,518</u>	<u>15,155</u>	<u>3,887</u>	<u>15,220</u>	<u>44,780</u>
At 1 January 2004	10,518	15,155	3,887	15,220	44,780
Credited to profit and loss account	<u>11,230</u>	<u>—</u>	<u>5,536</u>	<u>685</u>	<u>17,451</u>
At 31 December 2004	<u>21,748</u>	<u>15,155</u>	<u>9,423</u>	<u>15,905</u>	<u>62,231</u>

Deferred tax liabilities:

	Group				
	Revaluation of properties HK\$'000	Different bases in reporting revenue and expenses with tax authorities	Accelerated depreciation HK\$'000	Others HK\$'000	Total HK\$'000
		HK\$'000			
At 1 January 2003	3,604,233	76,576	24,810	12,396	3,718,015
Charged/(credited) to profit and loss account	(97,757)	84,984	(16,319)	8,060	(21,032)
Credited to retained profits	<u>(40,728)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(40,728)</u>
At 31 December 2003	<u>3,465,748</u>	<u>161,560</u>	<u>8,491</u>	<u>20,456</u>	<u>3,656,255</u>
At 1 January 2004	3,465,748	161,560	8,491	20,456	3,656,255
Charged/(credited) to profit and loss account	(81,366)	71,603	(218)	(4,420)	(14,401)
Credited to retained profits	<u>(5,543)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(5,543)</u>
At 31 December 2004	<u>3,378,839</u>	<u>233,163</u>	<u>8,273</u>	<u>16,036</u>	<u>3,636,311</u>

(b) Company

	2004				2003			
	Obligations under finance lease	Loans from a ultimate holding company	Loan from a related company	Total	Obligations under finance lease	Loans from a ultimate holding company	Loan from a related company	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Within one year	25	—	—	25	14	—	—	14
In the second year	25	—	—	25	29	—	—	29
In the third to fifth year	28	361,907	84,535	446,470	—	252,906	83,504	336,410
With no fixed repayment terms	—	61,180	1,673	62,853	—	7,944	1,467	9,411
	78	423,087	86,208	509,373	43	260,850	84,971	345,864
Less: Current portion of other long-term loans	(25)	—	—	(25)	(14)	—	—	(14)
	53	423,087	86,208	509,348	29	260,850	84,971	345,850
The balances are analysed as follows:								
Interest bearing	—	361,907	84,535	446,442	43	252,906	83,504	336,453
Non-interest bearing	78	61,180	1,673	62,931	—	7,944	1,467	9,411
	78	423,087	86,208	509,373	43	260,850	84,971	345,864

The interest bearing balances bear interest at HIBOR plus 1 per cent per annum.

32 DEFERRED TAXATION

Deferred taxation are calculated in full on temporary differences under the liability method using the applicable income tax rate.

The movement on the deferred tax liabilities/(assets) account is as follows:

	2004	2003
	HK\$'000	HK\$'000
At 1 January	3,611,475	3,684,171
Deferred taxation credited to profit and loss account (note 8)	(31,852)	(31,968)
Taxation credited to equity	(5,543)	(40,728)
At 31 December	3,574,080	3,611,475

	2004				
	Obligations under finance leases	Loans from the ultimate holding company	Loans from related companies	Loans from minority shareholders of subsidiaries	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Within one year	25	—	—	—	25
In the second year	25	—	—	—	25
In the third to fifth year	28	267,459	—	—	267,487
With no fixed repayment terms	—	31,431	127,917	463,887	623,235
	78	298,890	127,917	463,887	890,772
Less: Current portion of other long-term loans	(25)	—	—	—	(25)
	<u>53</u>	<u>298,890</u>	<u>127,917</u>	<u>463,887</u>	<u>890,747</u>
The balances are analysed as follows:					
Interest bearing	—	267,459	84,535	120,561	472,555
Non-interest bearing	<u>78</u>	<u>31,431</u>	<u>43,382</u>	<u>343,326</u>	<u>418,217</u>
	<u>78</u>	<u>298,890</u>	<u>127,917</u>	<u>463,887</u>	<u>890,772</u>

Except for an aggregate amount of HK\$120,561,000 (2003: HK\$120,561,000) which bears interest at the prevailing lending rates of financial institutions in China ranging from 5.76 to 6.12 per cent per annum, the interest bearing balances bear interest at HIBOR plus 1 per cent per annum.

31 OTHER LONG-TERM LOANS

Other long-term loans are repayable over the following periods:

(a) Group

	2003					Total HK\$'000
	Obligations under finance leases	Loans from the ultimate holding company	Loans from related companies	Loans from minority shareholders of subsidiaries	Other loans	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Within one year	14	—	—	—	—	14
In the second year	29	—	—	—	—	29
In the third to fifth year	—	220,595	79,008	—	—	299,603
With no fixed repayment terms	—	10,066	65,809	561,420	15,600	652,895
	43	230,661	144,817	561,420	15,600	952,541
Less: Current portion of other long-term loans	(14)	—	—	—	—	(14)
	<u>29</u>	<u>230,661</u>	<u>144,817</u>	<u>561,420</u>	<u>15,600</u>	<u>952,527</u>
The balances are analysed as follows:						
Interest bearing	43	220,595	83,504	120,561	—	424,703
Non-interest bearing	—	10,066	61,313	440,859	15,600	527,838
	<u>43</u>	<u>230,661</u>	<u>144,817</u>	<u>561,420</u>	<u>15,600</u>	<u>952,541</u>

30 LONG-TERM BANK LOANS

	Group		Company	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Bank loans				
Secured (note 38)	3,372,134	3,848,194	2,204,233	2,454,683
Unsecured	<u>735,030</u>	<u>669,650</u>	<u>117,000</u>	<u>117,000</u>
	4,107,164	4,517,844	2,321,233	2,571,683
Current portion of long-term bank loans	<u>(959,499)</u>	<u>(875,394)</u>	<u>(513,935)</u>	<u>(367,452)</u>
	<u>3,147,665</u>	<u>3,642,450</u>	<u>1,807,298</u>	<u>2,204,231</u>

At 31 December 2004, the long-term bank loans were repayable as follows:

	Group		Company	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Within one year	959,499	875,394	513,935	367,452
In the second year	1,324,388	878,627	367,258	396,934
In the third to fifth year	<u>1,823,277</u>	<u>2,763,823</u>	<u>1,440,040</u>	<u>1,807,297</u>
	<u>4,107,164</u>	<u>4,517,844</u>	<u>2,321,233</u>	<u>2,571,683</u>

(b) Company

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2003	5,649,409	1,815	313,225	5,964,449
Net proceeds from issue of ordinary shares	57,969	—	—	57,969
Profit for the year	—	—	62,170	62,170
Dividends paid	—	—	(49,502)	(49,502)
At 31 December 2003	<u>5,707,378</u>	<u>1,815</u>	<u>325,893</u>	<u>6,035,086</u>
At 1 January 2004	5,707,378	1,815	325,893	6,035,086
Net proceeds from issue of ordinary shares	33,355	—	—	33,355
Profit for the year	—	—	100,356	100,356
Dividends paid	—	—	(120,792)	(120,792)
At 31 December 2004	<u>5,740,733</u>	<u>1,815</u>	<u>305,457</u>	<u>6,048,005</u>
Representing:				
2004 Final dividend proposed			57,266	
Others			<u>248,191</u>	
Retained profits as at 31 December 2004			<u>305,457</u>	

(c) Included in the GZI Group's retained profits are retained profits amounting to HK\$801,941,000 (2003: HK\$613,138,000) and accumulated losses of HK\$294,922,000 (2003: HK\$265,856,000) which are attributable to associated companies and jointly controlled entities, respectively.

(d) Statutory reserves represent enterprise expansion and general reserve funds set up by the subsidiaries and associated companies in China. As stipulated by regulations in China, the Company's subsidiaries and associated companies established and operated in China are required to appropriate a portion of their after-tax profit (after offsetting prior year losses) to the enterprise expansion and general reserve funds, at rates determined by their respective boards of directors. According to the Foreign Investment Enterprises Accounting Standards in China, upon approval by the board, the general reserve fund may be used for making up losses and increasing capital while the enterprise expansion fund may be used for increasing capital. Included in the GZI Group's statutory reserves is HK\$538,000 (2003: HK\$538,000) attributable to associated companies.

29 RESERVES

(a) Group

	Share premium HK\$'000	Capital reserve HK\$'000	Statutory reserves HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2003	5,649,409	1,815	49,841	(80,183)	477,355	6,098,237
Net proceeds from issue of ordinary shares	57,969	—	—	—	—	57,969
Exchange differences	—	—	—	3,748	—	3,748
Release of reserve upon disposal of properties held for/under development and properties held for sale	—	—	—	—	(66,070)	(66,070)
Release of reserve upon deemed disposal of certain interest in a subsidiary	—	—	(273)	(274)	—	(547)
Transfer	—	—	13,038	—	(13,038)	—
Profit attributable to shareholders	—	—	—	—	300,653	300,653
Dividends paid	—	—	—	—	(49,502)	(49,502)
At 31 December 2003	5,707,378	1,815	62,606	(76,709)	649,398	6,344,488
At 1 January 2004	5,707,378	1,815	62,606	(76,709)	649,398	6,344,488
Net proceeds from issue of ordinary shares	33,355	—	—	—	—	33,355
Exchange differences	—	—	—	(1,588)	—	(1,588)
Release of reserve upon disposal of properties held for/under development and properties held for sale	—	—	—	—	(30,675)	(30,675)
Release of reserve upon deemed disposal of certain interest in a subsidiary	—	—	(1)	(2)	—	(3)
Provision for impairment of goodwill	—	—	—	—	43,533	43,533
Transfer	—	—	16,792	—	(16,792)	—
Profit attributable to shareholders	—	—	—	—	330,823	330,823
Dividends paid	—	—	—	—	(120,792)	(120,792)
At 31 December 2004	5,740,733	1,815	79,397	(78,299)	855,495	6,599,141
Representing:						
2004 Final dividend proposed					57,266	
Others					798,229	
Retained profits as at 31 December 2004					855,495	

28 SHARE OPTIONS

On 26 June 2002, the Company has adopted a new share option scheme, under which it may grant options to employees (including directors of the Company) to subscribe for shares in the Company, subject to a maximum of 10 per cent of the number of shares in issue as at 26 June 2002. The exercise price will be determined by the Company's Board of Directors and shall at least be the highest of (i) the closing price of the Company's shares on the date of grant of the options, (ii) an average closing price of the Company's shares for the five business days immediately preceding the date of grant of the options, and (iii) the nominal value of the Company's shares.

As at 31 December 2004, there were outstanding options granted under an old share option scheme to subscribe for an aggregate of 9,626,000 shares of the Company. All options granted under the old share option scheme will continue to be valid and exercisable in accordance with the rules of the old share option scheme.

Particulars and movements of share options during the year are as follows:

Date of grant	Exercise period	Exercise price HK\$	Number of share options				as at 31 December 2004 '000
			as at 1 January 2004 '000	granted '000	exercised '000	lapsed '000	
Old share option scheme							
4 September 1998	4 September 1998 - 3 September 2004	0.3936	52,000	—	(46,600)	(5,400)	—
14 December 1999	14 December 1999 - 13 December 2005	0.5008	14,174	—	(4,548)	—	9,626
New share option scheme							
2 May 2003	2 May 2003 - 1 May 2013	0.4100	152,150	—	(42,970)	—	109,180
2 June 2003	2 June 2003 - 1 June 2013	0.5400	61,950	—	(1,800)	—	60,150
27 October 2003	27 October 2003 - 26 October 2013	0.8140	12,620	—	(216)	—	12,404
23 December 2003	23 December 2003 - 22 December 2013	0.8460	100,632	—	(170)	(228)	100,234
23 June 2004	23 June 2004 - 22 June 2014	0.6300	—	320,310	(6,576)	(1,320)	312,414
			<u>393,526</u>	<u>320,310</u>	<u>(102,880)</u>	<u>(6,948)</u>	<u>604,008</u>

26 TRADE PAYABLES

Trade payables include trade balances with creditors and retention money payable on construction contracts.

The ageing analysis of the trade payables were as follows:

	Group	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 - 30 days	32,433	75,453
31 - 90 days	70,560	16,247
91 - 180 days	24,008	40,828
181 - 365 days	65,755	62,674
1 - 2 year	39,243	203,040
Over 2 years	<u>182,494</u>	<u>49,358</u>
	<u>414,493</u>	<u>447,600</u>

27 SHARE CAPITAL

	Number of shares	<i>HK\$'000</i>
	<i>'000</i>	
Authorised:		
10,000,000,000 ordinary shares of HK\$0.10 each	<u>10,000,000</u>	<u>1,000,000</u>
Issued and fully paid:		
At 1 January 2003	6,118,102	611,810
Issue of shares for acquisition of subsidiaries	31,386	3,139
Issue of shares upon exercise of share options	<u>99,230</u>	<u>9,923</u>
At 31 December 2003	<u>6,248,718</u>	<u>624,872</u>
At 1 January 2004	6,248,718	624,872
Issue of shares upon exercise of share options (<i>note a</i>)	<u>102,880</u>	<u>10,288</u>
At 31 December 2004	<u>6,351,598</u>	<u>635,160</u>

Note:

- (a) During the year, 102,880,000 ordinary shares of HK\$0.1 each were issued upon the exercise of share options (see note 28).

23 AMOUNTS DUE FROM RELATED COMPANIES AND AMOUNTS DUE TO MINORITY SHAREHOLDERS OF SUBSIDIARIES

(a) Amounts due from related companies and amounts due to minority shareholders of subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

(b) Details of the amounts due from related companies are:

	Group		Maximum balance outstanding during the year
	2004	2003	
	HK\$'000	HK\$'000	HK\$'000
Due from related companies			
Amounts due from related companies, which are beneficially owned by the ultimate holding company of the Company	<u>3,234</u>	<u>3,678</u>	3,766

24 TRADE RECEIVABLES

The GZI Group has defined credit policies for different business. The credit terms of the GZI Group are generally within three months. The ageing analysis of the trade receivables is as follows:

	Group	
	2004	2003
	HK\$'000	HK\$'000
0 - 30 days	174,569	213,938
31 - 90 days	76,788	249,337
91 - 180 days	81,345	48,372
181 - 365 days	43,789	89,711
Over 1 year	<u>186,277</u>	<u>65,736</u>
	<u>562,768</u>	<u>667,094</u>

25 BANK AND CASH BALANCES

Included in the bank and cash balances of the GZI Group and the Company are deposits of approximately HK\$757,369,000 (2003: HK\$803,021,000) and HK\$59,000 (2003: HK\$4,026,000), respectively, denominated in Renminbi and placed with banks in China. The conversion of these Renminbi denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the China government.

As at 31 December 2004, the GZI Group's bank deposits of HK\$70,747,000 (2003: HK\$56,143,000) were restricted in use pursuant to the regulations in relation to the pre-sales of properties in China.

(a) Except for loans in aggregate amount of HK\$568,414,000 (2003: HK\$653,816,000) which bear interest at prevailing Hong Kong dollars prime rates ranging of 5 to 5.125 per cent per annum; US dollars prime rates ranging from 4 to 5.25 per cent per annum and lending rates of financial institutions in China ranging from 5.31 to 6.12 per cent per annum, the remaining balance are unsecured, interest-free and have no fixed terms of repayment.

(b) Amounts due from/(to) associated companies are unsecured, interest-free and have no fixed terms of repayment.

20 OTHER INVESTMENTS

	Group	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Other investments, at cost	317,555	316,059
Less: Accumulated impairment losses	<u>(56,208)</u>	<u>(56,208)</u>
	<u>261,347</u>	<u>259,851</u>

Other investments mainly represent the GZI Group's investments in co-operative joint ventures established in China for the development and management of highways and the development of properties.

21 PROPERTIES HELD FOR/UNDER DEVELOPMENT AND PROPERTIES HELD FOR SALE

Properties held for development include certain land parcels pending development. The amount of properties held for/under development and properties held for sale of the GZI Group carried at net realisable value is approximately HK\$2,130,000,000 (2003: approximately HK\$2,575,000,000).

22 INVENTORIES

	Group	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Raw materials	103,982	59,113
Work-in-progress	78,335	113,327
Finished goods	<u>12,971</u>	<u>47,687</u>
	<u>195,288</u>	<u>220,127</u>

All inventories were stated at cost as at 31 December 2004 and 2003.

18 INTERESTS IN JOINTLY CONTROLLED ENTITIES

	Group	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Share of net assets	470,976	384,439
Goodwill on acquisition of a jointly controlled entity less accumulated amortisation	<u>20,077</u>	<u>20,265</u>
	-----	-----
	491,053	404,704
Amounts due from jointly controlled entities (<i>note (a)</i>)	188,843	411,825
Less: provision for amount due from jointly controlled entities	<u>(33,179)</u>	<u>(18,465)</u>
	-----	-----
	155,664	393,360
	<u>646,717</u>	<u>798,064</u>
	-----	-----
Amounts due to jointly controlled entities (<i>note (a)</i>)	<u>(123,442)</u>	<u>(75,340)</u>

(a) The amounts due from/(to) jointly controlled entities are unsecured, interest-free and have no fixed terms of repayment.

(b) As at 31 December 2004, Guangzhou Western Second Ring Expressway Co Ltd of which 35% interest is held by the GZI Transport Ltd, a subsidiary of the GZI Group, had a capital commitment of HK\$2,528,000,000.

19 INTERESTS IN ASSOCIATED COMPANIES

	Group	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Share of net assets	747,987	651,060
Goodwill on acquisition of associated companies less accumulated amortisation	<u>158,083</u>	<u>164,670</u>
	-----	-----
	906,070	815,730
Loans receivable from associated companies (<i>note (a)</i>)	787,421	872,606
Amounts due from associated companies (<i>note (b)</i>)	86,765	84,681
Less: provision for amount due from an associated company	<u>(19,908)</u>	<u>(19,908)</u>
	-----	-----
	854,278	937,379
	<u>1,760,348</u>	<u>1,753,109</u>
	-----	-----
Amounts due to associated companies (<i>note (b)</i>)	<u>(112,150)</u>	<u>(112,221)</u>

APPENDIX II FINANCIAL INFORMATION ON THE GZI GROUP

- (d) Investment properties of the GZI Group and the Company were revalued at 31 December 2004 on the basis of their open market value as determined by independent firm of professional surveyor, Greater China Appraisal Limited, employed by the GZI Group. Other fixed assets of the GZI Group and the Company are stated at cost less accumulated depreciation.
- (e) As at 31 December 2004, the net book values of fixed assets held under finance leases by the GZI Group and the Company amounted to HK\$83,000 (2003: HK\$46,000).

17 INVESTMENTS IN SUBSIDIARIES

	Company	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Investments in unlisted shares, at cost	29,332	36,587
Amounts due from subsidiaries (<i>note (a)</i>)	<u>9,928,354</u>	<u>9,814,643</u>
	<u>9,957,686</u>	<u>9,851,230</u>
Amounts due to subsidiaries (<i>note (b)</i>)	<u>(377,464)</u>	<u>(354,938)</u>

- (a) The amounts due from subsidiaries are unsecured and have no fixed terms of repayments. Except for the amounts of approximately HK\$7,405,982,000 (2003: approximately HK\$7,353,575,000) which are interest-free, all amounts due from subsidiaries are interest bearing at 2.5 to 5.5 per cent per annum.
- (b) The amounts due to subsidiaries are unsecured and have no fixed terms of repayments. Except for the amounts of approximately HK\$31,464,000 (2003: approximately HK\$31,445,000) which are interest-free, all amounts due to subsidiaries are interest bearing at Hong Kong Interbank Offered Rate (HIBOR) plus 0.6 per cent to HIBOR plus 1.25 per cent per annum.
- (c) None of the subsidiaries had any loan capital in issue at any time during the year ended 31 December 2004 (2003: Nil).

(b) Company

	Investment properties HK\$'000	Other properties HK\$'000	Leasehold improvements, furniture, fixtures and office equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost or valuation					
At 1 January 2004	9,375	14,338	9,234	4,465	37,412
Additions	—	—	765	—	765
Revaluation surplus	2,200	—	—	—	2,200
Transfer	(1,275)	1,275	—	—	—
At 31 December 2004	<u>10,300</u>	<u>15,613</u>	<u>9,999</u>	<u>4,465</u>	<u>40,377</u>
Accumulated depreciation					
At 1 January 2004	—	4,630	8,149	4,059	16,838
Charge for the year	—	361	469	146	976
At 31 December 2004	<u>—</u>	<u>4,991</u>	<u>8,618</u>	<u>4,205</u>	<u>17,814</u>
Net book value					
At 31 December 2004	<u>10,300</u>	<u>10,622</u>	<u>1,381</u>	<u>260</u>	<u>22,563</u>
At 31 December 2003	<u>9,375</u>	<u>9,708</u>	<u>1,085</u>	<u>406</u>	<u>20,574</u>

(c) The GZI Group's and the Company's interests in investment properties and other properties at their net book values are analysed as follows:

	Group		Company	
	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
In Hong Kong, held on:				
Leases of between 10 to 50 years	724,500	720,000	—	—
Leases of over 50 years	131,850	156,416	20,747	18,900
Outside Hong Kong*, held on:				
Leases of between 10 to 50 years	25,524	183	175	183
Leases of over 50 years	<u>4,260,750</u>	<u>4,229,500</u>	<u>—</u>	<u>—</u>
	<u>5,142,624</u>	<u>5,106,099</u>	<u>20,922</u>	<u>19,083</u>

* Properties outside Hong Kong mainly comprise properties located in China.

16 FIXED ASSETS

(a) Group

	Investment properties HK\$'000	Other properties HK\$'000	Production facilities under construction HK\$'000	Plant and machinery and tools HK\$'000	Leasehold improvements, furniture, fixtures and office equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost or valuation							
At 1 January 2004	4,845,537	366,760	259,378	1,247,023	211,432	72,030	7,002,160
Additions	122,978	985	66,340	1,706	7,322	3,007	202,338
Transfer (to)/from properties held for/under development	(164,825)	46,260	—	—	—	—	(118,565)
Revaluation surplus	76,750	—	—	—	—	—	76,750
Transfer	(76,729)	73,904	—	—	—	—	(2,825)
Transfer upon completion	—	13,447	(237,413)	187,740	36,226	—	—
Disposals	(28,406)	(35,440)	—	(22,028)	(7,017)	(4,933)	(97,824)
At 31 December 2004	4,775,305	465,916	88,305	1,414,441	247,963	70,104	7,062,034
Accumulated depreciation							
As 1 January 2004	—	106,198	—	470,436	128,822	45,622	751,078
Charge for the year	—	15,809	—	106,773	19,987	5,998	148,567
Transfer	—	(2,825)	—	—	—	—	(2,825)
Disposals	—	(20,585)	—	(25,549)	(1,941)	(3,341)	(51,416)
At 31 December 2004	—	98,597	—	551,660	146,868	48,279	845,404
Net book value							
At 31 December 2004	4,775,305	367,319	88,305	862,781	101,095	21,825	6,216,630
At 31 December 2003	4,845,537	260,562	259,378	776,587	82,610	26,408	6,251,082

15 OTHER INTANGIBLE ASSETS

	Goodwill <i>HK\$'000</i>	Group Negative goodwill <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2004	40,453	(575,706)	(535,253)
Amortisation charge	<u>(3,674)</u>	<u>48,967</u>	<u>45,293</u>
At 31 December 2004	<u>36,779</u>	<u>(526,739)</u>	<u>(489,960)</u>
At 31 December 2004			
Cost	51,310	(629,602)	(578,292)
Accumulated amortisation	<u>(14,531)</u>	<u>102,863</u>	<u>88,332</u>
	<u>36,779</u>	<u>(526,739)</u>	<u>(489,960)</u>
At 31 December 2003			
Cost	51,310	(629,602)	(578,292)
Accumulated amortisation	<u>(10,857)</u>	<u>53,896</u>	<u>43,039</u>
	<u>40,453</u>	<u>(575,706)</u>	<u>(535,253)</u>

(b) The emoluments of the Directors fell within the following bands:

Emoluments bands	Number of directors	
	2004	2003
Nil - HK\$1,000,000	5 ¹	12 ¹
HK\$1,000,001 - HK\$1,500,000	1	2
HK\$1,500,001 - HK\$2,000,000	2	2
HK\$2,000,001 - HK\$2,500,000	1	3
HK\$2,500,001 - HK\$3,000,000	1	—
HK\$3,000,001 - HK\$3,500,000	1	—
HK\$3,500,001 - HK\$4,000,000	1	—
	<u>12</u>	<u>19</u>

¹ Included three (2003: two) independent non-executive Directors.

No Directors waived emoluments in respect of the years ended 31 December 2004 and 2003. No emoluments were paid or payable by the GZI Group as an inducement to join or upon joining the GZI Group, or as compensation for loss of office during the years ended 31 December 2004 and 2003.

(c) The five individuals whose emoluments were the highest in the GZI Group for the year ended 31 December 2004 are also directors whose emoluments are reflected in the analysis presented above.

14 INTERESTS IN TOLL HIGHWAYS AND BRIDGES

	Intangible	Group	Total
	operating rights	Tangible	
	HK\$'000	infrastructure	HK\$'000
At 1 January 2004	1,750,864	348,783	2,099,647
Additions	3,121	—	3,121
Amortisation/depreciation charge	<u>(88,945)</u>	<u>(12,447)</u>	<u>(101,392)</u>
At 31 December 2004	<u>1,665,040</u>	<u>336,336</u>	<u>2,001,376</u>
At 31 December 2004			
Cost	2,146,227	403,755	2,549,982
Accumulated amortisation/depreciation	<u>(481,187)</u>	<u>(67,419)</u>	<u>(548,606)</u>
Net book value	<u>1,665,040</u>	<u>336,336</u>	<u>2,001,376</u>
At 31 December 2003			
Cost	2,143,106	403,755	2,546,861
Accumulated amortisation/depreciation	<u>(392,242)</u>	<u>(54,972)</u>	<u>(447,214)</u>
Net book value	<u>1,750,864</u>	<u>348,783</u>	<u>2,099,647</u>

The intangible operating rights and tangible infrastructure are located in China.

Pension scheme arrangements

The GZI Group operates a pension scheme for Hong Kong employees. The scheme is a defined contribution scheme and is administered by independent trustees. In relation to each employee, the employee contributes 5 per cent and the GZI Group contributes 5 per cent to 15 per cent of the employee's basic salary to the scheme. There were no significant forfeited contributions in respect of employees who left the scheme prior to vesting fully in the contributions during the year and as at 31 December 2004 (2003: Nil).

The GZI Group participates in the Mandatory Provident Fund Scheme ("MPF" Scheme) for Hong Kong employees. The GZI Group's MPF Scheme contributions are at 5 per cent of the employee's relevant income as defined in the Hong Kong Mandatory Provident Fund Schemes Ordinance up to a maximum of HK\$1,000 per employee per month. The employees also contribute a corresponding amount to the MPF Scheme if their relevant income is more than HK\$5,000 per month. The MPF contributions are fully and immediately vested in the employees as accrued benefits once they are paid.

Subsidiaries of the Company in China are required to participate in a defined contribution retirement plan organised by the Guangzhou Municipal People's Government. All Chinese workers are entitled to a pension equal to a fixed proportion of their ending basic salary amount at their retirement date except for a substantial number of staff members of five subsidiaries in China who are employed by Guangzhou Highways Development Company ("GHDC"), the local partner, pursuant to highways management agreements (the "Management Agreements") executed between these subsidiaries and GHDC. Pursuant to the Management Agreements, details of which are disclosed in note 39(b) to the accounts, GHDC assumes full responsibility for the salaries and all statutory benefits, insurance and welfare funds required to be paid pursuant to relevant laws and regulations of China to the staff members and workers employed by GHDC to perform their duties required under the Management Agreements. The other subsidiaries are required to make contributions to the retirement plan at the rates of 16 per cent to 24 per cent of the basic salaries of their staff members.

The GZI Group's contribution is charged to its profit and loss account and expenses incurred by the GZI Group for the year amounted to HK\$38,528,000 (2003: HK\$21,363,000).

13 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

- (a) The aggregate amounts of emoluments paid or payable to the Directors of the Company are as follows:

	2004 HK\$'000	2003 HK\$'000
Fees (note (i))	86	76
Other emoluments:		
Basis salaries, housing allowances, other allowances and benefits in kind	5,767	8,004
Discretionary bonuses	10,772	7,434
Directors' pension	109	162
	<u>16,734</u>	<u>15,676</u>

Note:

- (i) Directors' fees represent amounts paid to independent non-executive Directors.

Note:

- (i) The rate of China enterprise income tax was adopted as majority of the GZI Group's operations were carried out in China.

9 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders is dealt with in the accounts of the Company to the extent of HK\$100,356,000 (2003: HK\$62,170,000).

10 DIVIDENDS

	2004 HK\$'000	2003 HK\$'000
Interim, paid, of HK\$0.0083 (2003: HK\$0.008) per ordinary share	52,531	49,502
Final, proposed, of HK\$0.009 (2003: HK\$0.0108) per ordinary share	<u>57,266</u>	<u>68,038</u>
	<u>109,797</u>	<u>117,540</u>

At a meeting held on 21 April 2005, the directors proposed a final dividend of HK\$0.009 per ordinary share. This proposed dividend is not reflected as a dividend payable in these accounts, but will be reflected as an appropriation of retained profits for the year ending 31 December 2005.

11 EARNINGS PER SHARE

The calculations of basic and diluted earnings per share are based on the GZI Group's profit attributable to shareholders of HK\$330,823,000 (2003: HK\$300,653,000).

The basic earnings per share is based on the weighted average number of 6,318,186,352 (2003: 6,146,494,166) ordinary shares in issue during the year. The diluted earnings per share is based on 6,424,401,643 (2003: 6,223,195,777) ordinary shares which is the weighted average number of ordinary shares in issue during the year plus the weighted average number of 106,215,291 (2003: 76,701,611) ordinary shares deemed to be issued at no consideration if all outstanding options had been exercised.

12 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	2004 HK\$'000	2003 HK\$'000
Wages and salaries	221,989	198,757
Pension costs (defined contribution plans)	38,528	22,585
Medical benefits costs (defined contribution plans)	5,492	4,561
Social security costs	15,674	14,405
Termination benefits	1,554	763
Staff welfare	<u>16,405</u>	<u>18,315</u>
	<u>299,642</u>	<u>259,386</u>

(d) The amount of taxation charged to the consolidated profit and loss account represents:

	2004 HK\$'000	2003 HK\$'000
Company and subsidiaries		
Current taxation		
Hong Kong profits tax	1,547	1,627
China enterprise income tax	135,656	78,974
China land appreciation tax	68,295	42,544
Under/(over)provision in prior years	5,296	(6,051)
Deferred taxation relating to the reversal of temporary differences	(31,852)	(30,949)
Deferred taxation resulting from an increase in tax rate	—	(1,019)
	<u>178,942</u>	<u>85,126</u>
Associated companies		
Share of China enterprise income tax	13,990	5,814
Share of deferred taxation	11,589	17,782
Jointly controlled entities		
Share of deferred taxation	<u>6,044</u>	<u>5,877</u>
Taxation charges	<u>210,565</u>	<u>114,599</u>

The taxation on the GZI Group's profit before taxation differs from the theoretical amount that would arise using the enterprise income tax rate of China, the home country of the GZI Group, as follows:

	2004 HK\$'000	2003 HK\$'000
Profit before taxation	<u>822,335</u>	<u>628,932</u>
Calculated at China enterprise income tax rate of 33 per cent (<i>note (i)</i>) (2003: 33 per cent)		
Effect of different taxation rates	271,371	207,548
Increase in opening net deferred tax assets resulting from an increase in tax rate	(81,351)	(53,250)
Effect of tax concession under tax holiday	—	(1,019)
Income not subject to taxation	(201)	(263)
Expenses not deductible for taxation purposes	(22,132)	(29,677)
Net effect of tax losses not recognised and utilisation of previously unrecognised tax losses	36,246	44,051
Under/(over)provision in prior years	13,663	(8,094)
Effect of land appreciation tax deductible for calculation of income tax purposes	5,296	(6,051)
	<u>6,071</u>	<u>19,035</u>
Land appreciation tax	<u>228,963</u>	<u>172,280</u>
	<u>(18,398)</u>	<u>(57,681)</u>
Taxation charges	<u>210,565</u>	<u>114,599</u>

7 FINANCE COSTS

	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank loans and overdrafts	135,656	230,458
Interest element of finance leases	—	70
Premium on redemption of convertible bonds	—	1,950
Interests on		
- amount due to a minority shareholder of a subsidiary	4,643	—
- loan from the ultimate holding company	3,455	3,977
- loan from related companies	1,031	721
- convertible bonds	—	3,544
- other loans	<u>23,126</u>	<u>3,285</u>
Total borrowing costs incurred	167,911	244,005
Less: amount capitalised to properties held for/under development (<i>note (i)</i>)	<u>(55,399)</u>	<u>(19,272)</u>
	<u>112,512</u>	<u>224,733</u>

Note:

- (i) The average interest rate of borrowing costs capitalised for the year ended 31 December 2004 was approximately 4.76 per cent per annum (2003: 5.31 per cent per annum).

8 TAXATION

- (a) Hong Kong profits tax has been provided at the rate of 17.5 per cent (2003: 17.5 per cent) on the estimated assessable profit for the year.
- (b) China enterprise income taxation is provided on the profits of the GZI Group's subsidiaries, associated companies and jointly controlled entities in China in accordance with the Income Tax Law of China for Enterprises with Foreign Investment and Foreign Enterprises ("China Tax Law") at rates ranging from 18 per cent to 33 per cent. Under the China Tax Law, certain of the GZI Group's subsidiaries, associated companies and jointly controlled entities in China are entitled to an income tax holiday for two to five years from its first profit making year followed by a 50 per cent reduction in income tax for the next three to five years.
- (c) China land appreciation tax is levied at progressive rates ranging from 30 per cent to 60 per cent on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditures.

6 PROFIT FROM OPERATIONS

Profit from operations is stated after crediting and charging the following:

	2004 HK\$'000	2003 HK\$'000
Crediting		
Gross rental income from investment properties	300,747	292,380
Less: direct outgoings	<u>(27,486)</u>	<u>(29,530)</u>
Net rental income from investment properties	273,261	262,850
Amortisation of negative goodwill		
- Included in cost of sales	42,007	37,811
- Included in administrative expenses	6,960	6,959
Write-back of other payables	1,300	45,527
Net exchange gain	<u>2,275</u>	<u>6,367</u>
Charging		
Auditors' remuneration	4,607	4,944
Advertising expenses	129,997	96,443
Cost of inventories sold	3,202,685	2,508,535
Depreciation		
- Owned fixed assets	148,544	119,521
- Leased fixed assets	23	14
Amortisation/depreciation of interests in toll highways and bridges (included in cost of sales)	101,392	98,163
Amortisation of goodwill (included in administrative expenses)	10,449	11,352
Loss on disposal of certain interests in a subsidiary	—	998
Loss on disposal of fixed assets	6,436	27,628
Loss on disposal of other investments	—	1,059
Staff costs (note 12)	299,642	259,386
Operating leases		
- Hire of plant and workshops (note 39(a))	16,215	17,350
- Land and buildings	47,783	43,654
Provision for doubtful debts	<u>5,933</u>	<u>68,659</u>

Secondary reporting format — geographical segments

	Turnover		Total assets		Capital expenditure	
	2004	2003	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	448,891	180,674	1,407,288	1,490,990	28,253	1,611
China	4,051,641	3,741,675	22,730,719	23,121,470	177,206	228,097
Overseas	<u>26,147</u>	<u>2,760</u>	<u>46,582</u>	<u>52,587</u>	<u>—</u>	<u>106</u>
	<u>4,526,679</u>	<u>3,925,109</u>	24,184,589	24,665,047	<u>205,459</u>	<u>229,814</u>
Unallocated assets			<u>1,016,434</u>	<u>1,120,871</u>		
Total assets			<u>25,201,023</u>	<u>25,785,918</u>		

3 REVERSAL OF PROVISION FOR DOUBTFUL DEBT

This relates to a receivable fully provided for in previous years as there was uncertainty on its ultimate recoverability. During the year, the GZI Group's directors made a reassessment and concluded that the circumstances leading to the provision no longer exist and therefore, a reversal is made.

4 LOSS ON DEEMED DISPOSAL OF CERTAIN INTERESTS IN A SUBSIDIARY

During the year ended 31 December 2004, GZI Transport Limited ("GZT") issued 416,000 (2003: 64,448,000) shares upon the exercise of GZT's employee share options and consequently the Company's effective interest in GZT was reduced by 0.02% (2003: 2.66%). This results in a deemed disposal loss of HK\$481,000 (2003: HK\$94,942,000).

5 WRITE-BACK/(WRITE-DOWN) OF PROPERTIES HELD FOR/UNDER DEVELOPMENT TO NET REALISABLE VALUE

	2004	2003
	HK\$'000	HK\$'000
Write-back/(write-down) of properties held for/ under development to net realisable value	<u>44,546</u>	<u>(5,805)</u>

Certain properties held for/under development were written down to net realisable value in previous years. Due to the increase in the market value of these properties during the year, a write-back of the provision is made.

APPENDIX II
FINANCIAL INFORMATION ON THE GZI GROUP
Primary reporting format — business segments

	Toll operations		Properties		Paper		Group	
	2004	2003	2004	2003	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	<u>400,212</u>	<u>428,873</u>	<u>2,885,774</u>	<u>2,489,973</u>	<u>1,240,693</u>	<u>1,006,263</u>	<u>4,526,679</u>	<u>3,925,109</u>
Segment results	<u>148,790</u>	<u>185,289</u>	<u>530,881</u>	<u>591,423</u>	<u>95,296</u>	<u>90,293</u>	<u>774,967</u>	<u>867,005</u>
Interest income							5,587	8,450
Loss on deemed disposal of certain interests in a subsidiary							(481)	(94,942)
Unallocated operating costs							(36,587)	(58,922)
Finance costs							(112,512)	(224,733)
Share of profits less (losses) of:								
Jointly controlled entities	13,772	(20,419)	(36,793)	(29,274)	—	—	(23,021)	(49,693)
Associated companies	214,382	181,607	—	160	—	—	214,382	181,767
Profit before taxation							822,335	628,932
Taxation							<u>(210,565)</u>	<u>(114,599)</u>
Profit after taxation							611,770	514,333
Minority interests							<u>(280,947)</u>	<u>(213,680)</u>
Profit attributable to shareholders							<u>330,823</u>	<u>300,653</u>
Segment assets	2,229,404	2,335,043	18,052,478	18,062,645	1,495,642	1,716,186	21,777,524	22,113,874
Interests in jointly controlled entities	422,892	330,621	223,825	467,443	—	—	646,717	798,064
Interests in associated companies	1,671,842	1,671,076	88,506	82,033	—	—	1,760,348	1,753,109
Unallocated assets							<u>1,016,434</u>	<u>1,120,871</u>
Total assets							<u>25,201,023</u>	<u>25,785,918</u>
Segment liabilities	565,843	575,491	4,350,840	4,513,596	221,621	245,410	5,138,304	5,334,497
Unallocated liabilities							<u>9,360,611</u>	<u>10,107,239</u>
Total liabilities							<u>14,498,915</u>	<u>15,441,736</u>
Capital expenditure	3,788	20,703	133,368	101,407	68,303	107,704	205,459	229,814
Depreciation and amortisation	<u>113,871</u>	<u>111,113</u>	<u>(21,361)</u>	<u>(29,791)</u>	<u>118,931</u>	<u>102,958</u>	<u>211,441</u>	<u>184,280</u>

Turnover and segment results for the period are as follows:

Primary reporting format — business segments

The GZI Group operates mainly in Hong Kong and Mainland of China ("China") and in three main business segments:

- Properties — development, selling and management of properties and holding of investment properties
- Toll operations — development, operation and management of toll highways and bridges
- Paper — manufacturing and selling of newsprint paper

There are no significant sales between the business segments.

Secondary reporting format — geographical segments

The GZI Group's three business segments are mainly managed in Hong Kong and China:

Hong Kong — properties
China — toll operations, properties, and paper
Others — properties

There are no significant sales between the geographical segments.

(r) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset.

All other borrowing costs are charged to the profit and loss account in the year in which they are incurred.

(s) Segment reporting

In accordance with the GZI Group's internal financial reporting the GZI Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format.

Unallocated costs represent corporate expenses. Segment assets consist primarily of intangible assets, fixed assets, inventories, properties held for/under development, properties held for sale, property development projects, receivables, interests in jointly controlled entities and associated companies. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to interests in toll highways and bridges (note 14) and fixed assets (note 16).

In respect of geographical segment reporting, sales are based on the country in which the customer is located. Total assets and capital expenditure are where the assets are located.

2 TURNOVER, REVENUE AND SEGMENT INFORMATION

The GZI Group is principally engaged in development, operation and management of toll highways and bridges, development, selling and management of properties and holding of investment properties and manufacturing and trading of newsprint. Revenues recognised are as follows:

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Turnover		
Toll revenue from toll operations	400,212	428,873
Property management fee income	114,610	70,760
Rental income		
- Properties	367,050	319,066
- Car park	65,339	58,908
Sales revenue		
- Sales of properties	1,987,231	1,955,105
- Sales of newsprint	1,240,693	1,006,263
- Others	351,544	86,134
	<u>4,526,679</u>	<u>3,925,109</u>
Other revenues		
Interest income	5,587	8,450
Dividend income	14,904	3,483
Commission on properties sales and rental	15,065	19,616
	<u>35,556</u>	<u>31,549</u>
Total revenues	<u><u>4,562,235</u></u>	<u><u>3,956,658</u></u>

(p) **Government grants**

A government grant is recognised, when there is a reasonable assurance that the GZI Group will comply with the conditions attaching with it and that the grant will be received.

Grants relating to income are deferred and recognised in the profit and loss account over the period necessary to match them with the costs they are intended to compensate.

Grants relating to the purchase of fixed assets are included in non-current liabilities as deferred income and are credited to the profit and loss account on a straight-line basis over the expected lives of the related assets.

(q) **Revenue and profit recognition**

- (i) Revenues arising from the sale of properties held for sale are recognised on the execution of the legally binding contracts of sale.
- (ii) The recognition of revenues from the sale of properties held for/under development in advance of completion commences when a legally binding contract of sale has been executed.

When properties held for/under development are sold in advance of completion, and there is reasonable certainty as to the outcome of the property development projects, the total estimated profit is apportioned over the entire period of construction to reflect the progress of the development. The profit is computed each year as a proportion of the total estimated profit to completion, the proportion used being the proportion of construction costs incurred at the balance sheet date to total estimated construction costs to completion, limited to the amount of sales instalments received and subject to due allowance for contingencies.

Where purchasers fail to pay the balance of the purchase price on completion and the GZI Group exercises its entitlement to resell the property, sales deposits received in advance of completion are forfeited and credited to operating profit, any profits previously recognised in accordance with the aforesaid policy are reversed.

- (iii) Operating lease rental income is recognised on a straight-line basis.
- (iv) Revenue from property management is recognised in the period in which the services are rendered.
- (v) Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.
- (vi) Toll revenue, net of revenue tax, is recognised on a receipt basis.
- (vii) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.
- (viii) Dividend income is recognised when the right to receive payment is established.
- (ix) Agency fee revenue from property broking are recognised when the relevant agreement becomes unconditional or irrevocable.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the GZI Group.

Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

(n) **Deferred taxation**

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on fixed assets, revaluations of certain non-current assets and of investments, provisions for pensions and other post retirement benefits and tax losses carried forward; and, in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(o) **Employee benefits**

(i) *Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) *Pension obligations*

The GZI Group's contributions to the defined contribution retirement schemes are expensed as incurred and reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The assets of the scheme are held separately from those of the GZI Group in an independently administered fund.

(iii) *Medical benefits*

The GZI Group's contributions to defined contribution medical benefit scheme are expensed as incurred.

(g) **Other investments**

Other investments held for long term are stated at cost less accumulated impairment losses. The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amounts. When a decline other than temporary has occurred, the carrying amount of such investment will be reduced to its fair value. The impairment loss is recognised as an expense in the profit and loss account. This impairment loss is written back to profit and loss when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

If the rights and interest in investments are to be surrendered by the GZI Group upon the termination of related joint venture period, amortisation is provided to write off its cost over the joint venture period on a straight-line basis. The results of other investments are accounted for on the basis of dividends received and receivable.

(h) **Properties held for/under development**

Properties held for/under development are stated at cost which comprises land cost, development and construction expenditures net of incidental rental income, borrowing costs capitalised and other direct costs attributable to the development, plus attributable profits recognised on the basis set out in note 1(q)(ii) taken up to date, less provisions for foreseeable losses and sales instalments received.

(i) **Properties held for sale**

Properties held for sale are stated at the lower of cost and net realisable value. Cost includes land cost, development and construction expenditure, borrowing costs capitalised and other incidental costs. Net realisable value is the estimated price at which a property can be realised less related expenses.

(j) **Inventories**

Inventories, comprise stock and work in progress, are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average basis, comprises direct materials, direct labour and an appropriate proportion of all production overhead expenditure. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(k) **Accounts receivable**

Provision is made against accounts receivable to the extent that they are considered to be doubtful. Accounts receivable in the balance sheet are stated net of such provision.

(l) **Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts.

(m) **Contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the GZI Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Negative goodwill represents the excess of the GZI Group's share of the fair value of the net assets acquired over the cost of acquisition and is presented in the same balance sheet classification as goodwill.

To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the GZI Group's plan for the acquisition and can be measured reliably, but which do not represent identifiable liabilities at the date of acquisition, that portion of negative goodwill is recognised in the profit and loss account when the future losses and expenses are recognised.

To the extent that negative goodwill does not relate to identifiable expected future losses and expenses that can be measured reliably, negative goodwill on acquisition of subsidiary/associated company/jointly controlled entity engaged in the operation of toll highways or bridges is amortised using the straight-line method over the maximum period of 20 years whereas negative goodwill on acquisition of subsidiary/associated company/jointly controlled entity engaged in property investment not exceeding the fair values of the non-monetary assets acquired is amortised on the following bases:

- Properties under development and properties held for sales — amortisation is calculated based on the actual area of properties sold over the total available saleable area.
- Investment properties — amortisation is calculated using the straight-line method over the maximum period of 20 years.

Negative goodwill in excess of the fair values of those non-monetary assets is recognised in the profit and loss account immediately.

Goodwill/negative goodwill on acquisitions that occurred prior to 1 January 2001 was eliminated against reserves. Any impairment arising on goodwill is accounted for in the profit and loss account.

The gain or loss on disposal of an entity includes the unamortised balance of goodwill relating to the entity disposed of or, for acquisitions prior to 1 January 2001, the related goodwill written off against reserves to the extent it has not previously been realised in the profit and loss account.

(ii) *Research and development costs*

Research costs are expensed as incurred. Costs incurred on development projects relating to the design and testing of new or improved products are recognised as an intangible asset where the technical feasibility and intention of completing the product under development has been demonstrated and the resources are available to do so, costs are identifiable and there is an ability to sell or use the asset that will generate probable future economic benefits. Such development costs are recognised as an asset and amortised on a straight-line basis over a period of not more than 5 years to reflect the pattern in which the related economic benefits are recognised. Development costs that do not meet the above criteria are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(iii) *Impairment of intangible assets*

Where an indication of impairment exists, the carrying amount of any intangible asset, including goodwill previously written off against reserves, is assessed and written down immediately to its recoverable amount.

The gain or loss on disposal of a fixed asset other than investment properties is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account. Any revaluation reserve balance remaining attributable to the relevant asset is transferred to retained profits and is shown as a movement in reserves.

(d) **Assets under leases**

(i) *Finance leases*

Leases that substantially transfer to the GZI Group all the risks and rewards of ownership of assets are accounted for as finance leases. Finance leases are capitalised at the inception of the leases at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated between the capital and finance charges so as to achieve a constant rate on the capital balances outstanding. The corresponding rental obligations, net of finance charges, are included in non-current liabilities. The finance charges are charged to the profit and loss account over the lease periods.

Assets held under finance leases are depreciated over the shorter of their estimated useful lives or the lease periods.

(ii) *Operating leases*

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the profit and loss account on a straight-line basis over the lease periods.

(e) **Interests in toll highways and bridges**

Interests in toll highways and bridges comprise tangible infrastructures and intangible operating rights. Depreciation of tangible infrastructure is calculated to write off their costs on a units-of-usage basis based on the traffic volume for a particular period over the projected total traffic volume throughout the life of the assets. The GZI Group reviews regularly the projected total traffic volume throughout the life of the respective assets, and if it is considered appropriate, independent professional traffic studies will be obtained. Appropriate adjustment will be made should there be a material change. Amortisation of intangible operating rights is provided on a straight-line basis over periods of 20 to 30 years in which the operating rights are held.

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that interests in toll highways and bridges are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account.

(f) **Intangibles**

(i) *Goodwill/negative goodwill*

Goodwill represents the excess of the cost of an acquisition over the GZI Group's share of the fair value of the net assets of the acquired subsidiary/associated company/jointly controlled entity at the date of acquisition. Goodwill on acquisition of subsidiary/associated company/jointly controlled entity engaged in the operation of toll highways or bridges is amortised using the straight-line method over the maximum period of 20 years. Where an indication of impairment exists, the carrying amount of goodwill is assessed and written down immediately to its recoverable amount.

Upon the disposal of an investment property, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the investment properties revaluation reserve to the profit and loss account.

(ii) *Other properties*

Other properties are interests in land and buildings other than investment properties and are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation on leasehold land and buildings is calculated to write off their cost less accumulated impairment losses over the unexpired periods of the leases or their expected useful lives to the GZI Group, whichever is shorter. The principal annual rates used for this purpose are as follows:

Leasehold land	2 to 3 per cent
Buildings	2 to 4 per cent

(iii) *Production facilities under construction*

Production facilities under construction are stated at cost which comprise costs of construction, purchase cost of plant and machinery pending installation and interest charges arising from borrowings used to finance the construction.

No depreciation is provided for production facilities under construction until they are completed and put into commercial use.

(iv) *Other fixed assets*

Other fixed assets, comprising plant and machinery and tools, leasehold improvements, furniture, fixtures and office equipment and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment losses.

Other fixed assets are depreciated at rates sufficient to write off their cost less accumulated impairment losses over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Plant and machinery and tools	5 to 33 per cent
Leasehold improvements, furniture, fixtures and office equipment	20 per cent
Motor vehicles	20 to 33 per cent

The plant components are depreciated over the period to overhaul. Major costs incurred in restoring the plant components to its normal working condition to allow continued use of the overall asset are capitalised and depreciated over the period to the next overhaul.

Improvements are capitalised and depreciated over their expected useful lives to the GZI Group.

(v) *Impairment and gain or loss on disposal of fixed assets*

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case it is treated as a revaluation decrease.

(ii) *Jointly controlled entities*

A jointly controlled entity is a contractual arrangement whereby the GZI Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

The consolidated profit and loss account includes the GZI Group's share of the results of jointly controlled entities for the year, and the consolidated balance sheet includes the GZI Group's share of the net assets of the jointly controlled entities and also goodwill/negative goodwill (net of accumulated amortisation) on acquisition.

(iii) *Associated companies*

An associated company is a company, not being a subsidiary, in which an equity interest is held for the long-term and significant influence is exercised in its management.

The consolidated profit and loss account includes the GZI Group's share of the results of associated companies for the year, and the consolidated balance sheet includes the GZI Group's share of the net assets of the associated companies and also goodwill/negative goodwill (net of accumulated amortisation) on acquisition.

Equity accounting is discontinued when the carrying amount of the investment in an associated company reaches zero, unless the GZI Group has incurred obligations or guaranteed obligations in respect of the associated company.

(iv) *Translation of foreign currencies*

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the profit and loss account.

The balance sheets of subsidiaries, jointly controlled entities and associated companies expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date whilst the profit and loss account is translated at an average rate. Exchange differences are dealt with as a movement in reserves.

(c) **Fixed assets**

(i) *Investment properties*

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties held on leases with unexpired periods greater than 20 years are valued annually by independent valuers. The valuations are on an open market value basis related to individual properties and separate values are not attributed to land and buildings. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the investment properties revaluation reserve. Decreases in valuation are first set off against increases on earlier valuations on a portfolio basis and thereafter are debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited.

Investment properties held on leases with unexpired periods of 20 years or less are depreciated over the remaining portion of the leases.

Notes to the financial information*31 December 2004***1 PRINCIPAL ACCOUNTING POLICIES**

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). They have been prepared under the historical cost convention except that investment properties are stated at fair value.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005. The GZI Group has not early adopted these new HKFRSs in the accounts for the year ended 31 December 2004. The GZI Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

The principal accounting policies adopted in the preparation of these accounts are set out below:

(a) Basis of preparation

The accounts have been prepared on a going concern basis as the Company Directors and the GZI Group's management are confident that the GZI Group's short-term bank borrowings and current portion of long-term bank borrowings will either be rolled over or replaced by new sources of financing when they become due.

(b) Group accounting**(i) Consolidation**

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31 December.

Subsidiaries are those entities in which the GZI Group controls the composition of the Board of Directors, controls more than half the voting power or holds more than half of the issued share capital.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the GZI Group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the GZI Group's share of its net assets together with any unamortised goodwill/negative goodwill or goodwill/negative goodwill taken to reserves which was not previously charged or recognised in the consolidated profit and loss account.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Consolidated statement of changes in equity

For the year ended 31 December

	<i>Note</i>	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Total equity as at 1 January		<u>6,969,360</u>	<u>6,710,047</u>
Exchange differences arising on translation of the accounts of foreign subsidiaries, associated companies and jointly controlled entities	29	(1,588)	3,748
Release of reserve upon disposal of properties held for/under development and properties held for sale	29	(30,675)	(66,070)
Release of reserve upon deemed disposal of certain interest in a subsidiary	29	(3)	(547)
Provision for impairment of goodwill	29	<u>43,533</u>	<u>—</u>
Net gain/(loss) not recognised in the profit and loss account		11,267	(62,869)
Profit attributable to shareholders	29	330,823	300,653
Dividends paid	29	(120,792)	(49,502)
Issue of shares net of issuing expenses	27 & 29	<u>43,643</u>	<u>71,031</u>
Total equity as at 31 December		<u><u>7,234,301</u></u>	<u><u>6,969,360</u></u>

	<i>Note</i>	2004	2003
		<i>HK\$'000</i>	<i>HK\$'000</i>
Financing activities	33(d)		
Issue of ordinary shares		43,643	43,725
Capital contribution from minority shareholders of subsidiaries		4,476	6,037
Advance from associated companies		48,031	2,399
New bank loans		932,996	2,252,575
Repayment of bank loans		(1,801,602)	(3,005,352)
Addition of other borrowings		177,745	183,093
Repayment of other borrowings		(231,818)	(19,356)
Dividends paid		(120,792)	(49,502)
Dividends paid to minority shareholders of subsidiaries		(218,993)	(176,325)
Net cash outflow from financing activities		<u>(1,166,314)</u>	<u>(762,706)</u>
Decrease in cash and cash equivalents		(158,914)	(9,527)
Cash and cash equivalents at the beginning of year		<u>1,035,808</u>	<u>1,045,335</u>
Cash and cash equivalents at the end of year		<u>876,894</u>	<u>1,035,808</u>
Analysis of balances of cash and cash equivalents			
Bank balances and cash		901,657	1,075,294
Bank overdrafts		(24,763)	(39,486)
		<u>876,894</u>	<u>1,035,808</u>

Consolidated cash flow statement*For the year ended 31 December*

	<i>Note</i>	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Net cash inflow generated from operations	33(a)	1,432,275	991,747
Interest received		5,587	8,450
Interest paid		(167,911)	(242,055)
Hong Kong profits tax paid		(1,558)	(2,059)
China enterprise income tax paid and land appreciation tax paid		<u>(118,344)</u>	<u>(108,110)</u>
Net cash inflow from operating activities		<u>1,150,049</u>	<u>647,973</u>
Investing activities			
Dividends received from jointly controlled entities and associated companies		94,060	125,012
Dividends received from other investments		14,904	32,392
Investment in toll highway and bridges		(3,121)	(11,223)
Purchases of fixed assets		(202,338)	(200,906)
Sale of fixed assets		39,972	7,036
Purchase of subsidiaries	33(b)	2,339	16,683
Disposal of certain interests in a subsidiary	33(c)	—	8,639
Issue of a subsidiary's shares to its minority shareholders		315	56,818
Capital injection into a jointly controlled entity		(82,160)	—
Disposal of a jointly controlled entity		—	59,346
Purchases of other investments		(1,496)	—
(Advance to)/repayment from associated companies and jointly controlled entities		<u>(5,124)</u>	<u>11,409</u>
Net cash (outflow)/inflow from investing activities		<u>(142,649)</u>	<u>105,206</u>

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FINANCIAL INFORMATION ON THE GZI GROUP
Balance sheet
As at 31 December

	<i>Note</i>	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Non-current assets			
Fixed assets	16	22,563	20,574
Investments in subsidiaries	17	9,957,686	9,851,230
		<u>9,980,249</u>	<u>9,871,804</u>
Current assets			
Other receivables, prepayments and deposits		30,595	42,733
Bank and cash balances	25	39,832	190,394
		<u>70,427</u>	<u>233,127</u>
Current liabilities			
Amounts due to subsidiaries	17	377,464	354,938
Other payables and accrued charges		39,441	42,495
Bank loan — secured	38	120,000	120,000
Bank overdrafts — unsecured		—	9,993
Current portion of long-term bank loans	30	513,935	367,452
Current portion of other long-term loans	31	25	14
		<u>1,050,865</u>	<u>894,892</u>
Net current liabilities		<u>(980,438)</u>	<u>(661,765)</u>
Total assets less current liabilities		<u>8,999,811</u>	<u>9,210,039</u>
Non-current liabilities			
Long-term bank loans	30	1,807,298	2,204,231
Other long-term loans	31	509,348	345,850
		<u>2,316,646</u>	<u>2,550,081</u>
Net assets		<u>6,683,165</u>	<u>6,659,958</u>
Financed by:			
Share capital	27	635,160	624,872
Reserves	29	6,048,005	6,035,086
Shareholders' funds		<u>6,683,165</u>	<u>6,659,958</u>

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	<i>Note</i>	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Net current assets		<u>7,918,142</u>	<u>7,924,134</u>
Total assets less current liabilities		<u>18,370,799</u>	<u>18,589,695</u>
Non-current liabilities			
Long-term bank loans	30	3,147,665	3,642,450
Other long-term loans	31	890,747	952,527
Deferred tax liabilities	32	<u>3,630,279</u>	<u>3,650,536</u>
		<u>7,668,691</u>	<u>8,245,513</u>
Minority interests		<u>3,467,807</u>	<u>3,374,822</u>
Net assets		<u>7,234,301</u>	<u>6,969,360</u>
Financed by:			
Share capital	27	635,160	624,872
Reserves	29	<u>6,599,141</u>	<u>6,344,488</u>
Shareholders' funds		<u>7,234,301</u>	<u>6,969,360</u>

APPENDIX II

FINANCIAL INFORMATION ON THE GZI GROUP

Consolidated balance sheet

As at 31 December

	Note	2004 HK\$'000	2003 HK\$'000
Non-current assets			
Interests in toll highways and bridges	14	2,001,376	2,099,647
Other intangible assets	15	(489,960)	(535,253)
Fixed assets	16	6,216,630	6,251,082
Deferred tax assets	32	56,199	39,061
Interests in jointly controlled entities	18	646,717	798,064
Interests in associated companies	19	1,760,348	1,753,109
Other investments	20	261,347	259,851
		<u>10,452,657</u>	<u>10,665,561</u>
Current assets			
Properties held for/under development	21	10,302,017	10,244,614
Properties held for sale	21	2,189,758	2,455,354
Inventories	22	195,288	220,127
Amounts due from related companies	23	3,234	3,678
Trade receivables	24	562,768	667,094
Other receivables, prepayments and deposits		593,644	454,196
Bank and cash balances	25	901,657	1,075,294
		<u>14,748,366</u>	<u>15,120,357</u>
Current liabilities			
Trade payables	26	414,493	447,600
Land premium payable		729,410	708,300
Other payables and accrued charges		3,083,250	3,195,338
Amounts due to jointly controlled entities	18	123,442	75,340
Amounts due to associated companies	19	112,150	112,221
Amounts due to minority shareholders of subsidiaries	23	186,831	179,135
Bank loans			
— secured	38	453,644	838,692
— unsecured		608,919	681,797
Bank overdrafts — unsecured		24,763	39,486
Current portion of long-term bank loans	30	959,499	875,394
Current portion of other long-term loans	31	25	14
Taxation payable		133,798	42,906
		<u>6,830,224</u>	<u>7,196,223</u>

5. AUDITED FINANCIAL INFORMATION OF THE GZI GROUP

The following is a summary of the audited consolidated profit and loss account of the GZI Group for each of the two years ended 31 December 2004, the audited consolidated balance sheets of the GZI Group as at 31 December 2003 and 2004, the audited consolidated statement of changes in equity for the two years ended 31 December 2004 and the audited cash flow statement of the GZI Group for the two years ended 31 December 2004 together with the notes thereto as extracted from the annual report of the Company for the year ended 31 December 2004:

Consolidated profit and loss account

For the year ended 31 December

	<i>Note</i>	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Turnover	2	4,526,679	3,925,109
Cost of sales		<u>(3,473,912)</u>	<u>(2,758,973)</u>
Gross profit		1,052,767	1,166,136
Other revenues	2	35,556	31,549
Selling and distribution expenses		(178,451)	(127,154)
General and administrative expenses		(392,143)	(414,033)
Reversal of provision for doubtful debt	3	104,942	—
Loss on deemed disposal of certain interests in a subsidiary	4	(481)	(94,942)
Write-back/(write-down) of properties held for/under development to net realisable value	5	44,546	(5,805)
Revaluation surplus on investment properties		<u>76,750</u>	<u>165,840</u>
Profit from operations	6	743,486	721,591
Finance costs	7	(112,512)	(224,733)
Share of profits less losses of			
— jointly controlled entities		(23,021)	(49,693)
— associated companies		<u>214,382</u>	<u>181,767</u>
Profit before taxation		822,335	628,932
Taxation	8	<u>(210,565)</u>	<u>(114,599)</u>
Profit after taxation		611,770	514,333
Minority interests		<u>(280,947)</u>	<u>(213,680)</u>
Profit attributable to shareholders	9	<u>330,823</u>	<u>300,653</u>
Dividends	10	<u>109,797</u>	<u>117,540</u>
Earnings per share	11		
Basic		<u>HK5.24 cents</u>	<u>HK4.89 cents</u>
Fully diluted		<u>HK5.15 cents</u>	<u>HK4.83 cents</u>

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FINANCIAL INFORMATION ON THE GZI GROUP

	For the year ended 31 December		
	2004	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) after taxation	611,770	514,333	(797,685)
Minority interests	(280,947)	(213,680)	(162,545)
	<u>330,823</u>	<u>300,653</u>	<u>(960,230)</u>
Profit/(loss) attributable to shareholders			
Dividends	<u>109,797</u>	<u>117,540</u>	<u>—</u>
Earnings/(loss) per share			
Basic	<u>HK5.24 cents</u>	<u>HK4.89 cents</u>	<u>HK(23.90) cents</u>
Fully diluted	<u>HK5.15 cents</u>	<u>HK4.83 cents</u>	<u>—</u>
Assets, liabilities and minority interests			
		As at 31 December	
	2004	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets	10,452,657	10,665,561	9,403,639
Current assets	<u>14,748,366</u>	<u>15,120,357</u>	<u>17,281,376</u>
	<u>25,201,023</u>	<u>25,785,918</u>	<u>26,685,015</u>
Current liabilities	6,830,224	7,196,223	8,646,460
Non-current liabilities	<u>7,668,691</u>	<u>8,245,513</u>	<u>7,521,157</u>
	<u>14,498,915</u>	<u>15,441,736</u>	<u>16,167,617</u>
Minority interests	<u>3,467,807</u>	<u>3,374,822</u>	<u>3,807,351</u>
Net assets value	<u>7,234,301</u>	<u>6,969,360</u>	<u>6,710,047</u>

4. SUMMARY OF AUDITED FINANCIAL RESULTS OF THE GZI GROUP

The following is a summary of the audited consolidated results of the GZI Group for each of the three years ended 31 December 2004 and the audited consolidated balance sheets of the GZI Group as at 31 December 2002, 2003 and 2004. The information is extracted from the audited consolidated financial statements of the GZI Group:

Consolidated profit and loss account

	For the year ended 31 December		
	2004	2003	2002
	HK\$'000	HK\$'000	HK\$'000
Turnover	4,526,679	3,925,109	3,225,473
Cost of sales	<u>(3,473,912)</u>	<u>(2,758,973)</u>	<u>(2,251,555)</u>
Gross profit	1,052,767	1,166,136	973,918
Other revenues	35,556	31,549	19,110
Selling and distribution expenses	(178,451)	(127,154)	(148,420)
General and administrative expenses	(392,143)	(414,033)	(521,909)
Reversal of provision for doubtful debt	104,942	—	—
Loss on deemed disposal of certain interests in a subsidiary	(481)	(94,942)	(7,773)
Write-back/(write-down) of properties held for/under development to net realisable value	44,546	(5,805)	(542,160)
Revaluation surplus/(deficit) on investment properties	76,750	165,840	(240,550)
Provision for impairment of			
— fixed assets	—	—	(52,974)
— other investments	—	—	(56,052)
Profit/(loss) from operations	743,486	721,591	(576,810)
Finance costs	(112,512)	(224,733)	(185,986)
Share of profits less losses of			
— jointly controlled entities	(23,021)	(49,693)	(25,709)
— associated companies	214,382	181,767	100,159
Provision for impairment of interest in			
— a jointly controlled entity	—	—	(111,655)
Profit/(loss) before taxation	822,335	628,932	(800,001)
Taxation	<u>(210,565)</u>	<u>(114,599)</u>	<u>2,316</u>

Contingent liabilities

At 30 September 2005, the GZI Group has pledged its income to be derived from its 24.3 per cent effective interest in an associated company to a bank in favour of a joint venture partner in this associated company (the "Joint Venture Partner"), in respect of the repayment of a bank loan by the Joint Venture Partner amounting to RMB500 million (approximately HK\$467 million) and interest thereon (collectively referred to as "Relevant Loan").

A counter-indemnity has been provided by the Joint Venture Partner to the GZI Group against all liabilities arising from such pledge. In addition, Yue Xiu has issued an indemnity to the GZI Group under which any shortfall between the counter indemnity give by the Joint Venture Partner and the Relevant Loan to the bank will be satisfied/paid by Yue Xiu if the counter-indemnity given by the Joint Venture Partner to the GZI Group is insufficient to cover the Relevant Loan.

Disclaimer

Save as disclosed herein and apart from intra-group liabilities and normal trade payables in the ordinary course of business of the GZI Group, the GZI Group did not have any outstanding mortgages, charges or bank overdrafts, loans and other similar indebtedness or acceptance of credit or hire purchase commitments or any guarantees or other material contingent liabilities as at the close of business on 30 September 2005.

Save as disclosed above, the Directors have confirmed that there has not been any material adverse change in the indebtedness and contingent liabilities of the GZI Group since 30 September 2005.

For the purpose of the above indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the rates of exchange prevailing at the close of business on 30 September 2005.

2. MATERIAL ADVERSE CHANGES

Save as disclosed in this circular, the Directors have confirmed that there has not been any material adverse change in the financial or trading position of the GZI Group since 30 September 2005.

3. WORKING CAPITAL

The Directors are of the opinion that, upon completion of the Proposed Spin-off and after taking into account the present available banking facilities and internal resources of the GZI Group, the GZI Group has sufficient working capital for its present requirements, that is, for at least the next twelve months from the date of this circular.

1. INDEBTEDNESS**Borrowings**

As at the close of business on 30 September 2005, being the latest practicable date of the purpose of this indebtedness statement prior to the printing of this circular, the GZI Group had total outstanding borrowings of approximately HK\$6,885 million, comprising secured bank borrowings of approximately HK\$4,840 million, unsecured bank borrowings of approximately HK\$1,302 million, unsecured other borrowings of approximately HK\$743 million, and obligations under finance leases of approximately HK\$0.1 million.

Capital commitments

As at 30 September 2005, the GZI Group had capital commitments of approximately HK\$25 million in respect of purchase of fixed assets, which were contracted but not provided for.

As at 30 September 2005, the GZI Group had financial commitments in respect of equity capital to be injected to a jointly controlled entity of approximately HK\$193.9 million.

Pledge of assets

As at 30 September 2005, namely as banking facilities and loans granted to the GZI Group mentioned above were secured by the following:

- (a) certain of the GZI Group's fixed assets, properties held for/under development, properties held for sale and investment properties with an aggregate carrying value of approximately HK\$44 million, HK\$736 million, HK\$520 million and HK\$3,853 million respectively;
- (b) floating charge over certain assets of certain subsidiaries with aggregate net book value of approximately HK\$6,480 million; and
- (c) mortgages of the GZI Group's shareholdings in certain subsidiaries.

Guarantees to certain banks for mortgage facilities

As at 30 September 2005, the GZI Group had provided guarantees to certain banks for mortgage facilities granted to certain buyers of the GZI Group's properties of approximately HK\$126 million.

By allowing different percentage of discount for different levels, the unit market value for different levels is shown below:

Level	Discount Allowed (%)	Unit Market Value (RMB/sq.m.)
Basement	40%	24,180
Level 1	0%	40,300
Level 2	20%	32,240
Level 3	30%	28,210
Level 4	40%	24,180
Level 5	45%	22,165
Level 6	50%	20,150

Based on the above, we have valued the Subject Property at a value of HK\$558,000,000.

The summary is as follows:

Property	Value (HK\$)	Unit Rate on Gross Floor Area (HK\$/sq.m.)
Victory Plaza	558,000,000	20,146

4. VALUATION SUMMARY

We have summarised the calculation results of each approach in the table below:

Valuation Method	Value (HK\$)
Income Capitalisation	475,000,000
Discounted Cash Flow	591,000,000
Sales Comparison	558,000,000

Based on our primary valuation method of Income Capitalisation Approach including Discounted Cash Flow Analysis, we are of the opinion that the Market Value of the Subject Property (the property interest to be disposed by GZI Group) in its existing state as at the date of valuation was **HONG KONG DOLLARS FIVE HUNDRED AND THIRTY-THREE MILLION ONLY (HK\$533,000,000)** assuming it is available for sale in the market with the benefit of existing tenants and the property title are free from all material encumbrances or defects. The Market Value of the Subject Property is an average of values derived using by the Income Capitalisation Approach and Discounted Cash Flow Analysis.

3.3 Sales Comparison Approach

In the Sales Comparison Approach, we have considered the sales of similar properties and related market data and established a value by adjustment of the comparables. In general, the Subject Property is compared with sales of similar properties that have been transacted in the open market.

In preparing our valuations of the Subject Property, we have had regard to asking or transacted comparables within similar prime retail developments in the locality.

For the purposes of market comparables compositions, we have identified a number of comparables from our own database (which is based on the most recent data available to us). Due to the limited number of actual transaction available to us, we have analysed transactions from a variety of similar type of buildings in the locality in 2004 and we consider the comparables are sufficient to derive the market value of the Subject Property.

Adjustments have been made for various factors such as location, building age, efficiency and time. The details are as follows:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7
Address	Tiyu Dong Road	Tiyu Dong Road	Tiyu Dong Road	Tiyu Dong Road	Tiyu Dong Road	Tiyu Dong Road	Ti Yu Xi Road
District	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)
Date of Transaction	May-04	Jul-04	Jul-04	Sep-04	Sep-04	Sep-04	Sep-04
Unit	A Shop Unit	A Shop Unit	A Shop Unit	A Shop Unit	A Shop Unit	A Shop Unit	A Shop Unit
Level	1	1	1	1	1	1	1
Gross Floor Area (sq.m.)	105.2	83.6	65.3	59.7	59.7	343.4	1,146.9
Date of Completion	2003	2003	2003	2003	2003	2003	2003
Nature of Transaction	Transacted	Transacted	Transacted	Transacted	Transacted	Transacted	Transacted
Transacted Price on GFA (RMB)	7,150,880	4,920,955	4,041,651	1,374,020	1,374,020	7,897,740	51,608,075
Transacted Price on GFA (RMB/sq.m.)	67,974	58,863	61,893	23,015	23,015	22,999	44,998
Adjusted Transacted Price on GFA (RMB/sq.m.)	57,727	49,946	52,575	27,893	27,893	27,893	38,201

Adjustments have been made based on our own judgement and knowledge of market. We have had regard to seven comparables in deriving the unit market value of Level 1 retail shop of the Subject Property. Comparable 1 to 6 are located in one building whereas Comparable 7 is close to the Subject Property. Adjustments have been made for time, location, building quality, size and etc. The adjusted unit rates of these comparables range from RMB27,893 to 57,727/sq.m. Taking the average of Comparable 1 to 7 will give a unit rate of approximately RMB40,300/sq.m. and we are of the opinion that it is a reasonable unit rate for retail shop on Level 1 of the Subject Property.

In our Discounted Cash Flow Analysis, based on the information provided by GZI, we have projected the following outgoings to be expended for the next 10 years on the building at the following amount:

Projected Outgoings Items	Projected Outgoings
Service Fees based on the tenancy services agreement	4% of gross rental income
Cost for Large Scale Repair and Maintenance as advised by GZI	Nil in 2005 RMB410,000 in 2006 RMB1,040,000 in 2007 RMB427,600 in 2008 RMB410,000 in 2009 RMB380,000 in 2010 RMB230,000 in 2011 RMB820,000 in 2012 RMB181,000 in 2013 RMB598,000 in 2014 RMB1,221,900 in 2015
Sundry Expenses	0.2% of rental income
Insurance	Fixed Amount
Business Tax	5.0% of rental income
Flood Prevention Works Maintenance Fee	0.09% of rental income
Urban Real Estate Tax	original cost of property x 70% x 1.2%
Stamp Duty	0.1% of gross rental income

No immediate capital expenditure is included as a projected outgoings item with reference to the Building Condition Survey Report.

Based on the above, we have valued the Subject Property at a value of HK\$591,000,000 taking account of outgoings on the taxes and cost items.

The summary is as follows:

Property	Capitalisation Rate	Discount Rate	Value (HK\$)	Unit Rate on Gross Floor Area (HK\$/sq.m.)
Victory Plaza	9%	11%	591,000,000	21,337

In our assessment, we have valued the property using the following assumptions:

Items	Percent
Terminal Capitalisation Rate	9%
Discount Rate	11%
Growth Rate — Year 1	5%
Growth Rate — Year 2	6%
Growth Rate — Year 3	8%
Growth Rate — Year 4	10%
Growth Rate — Year 5	10%
Growth Rate — Years 6 to 10	6%
Vacancy Loss	1%
Bad Debts	1%

The growth rates are based on our local market research. We have also made reference to the Market Research Report prepared by Cushman & Wakefield (HK) Limited.

Vacancy loss is based on our view on the supply and demand and our local market knowledge of the relevant property market in Guangzhou.

In arriving at the periodic cash flow provided by us, we have considered the annual rental income growth rate to assess the projected rental income, which is applied to the cash flow upon the expiry of the leases. The adopted rental income growth rates are in line with the forecasts as detailed in the Market Research Report prepared by Cushman & Wakefield (HK) Limited.

We have estimated that the rental income growth per annum during next 10 years for the Subject Property. Rental income growth patterns for each tenancy reflect the rent review provisions of each lease, including staged rent increase where applicable. We have assumed that upon expiry of the tenancies, typically new or existing three to ten leases will be granted or renewed on the basis of three years leases and the then existing market rentals so that for the existing long leases, the rental income projections after expiry will be similar to the escalating step rentals existed in the long leases.

An annual vacancy allowance and allowance for bad debts have been considered within the portfolio. An annual vacancy allowance is about 1%, which is made reference to the current vacancy. With reference to the historical bad debts ratios, we consider that the bad debts allowance should be 1% of the net rent received. In the case of the Victory Plaza units, there were no bad debts during the relevant periods.

We have made reference to the Building Condition Survey Report, which states that no immediate capital expenditure will be incurred as the Subject Property is maintained in a reasonable condition commensurate with its age. We have adopted the forecast of the cost for large scale repair and maintenance from 2006 to 2015 provide by GZI. No deduction has been made for the expected cost for small scale, routine repair and maintenance as we understand from GZI that the small scale, routine repair and maintenance costs, for maintaining the current condition of the Subject Property, are covered by the management fee paid by tenants. As advised by GZI, any costs incurred in non-conformities will be settled by GZI.

We have also deducted amounts for business tax, stamp duty, urban real estate tax, flood prevention works maintenance fee, insurance, cost for large scale repair and maintenance, and service fees.

In our calculation, we have not deducted any acquisition costs and disposal costs. We are of the opinion that these issues would be taken into account buy a prospective purchaser.

In preparing our valuations for the Subject Property, we have had regard to asking or transacted rental income comparables within similar retail developments in the locality. For details, reference should be made to Section 3.1 of this report.

3.2 Discounted Cash Flow Analysis

This is defined in the International Valuation Standards Committee (7th Edition), as a financial modeling technique based on explicit assumptions regarding the prospective cash flow to operating real properties. This analysis involves the projection of a series of periodic cash flows to an operating property. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the rental income stream associated with the properties. In the case of operating real properties, periodic cash flow is typically estimated as gross rental income less vacancy, bad debts, impact of taxes (stamp duty, urban real estate tax, flood prevention works maintenance fee and business tax), service fees and other operating expenses. The series of periodic net operating incomes, along with an estimate of the terminal value, anticipated at the end of the projection period, is then discounted at discount rate, being a cost of capital or a rate of return used to convert a monetary sum, payable or receivable in the future, into present value.

We have undertaken a discounted cash flow analysis on a monthly basis over a 10-year investment horizon. The net income in the year 11 is capitalised at an appropriate yield for the remainder of the ownership term. This analysis allows an investor or owner to make an assessment of the long term return that is likely to be derived from a property with a combination of both rental income and capital growth over an assumed investment horizon. This analysis is generally used in valuing investment income producing properties.

For the Subject Property, the terminal capitalisation rate adopted within our calculation is 9%. This is based on our analysis of the term yields applicable in the marketplace as set out in Section 3.1 with a discount to allow for the fact that we are capitalising a net rental income in year 11. The discount reflects the difference between the rental income stream before deductions and the net rental income together with an allowance for the security that a net rental income provides over the rental income before deduction.

In our calculation, we have adopted the discount rate of 11% for the Subject Property. The discount rate is a rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it reflects the opportunity cost of capital. In arriving at the discount rate, we have studied the current market situation for an investment return over a 10-year period from a commercial property. We have also investigated the return required by active property investors in the market as purchasers of shopping centres and office buildings. Based on the above, we consider that the market expectations are around 10% to 12% for retail properties. We note that the yield of 10-year Exchange Fund Notes issued by the Hong Kong Monetary Authority as at 30 September 2005 is in the order of 4.17%, indicating a risk premium of between 5.83% and 7.83%. Based on our analysis of comparable sales in the international market, the higher premium reflects the inherent investment risks associated with the PRC and the property risk. We consider that Hong Kong is the closest mature market to the PRC and it is more appropriate to adopt the Hong Kong risk free rate for the PRC property investment.

The reversionary yields are based on an analysis of the unit market rental income and the unit market value of the comparables collected for the Subject Property. From the previous analysis, the unit market rental income for Level 1 of the retail podium is RMB360/sq.m. In Section 3.3, the unit market value for Level 1 is RMB40,300/sq.m. The market yield is 10.7%. We have adopted 10.5% as the reversionary yield for the retail component of the Subject Property which is in line with the market comparable transactions as follows:

Retail market:

Unit	Level	Address	Gross Floor Area (sq.m.)	Date of Transaction	Actual Transaction Price (RMB)	Sale Price per sq.m. (RMB/sq.m.)	Estimated Unit Annual Market Net Rental Income as at the Date of Transaction (RMB/sq.m.)	Occupancy Status as at the date of Transaction	Market Yield (Note 2)
							(Note 1)		
Whole	1, 2 & B1	Confidential	35,000	End of 2004	265,000,000	7,571	796	20 years Sale and Leaseback	10.5%
Whole	1	Ti Yu Xi Road	1,147	Sept-04	51,608,075	44,994	4,752	Vacant	10.6%
B205	1	Confidential	15.6	Sept-05	1,244,800	79,795	9,600	Vacant	12.0%
B107	1	Confidential	16.5	Sept-05	1,405,050	85,155	10,260	Vacant	12.0%
Three shop units	1	Ti Yu Dong Road	463	Sept-04	10,645,780	22,993	2,688	Vacant	11.7%

Notes:

- 1) The estimated market net rental income is based on our analysis of recent lettings of comparable properties.
- 2) The market yield is the estimated market net rental income per annum divided by the actual transaction price.

The comparables were sourced from the Colliers International database and were calculated based on the comparable general location. Due to the limited number of whole building sales, sales of smaller units in the locality were also used.

We have valued the Subject Property at a value of HK\$475,000,000.

The summary is as follows:

Property	Term Yield	Reversionary Yield	Value (HK\$)	Unit Rate on Gross Floor Area (HK\$/sq.m.)
Victory Plaza	8.5%	10.5%	475,000,000	17,149

We have had regard to four comparables in deriving the rental income of the podium level of the Subject Property. Adjustments have been made for time, location, building quality, size and pedestrian flow. The adjusted rental income of these comparables range from RMB162/sq.m. to RMB607/sq.m. Taking the average of all the four comparables will give a monthly unit rental income of approximately RMB360/sq.m. for Level 1 of the podium of the Subject Property. By allowing different percentage of discount for different levels, the monthly unit market rental income for different levels is shown below:

Level	Discount Allowed (%)	Unit Monthly Market Rental Income (RMB/sq.m.)
Basement	40%	216
Level 1	0%	360
Level 2	20%	288
Level 3	30%	252
Level 4	40%	216
Level 5	45%	198
Level 6	50%	180

The existing monthly net rental income as at the date of valuation was RMB2,575,219 and it is anticipated that the development will maintain the current occupancy level of 100% which is higher than the occupancy rate of similar type of buildings in the market.

In our assessment, the term yield and reversionary yield adopted are 8.5% and 10.5% respectively. The term yield adopted is lower than the market yield derived below because the current passing rental income of the Subject Property is lower than the estimated current market rental income. The term yield is used for capitalisation of the current passing rental income as at the date of valuation whilst the reversionary yield is used to convert reversionary rental income. This approach is generally used in valuing income producing properties.

We are of the opinion that the current passing rentals were generally below the market level for each level of the Subject Property as at the date of valuation.

For the purposes of market comparables compositions, we have identified a number of comparables from our own database (which is based on the most recent data available to us). Due to the limited number of actual transaction available to us, we have analysed lettings from a variety of similar type of buildings in the locality in 2004 and we consider the comparables are sufficient to derive the market rental of the Subject Property.

The details of the rentals comparables are as follows:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Address	Lin He Xi Road	Lin He Xi Road	Tian He Road	Tian He Road
District	Tian He District (天河区)	Tian He District (天河区)	Tian He District (天河区)	Tian He District (天河区)
Date of Transaction	Dec-04	Dec-04	May-04	Apr-04
Unit	A shop unit	A shop unit	A shop unit	A shop unit
Level	1	1	1	1
Gross Floor Area (sq.m.)	505.0	223.8	30.0	45.5
Date of Completion	2004	2004	1995	1995
Nature of Transaction	Transacted	Transacted	Transacted	Transacted
Lease Term (year)	5.00	6.00	6.00	6.00
Lease Commencement Date	1-Nov-04	16-Oct-04	26-May-04	Jun-04
Lease Expiry Date	31-Oct-09	15-Oct-10	25-May-10	Jun-10
Net Monthly Rental Income on GFA (RMB)	75,750	31,329	37,800	45,500
Net Monthly Rental Income on GFA (RMB/sq.m.)	150	140	1,260	1,000
Adjusted Net Monthly Rental Income on GFA (RMB/sq.m.)	191	162	607	482

3. VALUATION

3.1 Income Capitalisation Approach

This approach converts the actual and anticipated net income from the property into a value through the process of capitalization. The most common method of converting net income into value is by the "term and reversion" method.

This approach estimates the value of the Subject Property on an open market basis by capitalising net rental income on a fully leased basis having regard to the current passing rental income and potential future income from existing vacancies.

In this valuation approach, the total rental income is divided into the term income and the reversionary income. The term value involves the capitalisation of the current passing rental income over the existing lease term. The reversionary value is taken to be current market rental income upon the expiry of the lease over the residual land use rights term and is capitalised on a fully leased basis. It is then brought back to the date of valuation.

To bring the reversionary value back to the current date, we have used a present value rate which is the same as the reversionary yield for the Subject Property. The present value is the current monetary value of future cash flows and reflects the opportunity cost of an investment in a similar asset which would be expected to return a similar remunerative return as the Subject Property.

In preparing our valuations, we have had regard to asking or transacted rental income comparables within similar prime retail developments in the locality.

For the Subject Property, the typical net monthly rentals as at the date of valuation for Basement to Level 6 were as follows:

Level	Range of the Typical Net Monthly Rental Income			Current Market Rental Income Level (RMB/sq.m.)	Comparison (Below or Above Market Rental Income)
	From (RMB/sq.m.)	To (RMB/sq.m.)	Average (RMB/sq.m.)		
Basement	170	170	170	216	Below
Level 1	84	414	180	360	Below
Level 2	90	90	90	288	Below
Level 3	78	172	94	252	Below
Level 4	80	128	81	216	Below
Level 5	47	47	47	198	Below
Level 6	45	56	52	180	Below

We are not aware of any material sub-leases or tenancies and any material options or rights of pre-emption which may affect the value of the Subject Property. We have considered the right to renew in our valuation.

2.13 Historic Outgoings

As advised by GZI, the current monthly property management fee paid by the tenants for the Subject Property is RMB48 per sq.m. and the total property management income covers the total property management expenses.

We are of the opinion that the current property management fee is in line with the market level of similar developments in the locality. (See Section 2.14.2)

2.14 Property Management

2.14.1 Tenancy Services Agreement

A tenancy services agreement was entered into between the Manager, Keen Ocean Limited (京澳有限公司) (the "Property Company") and Guangzhou Yi Cheng Property Management Co., Ltd. (the "Leasing Agent") for an initial term of three years. Under this agreement the Leasing Agent (who is also the property manager of Victory Plaza) will be paid a remuneration of 4% per annum of the gross revenue ("Service Fees") receivable by the Property Company from the operation of the Subject Property. The Leasing Agent, as the property manager of the building is entitled to retain 10% of any contributions made by the tenants towards the operating expenses of the building. The Leasing Agent agrees that, for so long as it is the property manager of Victory Plaza, the Service Fees paid to the Leasing Agent shall also be in satisfaction of the property management fees which it is entitled to receive from the Property Company for any vacant units of the Subject Property under the property management agreement.

2.14.2 Property Management Fee

As advised by GZI, the monthly management fee paid by the tenants for the Subject Property is RMB48 per sq.m. which is at the market level of similar developments in the locality.

Name of Building	Monthly Management fee (RMB/sq.m.)
Teemall (天河城)	58
Center Plaza (中泰國際廣場)	45
Grand View Mall (正佳廣場)	58
Time Square (時代廣場)	46

For the basement and Levels 1 to 6 of the Subject Property, the typical lease terms of the tenancies varies on each level and were on normal local commercial terms with agreed net monthly rentals as at the date of valuation shown as follows:

Level	Lease Term of Tenancies (year)	Range of the Agreed Net Monthly Rentals		
		From	To	Average
Basement	6	170	170	170
Level 1	from 3 to 10	84	414	180
Level 2	5	90	90	90
Level 3	from 2 to 5	78	172	94
Level 4	5	80	128	81
Level 5	10	47	47	47
Level 6	from 8 to 10	45	56	52

2.12 Summary of Material Rent Review Provisions

The Subject Property has the following material rent review provisions:

Level	Gross Floor Area (sq.m.)	Net Monthly Rental Income (RMB)	Lease Term	
			From	To
Unit on Basement	1,918.0	306,877	1/4/2005	30/4/2007
		Rent Free	1/5/2007	31/5/2007
		331,427	1/6/2007	31/5/2009
		357,941	1/6/2009	31/5/2011
Unit on Level 1	840.0	145,000	10/12/2003	9/12/2005
		153,700	10/12/2005	9/12/2007
		162,922	10/12/2007	9/12/2009
		172,697	10/12/2009	9/12/2011
		183,059	10/12/2011	9/12/2013
Unit on Level 1	775.6	156,669	10/12/2003	31/3/2005
		152,121	1/4/2005	30/4/2005
		156,669	1/5/2005	9/12/2005
		162,874	10/12/2005	9/12/2006
		169,079	10/12/2006	9/12/2007
		176,059	10/12/2007	17/10/2008
Unit on Level 1	3,373.4	953,620	1/7/2005	31/3/2006
		1,001,301	1/4/2006	31/3/2007
		1,051,399	1/4/2007	31/3/2008
		1,777,503	1/4/2008	31/3/2009
		1,777,503	1/4/2009	31/3/2010

The details of the lease term duration are shown as follows:

Lease Term Greater than (year)	Lease Term less than or equal to (year)	By Number (%)	By Gross Floor Area (%)
1	2	7.4	27.7
2	3	26.0	1.5
3	4	18.5	3.0
4	5	11.1	18.3
5	6	14.8	5.8
6	7	3.7	6.5
7	8	0.0	0.0
8	9	3.7	5.7
9	10	0.0	0.0
10	11	14.8	31.5
		<u>100.0</u>	<u>100.0</u>

The details of the lease expiry profile are shown as follows:

% of tenancies due to expire in each year	By Number (%)	By Gross Floor Area (%)
2005	0.0	0.0
2006	33.3	2.9
2007	8.3	0.7
2008	20.9	4.2
2009	8.3	1.9
2010 and beyond	29.2	90.3
Vacant	<u>n.a.</u>	<u>0.0</u>
Total	<u>100.0</u>	<u>100.0</u>

The details of the tenant mix are as follows:

Industry	Gross Floor Area (sq.m.)	Percentage
Food & Beverages	10,757.4	38.8%
Department Store	11,109.9	40.1%
Electricity	1,809.2	6.5%
Bank	872.1	3.2%
Retail Shops	<u>3,149.5</u>	11.4%
Total area to be disposed	<u>27,698.1</u>	100.0%

2.10 Occupancy Rate

According to the PRC Legal Opinion, the majority of the Subject Property with a total floor area of approximately 27,262.3 sq.m. was leased to various tenants as at the date of valuation. This equates to an occupancy rate of 100% of the Subject Property to be disposed by GZI Group.

2.11 Lease Cycle Duration and Expiry Profile

In general, the typical lease terms of all tenancies vary between around 2 and 10 years and are on normal local commercial terms with agreed net monthly rentals generally ranging between RMB45 per sq.m. and RMB414 per sq.m. with an average unit monthly net rental income of RMB93 per sq.m. The latest expiry date of the leases is April 2014.

Most tenants enjoyed a rental discount for the first two years of their leases. Initial discounts of 30.0% were granted when the Subject Property commenced operations in the second half of 2003 to induce potential tenants to take up space in Victory Plaza. In the second half of 2004, due to commencement of the construction of the two office towers above the Victory Plaza podium, most of the tenants were offered a further discount of 20.0% for the period up to the completion of the construction. As they were long term tenants in the Subject Property, three of the tenants were granted this 20.0% discount for an additional three or four-month period following the completion of such works.

As at the date of valuation, the top 10 major tenancy agreements by rental income within the Subject Property occupied 52.2% of the total gross floor area and were responsible for 53.0% of the net rental income received. Details of the tenancy agreements are as follows:

Unit	Gross Floor Area (sq.m.)	Net Monthly Rental Income (RMB)	Unit Net Monthly Rental Income (RMB/sq.m.)	Estimated Unit Net Monthly Rental Income (RMB/sq.m.)	% of Current Monthly Net Rental Income	Lease Term From To	
001	1,918.0	306,877	160	162	11.9%	01/03/2005	31/05/2011
107, 108, 210Q	775.6	156,669	202	306	6.3%	01/10/2003	17/10/2008
309-313, 315-323, 325, 326, 358L-363L, 365L-368L, 371-373, 375-382, 388K, 393K, 396K	1,643.2	147,888	90	216	5.7%	24/08/2005	31/03/2010
102, 103, 119	840.0	145,000	173	342	5.6%	10/10/2003	09/12/2013
603	2,817.1	135,222	48	126	5.3%	01/10/2003	09/12/2013
501A	2,500.0	130,000	52	144	5.0%	01/02/2004	30/04/2014
111, 112	378.2	121,024	320	360	4.7%	12/09/2003	17/10/2006
502	1,800.0	93,600	52	162	3.6%	01/02/2004	30/04/2014
113, 115A, 215Q, 216Q, 270K	318.2	79,680	250	324	3.1%	16/07/2004	31/08/2009
601, 602	1,480.0	71,040	48	144	2.8%	18/02/2004	17/05/2012

The total current net passing rental income received and the total estimated market rental income as at the date of valuation was RMB2,575,219 and RMB5,127,497 respectively. The total current net passing income was 50% lower than the total estimated market rental income. The estimated unit net monthly rental income is based on the unit market rental income of different levels of the Subject Property in Section 3.1.

For the top 10 major tenancy agreements by rental income, the current unit net passing rental income is generally lower than the estimated unit market rental income.

As advised by GZI, there were no related parties lettings in the Subject Property as at the date of valuation.

The fire safety measures include the installation of automatic sprinkler heads, smoke detectors, fire alarm system and fire extinguishers throughout the building. For further information on building condition, reference should be made to the Building Condition Survey Report.

2.8 Building Condition of the Development

According to the Building Condition Survey Report, the building is maintained in a reasonable condition. There are minor defects noted and the condition is generally in line with the building age and no structural defects have been observed at the time of inspection in September 2005.

For the non-conformity items, some minor deviations such as addition of spiral stair and ceiling staircase opening not being consistent with record drawings, were found by the building surveyor.

For further information of the building condition, reference should be made to the Building Condition Survey Report.

We are of the opinion that the non-conformity items have no material impact on the value of the Subject Property.

2.9 Current Rental Income

As at the date of valuation, the Subject Property was fully leased. According to the supplied rent roll as at the date of valuation, for which a sample of 50% of leases (which is equivalent to about 60% of the total passing rental income) were checked by us and were found to be in order, the existing net monthly rental income and equivalent annual net rental income was as follows:

Gross Floor Area (sq.m.)	Monthly Net Rental Income (RMB)	Annual Net Rental Income (RMB)
<u>27,698.1</u>	<u>2,575,219</u>	<u>30,902,628</u>

As at the date of valuation, the Subject Property was leased to 22 tenants.

According to the supplied information, we understand that rental income is exclusive of property management fee and other outgoings such as water, electricity, town gas, telephone, air-conditioning charges and etc.

2.6 Interest to be Disposed by GZI Group

GZI Group is disposing a portion of the development and the details of the interest to be disposed are listed below:

Level	Usage	Gross Floor Area (sq.m.)	Internal Floor Area (sq.m.)
Part of Basement 1	Commercial	1,809.2	1,503.6
Level 1 (101)	Commercial	473.7	442.3
Level 1 (102)	Commercial	1,553.5	1,451.0
Level 1	Commercial (架空層)	1,006.3	978.2
Level 2	Commercial	3,968.9	3,058.1
Level 3	Commercial	4,756.7	3,833.0
Level 4	Commercial	4,756.7	3,833.0
Level 5	Commercial	4,769.9	3,875.8
Level 6	Commercial	<u>4,603.2</u>	<u>3,872.9</u>
	Total:	<u>27,698.1</u>	<u>22,847.9</u>

Note: The breakdown of the gross floor area is based on the Real Estate Title Certificates and the PRC Legal Opinion.

2.7 Specification, Services and Finishes of the Development

Victory Plaza is constructed of reinforced concrete structures. The common parts from Levels 1 to 4 are finished with granite homogenous floor and wall tiles and on Levels 5 to 6 with granite floor tiles and plastic or painted and wallpapered walls. Main services comprising electricity, water and telecommunications are provided to the building.

The building is subdivided into various units on all levels and is served by 4 passenger lifts, 2 pairs of escalators serving the basement to Level 4 and by 6 staircases.

The standard of services and finishes within the development is considered to be reasonable, commensurately to other shopping centres in the neighbourhood.

The building is maintained in a reasonable condition commensurate to its age. The building is managed by Guangzhou Yicheng Property Management Ltd. and it is responsible for collection of all management fees from the tenants and dealing with the day to day operations and outgoings relevant to the development.

The area breakdown of Victory Plaza is summarised as below:

Level	Current Usage	Gross Floor Area (sq.m.)
Basement 1 to 4	Car park	24,870.5
Basement 1	Commercial	1,809.2
Level 1	Commercial (includes 架空層)	3,033.5
Level 2	Commercial	3,968.9
Level 3	Commercial	4,756.7
Level 4	Commercial	4,756.7
Level 5	Commercial	4,769.9
Level 6	Commercial	<u>4,603.2</u>
	Total:	<u><u>52,568.6</u></u>

As at the time of inspection, there were two office towers being constructed on top of the retail centre. As advised by GZI, the two office towers with 52 and 36 storeys high will be completed by 2007. The two office towers are East and West Towers with an estimated floor area of 58,823.0 sq.m. and 30,772.0 sq.m. respectively upon completion.

The site area of Victory Plaza is approximately 10,477.0 sq.m. The site of the shopping centre comprises a regular and level plot having its main frontage onto Ti Yu Xi Road on which a 6-storey commercial retail centre with 4 basement levels has been erected and was completed in 2003.

The main entrance of Victory Plaza is onto Ti Yu Xi Road. General accessibility of Victory Plaza is considered good as public transportation such as buses and taxis are available along Ti Yu Xi Road.

The layout and design of Victory Plaza is reasonable in comparison with the other shopping centres in the locality.

2.3 Availability of and Access to Public Transport

General accessibility of Victory Plaza is considered good as public transportation such as taxis and buses are available along Ti Yu Xi Road. Bus stops are located at 2 minutes walk from Victory Plaza.

Victory Plaza is located at an approximately 10 minutes walk from Ti Yu Xi Road Station on No. 1 metro line. The No. 3 metro line is currently under construction and the first section is scheduled to be completed by the end of 2005. The No. 1 and No. 3 metro lines are planned to build a direct underground access to the basement level 1 of Victory Plaza, which will enhance the accessibility of Victory Plaza upon its completion.

2.4 Car Accessibility and Road Frontage

Victory Plaza, situated at the junction of Tian He Road and Ti Yu Xi Road, is directly accessible from Ti Yu Xi Road.

Travelling time to major areas of the City through driving:

Baiyun International Airport	45 minutes
Teem Plaza	1 minute
Guangzhou East Train Station	5 minutes

2.5 Description of the Development

Victory Plaza, a 6-storey commercial and retail centre and 4 levels of basement, is located at No. 101 Ti Yu Xi Road, Tian He District, in Guangzhou's prime business area. According to the information provided by GZI, the development has a total gross floor area of 52,568.6 sq.m.

- | | | |
|--|---|---|
| 20. Exchange Rate as at the Date of Valuation | : | HK\$1 = RMB1.043 |
| 21. Term Yield | : | 8.5% |
| 22. Reversionary Yield | : | 10.5% |
| 23. Occupancy Rate as at the Date of Valuation | : | 100% |
| 24. Vacancy Allowance | : | 1% |
| 25. Market Comment | : | We consider the marketability of the Subject Property to be reasonable in view of its location and accessibility. |

Note: The usage is based on the Real Estate Title Certificates and the PRC Legal Opinion.

2. THE SUBJECT PROPERTY

2.1 Situation and Locality

Victory Plaza, a 6-storey commercial retail centre with 4 basement levels, is located at No. 101 Ti Yu Xi Road, Tian He District, Guangzhou, Guangdong, the PRC. Victory Plaza features a 6-storey glass atrium over its entrance and a paved pedestrian mall in front of the building. As at the time of inspection, there are two office towers being constructed on top of the retail centre. As advised by GZI, the two office towers with 52 and 36 storeys high will be completed in 2007.

Victory Plaza is located at the junction of Tian He Road and Ti Yu Xi Road. It is next to Guangzhou Book Centre and within close proximity of Teem Plaza. Ti Yu Xi Road forms one axis of the square surrounding the Tian He Stadium and has become one of the main CBDs in Guangzhou.

2.2 Surrounding Development and Environmental Issues

The Subject Property is located in Tian He District. Developments in the area comprise mainly modern high-rise commercial buildings and low-rise retail shopping centres, interspersed with older medium-rise residential buildings.

The pedestrian traffic flow along that section of Ti Yu Xi Road is moderate as it is located at the less busier side of the Tian He stadium.

We have no knowledge of any environmental concerns or contamination of the subject site and surrounding sites. Due to the land registration system in the PRC, we cannot trace any information regarding to the previous development erected upon the subject site, therefore, we cannot comment on the likelihood of contamination and its effect on value nor ascertain the past use of the site.

8. Usage	:	
Basement Level 1		— Non-residential/Commercial
Unit 101		— Non-residential
Unit 102		— Non-residential
Level 1 (架空層)		— Non-residential
Level 2		— Non-residential
Level 3		— Non-residential
Level 4		— Non-residential
Level 5		— Non-residential
Level 6		— Non-residential
9. Internal Floor Area of the Subject Property	:	22,847.9 sq.m.
10. Gross Rentable Area of the Subject Property	:	27,262.3 sq.m.
11. Construction Completion Date of Victory Plaza	:	2003
12. Valuation Approach	:	Income Capitalisation Approach including Discounted Cash Flow Analysis, cross-checked by the Sales Comparison Approach
13. Date of Valuation	:	30 September 2005
14. Market Value in existing state as at the Date of Valuation	:	HK\$533,000,000
15. Unit Value on Gross Floor Area	:	HK\$19,243 per sq.m.
16. Net Passing Income as at the Date of Valuation	:	RMB30,902,628 per annum
17. Fully Leased Net Income as at the Date of Valuation	:	RMB30,902,628 per annum
18. Estimated Market Rental Income as at the Date of Valuation	:	RMB61,529,964 per annum
19. Discount Rate adopted for Discounted Cash Flow Analysis Only	:	11%

Valuation of various units of the property (the "Subject Property") located in Victory Plaza, Nos. 101 Ti Yu Xi Road, Tian He District, Guangzhou, Guangdong, The People's Republic of China (the "PRC") for Guangzhou Investment Company Limited (hereinafter referred to as "GZI") and its subsidiaries (hereinafter together referred to as the "GZI Group").

1. SUMMARY OF THE SUBJECT PROPERTY

According to the PRC Legal Opinion, 9 Real Estate Title Certificates have been issued in respect of the Subject Property.

The details of the Subject Property are summarised as follows:

- | | | | |
|----|--|---|---|
| 1. | Current Registered Owner | : | Keen Ocean Limited (京澳有限公司) |
| 2. | Type of Land Use Right | : | Granted |
| 3. | Town Plan Zoning | : | According to the State-owned Land Use Rights Grant Contract dated 27th January, 1997, the zoning of the underlying land of Victory Plaza was described as "commercial/tourism". |
| 4. | Interest Valued | : | Leasehold interest of the Subject Property. |
| 5. | Property Description | : | The Subject Property comprises a portion of a 6-storey retail shopping centre with 1 basement level. (See Section 2.5 for details) |
| 6. | Gross Floor Area ("GFA") of the Subject Property | : | 27,698.1 sq.m. |
| 7. | Lease Term | : | |
| | Basement Level 1 | | 40 years from 8 March 2004 |
| | Unit 101 | | 40 years from 8 March 2004 |
| | Unit 102 | | 40 years from 8 March 2004 |
| | Level 1 (架空層) | | 40 years from 8 March 2004 |
| | Level 2 | | 40 years from 8 March 2004 |
| | Level 3 | | 40 years from 8 March 2004 |
| | Level 4 | | 40 years from 8 March 2004 |
| | Level 5 | | 40 years from 8 March 2004 |
| | Level 6 | | 40 years from 8 March 2004 |

Based on our primary valuation method of Income Capitalisation Approach including Discounted Cash Flow Analysis, we are of the opinion that the Market Value of the Subject Property (the property interest to be disposed by GZI Group) in its existing state as at the date of valuation was **HONG KONG DOLLARS THREE HUNDRED EIGHTY-FIVE MILLION AND FIVE HUNDRED THOUSAND ONLY (HK\$385,500,000)**, assuming it is available for sale in the market with the benefit of existing tenants and the property title are free from all material encumbrances or defects. The Market Value of the Subject Property is an average of values derived using the Income Capitalisation Approach and Discounted Cash Flow Analysis.

Office Sales Comparables:

	Comparable 8	Comparable 9	Comparable 10	Comparable 11
Address	Lin He Xi Road	Lin He Xi Road	Lin He Xi Road	Lin He Xi Road
District	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)
Date of Transaction	Aug-05	Jul-05	Jul-05	May-05
Unit	1806	1808, 1809	1807	2007
Level	18	18	18	20
Gross Floor Area (sq.m.)	229.3	295.2	96.2	96.2
Date of Completion	2004	2004	2004	2004
Efficiency Ratio	70%	70%	70%	70%
Nature of Transaction	Transacted	Transacted	Transacted	Transacted
Asking/Transacted Price on GFA (RMB)	2,866,125	3,654,081	1,201,875	1,153,800
Asking/Transacted Price on GFA (RMB/sq.m.)	12,499	12,378	12,494	11,994
Adjusted/Transacted Price on GFA (RMB/sq.m.)	9,771	9,677	9,771	9,380

Based on the above, we have valued the Subject Property at a value of HK\$418,000,000.

The summary is as follows:

Property	Value (HK\$)	Unit Rate on Gross Floor Area (HK\$/sq.m.)
Retail portion	105,000,000	8,930
Office portion	<u>313,000,000</u>	10,215
Total	<u>418,000,000</u>	9,859

4. VALUATION SUMMARY

We have summarised the calculation results of each approach in the table below:

Valuation Approach/Analysis	Value (HK\$)
Income Capitalisation	411,000,000
Discounted Cash Flow	360,000,000
Sales Comparison	418,000,000

For the purposes of market comparables compositions, we have identified a number of comparables from our own database (which is based on the most recent data available to us). Due to the limited number of actual transaction available to us, we have analysed lettings from a variety of similar type of buildings in the locality in 2004 and we consider the comparables are sufficient to derive the market value of the Subject Property.

Office Sales Comparables:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7
Address	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Xi Road
District	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)
Date of Transaction	Dec-04	Dec-04	Dec-04	Nov-04	Nov-04	Nov-04	Sep-04
Unit	An office Unit	An office Unit	An office Unit	An office Unit	An office Unit	An office Unit	An office unit
Level	14	14	14	11	27	11	5
Gross Floor Area (sq.m.)	189.5	125.8	189.5	191.7	125.5	188.8	1,450.8
Date of Completion	2003	2003	2003	2003	2003	2003	2004
Efficiency Ratio	77%	77%	77%	77%	77%	77%	75%
Nature of Transaction	Transacted	Transacted	Transacted	Transacted	Transacted	Transacted	Transacted
Transacted Price on GFA (RMB)	2,822,805	1,874,569	2,822,805	2,454,272	1,756,720	2,529,920	14,508,043
Transacted Price on GFA (RMB/sq.m.)	14,896	14,901	14,896	12,803	13,998	13,400	10,000
Adjusted Unit Price on GFA (RMB/sq.m.)	11,590	11,590	11,590	9,956	10,890	10,423	9,840

Adjustments have been made based on our own judgement and knowledge of market. We have had regard to eleven comparables in deriving the unit market value of the office portion of the Subject Property. Comparable 1 to 6 are located in one building whereas Comparable 7 is close to the Subject Property. Adjustments have been made for time, location, building quality, and size. The adjusted unit rate of these comparables range from RMB9,840 to 11,590/sq.m. Taking the average of Comparables 1 to 7 will give a unit rate of approximately RMB10,800/sq.m. We have cross checked with comparables of other buildings which are listed in the table below and we are of the opinion that RMB10,800/sq.m. is reasonable.

3.3 Sales Comparison Approach

In the Sales Comparison Approach, we have considered the sales of similar properties and related market data and established a value by adjustment of the comparables. In general, the Subject Property is compared with sales of similar properties that have been transacted in the open market.

In preparing our valuations of the Subject Property, we have had regard to asking or transacted comparables within similar prime office and developments in the locality.

For the purposes of market comparables compositions, we have identified a number of comparables from our own database (which is based on the most recent data available to us). Due to the limited number of actual transaction available to us, we have analysed transactions from a variety of similar type of buildings in the locality in 2004 and we consider the comparables are sufficient to derive the market value of the Subject Property.

Adjustments have been made for various factors such as location, building age, efficiency and time. The details are as follows.

Retail Sales Comparables:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7
Address	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Xi Road
District	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)
Date of Transaction	May-04	Jul-04	Jul-04	Sep-04	Sep-04	Sep-04	Sep-04
Unit	A shop unit	A shop unit	A shop unit	A shop unit	A shop unit	A shop unit	A shop unit
Level	1	1	1	1	1	1	1
Gross Floor Area (sq.m.)	105.2	83.6	65.3	59.3	59.7	343.4	1,147.0
Date of Completion	2003	2003	2003	2003	2003	2003	2004
Nature of Transaction	Transacted	Transacted	Transacted	Transacted	Transacted	Transacted	Transacted
Transacted Price on GFA (RMB)	7,150,880	4,920,955	4,041,651	1,374,020	1,374,020	7,897,740	51,608,075
Transacted Price on GFA (RMB/sq.m.)	67,974	58,863	61,894	23,015	23,015	22,999	44,994
Adjusted Unit Price on GFA (RMB/sq.m.)	24,419	21,128	22,240	13,421	13,421	13,421	35,343

Adjustments have been made based on our own judgement and knowledge of market. We have had regard to seven comparables in deriving the unit market value of the podium level of the Subject Property. Comparable 1 to 6 are located in one building whereas Comparable 7 is close to the Subject Property. Adjustments have been made time, location, building quality, size, and pedestrian flow. The adjusted unit rates of these comparables range from RMB13,421 to 35,343/sq.m. Taking the average of all the seven comparables will give a unit rate of approximately RMB20,500/sq.m. for Level 1 of the podium of the Subject Property. By allowing 30% and 50% discounts to reflect the floor level difference for Levels 2 and 3, the unit rate is RMB14,350/sq.m. and RMB10,250/sq.m. respectively.

In our Discounted Cash Flow Analysis, based on the information provided by GZI, we have projected the following outgoings to be expended for the next 10 years on the building at the following amount:

Projected Outgoings Items	Projected Outgoings
Service Fees based on the tenancy services agreement	4% of gross rental income
Cost for Large Scale Repair & Maintenance as advised by GZI	RMB349,500 in 2006
	RMB250,800 in 2007
	RMB1,065,900 in 2008
	RMB461,700 in 2009
	RMB666,900 in 2010
	RMB148,200 in 2011
	RMB399,000 in 2012
	RMB159,600 in 2013
	RMB79,800 in 2014
	RMB210,900 in 2015
Sundry Expenses	0.2% of net rental income
Insurance	Fixed Amount
Business Tax	5.0% of rental income
Flood Prevention Works Maintenance Fee	0.09% of rental income
Urban Real Estate Tax	Original cost of property x 70% x 1.2%
Stamp Duty	0.1% of gross rental income

No immediate capital expenditure is included as a projected outgoings item with reference to the Building Condition Survey Report.

Based on the above, we have valued the Subject Property at a value of HK\$360,000,000 taking account of outgoings on the taxes and cost items.

The summary is as follows:

Property	Capitalisation Rate	Discount Rate	Value (HK\$)	Unit Rate on Gross Floor Area (HK\$/sq.m.)
Retail portion	10%	11%	105,000,000	8,930
Office portion	8%	11%	<u>255,000,000</u>	8,323
	Total:		<u>360,000,000</u>	8,491

In our assessment, we have valued the Subject Property using the following assumptions:

Property	Office Portion	Retail Portion
Terminal Capitalisation Rate	8%	10%
Discount Rate	11%	11%
Growth Rate — Year 1	5%	5%
Growth Rate — Year 2	-2%	6%
Growth Rate — Year 3	-4.5%	8%
Growth Rate — Year 4	-4.5%	5.5%
Growth Rate — Year 5	-2%	5.5%
Growth Rate — Years 6 to 10	6%	5%
Vacancy Loss	4%	2%
Bad Debts	1%	1%

According to our local market research, a substantial new office supply will come onto the market in the next few years. We believe that this will have an adverse impact on the office market rental income growth rate and we expect negative growth rate for the short to medium term for City Development Plaza. This is expected to be temporary and the office market rental income rate is expected to revert to positive growth thereafter. We have made reference to the Market Research Report prepared by Cushman & Wakefield (HK) Limited.

Vacancy loss is based on our view on the supply and demand and our local market knowledge of the relevant property market in Guangzhou.

In arriving at the periodic cash flow prepared by us, we have considered the annual rental income growth rate to assess the projected rental income, which is applied to the cash flow upon the expiry of the leases. The adopted rental income growth rates are in line with the forecasts as detailed in the Market Research Report prepared by Cushman & Wakefield (HK) Limited.

We have estimated that the rental income growth per annum during next 10 years for the Subject Property. Rental income growth patterns for each tenancies reflect the rent review provisions of each lease, including staged rent increase where applicable. We have assumed that upon expiry of the tenancies, typically new or existing two to five years leases will be granted or renewed on the basis of three years leases at the then prevailing market rentals.

An annual vacancy allowance and allowance for bad debts have been considered within the portfolio. An annual vacancy allowance is about 2% and 4% for retail and office components respectively, which is made reference to the current vacancy. With reference to the historical bad debts ratios, we consider that the bad debts allowance should be 1% of the net rent received. In case of the City Development Plaza units, the bad debt ratio was 1.3% for 2003, 1.8% for 2004 and 0.5% for the six months ended 30 June 2005.

We have made reference to the Building Condition Survey Report, which states that no immediate capital expenditure will be incurred as the Subject Property is maintained in a reasonable condition commensurate with its age. We have adopted the forecast of the cost for large scale repair and maintenance from 2006 to 2015 provided by GZI. No deduction has been made for the expected cost for small scale, routine repair and maintenance as we understand from GZI that the small scale, routine repair and maintenance costs, for maintaining the current condition of the Subject Property, are covered by the management fee paid by tenants. As advised by GZI, any costs incurred in non-conformities will be settled by GZI.

We have also deducted amounts for business tax, stamp duty, urban real estate tax, flood prevention works maintenance fee, insurance, cost for large scale repair and maintenance, and service fees.

In our calculation, we have not deducted any acquisition costs and disposal costs. We are of the opinion that these issues would be taken into account by a prospective purchaser.

In preparing our valuations for the Subject Property, we have had regard to asking or transacted rental income comparables within similar prime office and retail developments in the locality. For details, reference should be made to Section 3.1 of this report.

3.2 Discounted Cash Flow Analysis

This is defined in the International Valuation Standards Committee (7th Edition), as a financial modeling technique based on explicit assumptions regarding the prospective cash flow to operating real properties. This analysis involves the projection of a series of periodic cash flows to an operating property. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the rental income stream associated with the properties. In the case of operating real properties, periodic cash flow is typically estimated as gross rental income less vacancy, bad debts, impact of taxes (stamp duty, urban real estate tax, flood prevention works maintenance fee and business tax), service fees and other operating expenses. The series of periodic net operating incomes, along with an estimate of the terminal value, anticipated at the end of the projection period, is then discounted at the discount rate, being a cost of capital or a rate of return used to convert a monetary sum, payable or receivable in the future, into present value.

We have undertaken a discounted cash flow analysis on a monthly basis over a 10-year investment horizon. The net income in the year 11 is capitalised at an appropriate yield for the remainder of the ownership term. This analysis allows an investor or owner to make an assessment of the long term return that is likely to be derived from a property with a combination of both rental income and capital growth over an assumed investment horizon. This analysis is generally used in valuing investment income producing properties.

For the Subject Property, the terminal capitalisation rate for office portion within our calculation is 8% and the terminal capitalisation rate for retail portion is 10%. This is based on our analysis of the term yields applicable in the marketplace as set out in Section 3.1 with a discount to allow for the fact that we are capitalising a net rental income in year 11. The discount reflects the difference between the rental income stream before deductions and the net rental income together with an allowance for the security that a net rental income provides over the rental income before deduction.

In our calculation, we have adopted the discount rate of 11% for the Subject Property. The discount rate is a rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it reflects the opportunity cost of capital. In arriving at the discount rate, we have studied the current market situation for an investment return over a 10-year period from a commercial property. We have also investigated the return required by active property investors in the market as purchasers of shopping centres and office buildings. Based on the above, we consider that the market expectations are around 10% to 12% for both office and retail properties. We note that the yield of 10-year Exchange Fund Notes issued by the Hong Kong Monetary Authority as at 30 September 2005 is in the order of 4.17%, indicating a risk premium of between 5.83% and 7.83%. Based on our analysis of comparable sales in the international market, the higher premium reflects the inherent investment risks associated with the PRC and the property risk. We consider that Hong Kong is the closest mature market to the PRC and it is more appropriate to adopt the Hong Kong risk free rate for the PRC property investment.

From the previous analysis, the unit market rental income for office portion is RMB90/sq.m. In Section 3.3, the unit market value for office portion is RMB10,800/sq.m. The market yield is 10%. We have adopted 9.5% as the reversionary yield for the office component based on the average of the market yield of comparable transactions as follows:

Office market:

Unit	Address	Gross Floor Area (sq.m.)	Date of Transaction	Actual Transaction Price (RMB)	Sale Price per sq.m. (RMB/sq.m.)	Estimated Unit Annual Market		Market Yield (Note 2)
						Net Rental Income as at the Date of Transaction (RMB/sq.m.) (Note 1)	Occupancy Status as at the date of Transaction	
An office unit	Ti Yu Xi Road	1,450.8	Sept-04	14,508,043	10,000	1,080	Vacant	10.8%
An office unit	Ti Yu Dong Road	188.8	Nov-04	2,529,920	13,400	1,128	Vacant	8.4%
An office unit	Ti Yu Dong Road	191.7	Nov-04	2,454,272	12,796	1,128	Vacant	8.8%
An office unit	Ti Yu Dong Road	189.5	Dec-04	2,822,805	14,896	1,260	Vacant	8.5%
An office unit	Lin He Xi Road	229.3	Aug-05	2,866,125	12,449	1,512	Vacant	12.1%

Notes:

- 1) The estimated market net rental income is based on our analysis of recent lettings of comparable properties.
- 2) The market yield is the estimated market net rental income per annum divided by the actual transaction price.

For retail and office markets, the comparables were sourced from the Colliers International database and were calculated based on the comparable general location. Due to the limited number of whole building sales, sales of smaller units in the locality were also used.

We have valued the Subject Property at a value of HK\$411,000,000.

The summary is as follows:

Property	Term Yield	Reversionary Yield	Value (HK\$)	Unit Rate on Gross Floor Area (HK\$/sq.m.)
Retail portion	11%	12%	86,000,000	7,314
Office portion	8.5%	9.5%	<u>325,000,000</u>	10,607
		Total:	<u>411,000,000</u>	9,694

The term yield is used for capitalisation of the current passing rental income as at the date of valuation whilst the reversionary yield is used to convert reversionary rental income. This approach is generally used in valuing income producing properties.

The reversionary yields are based on an analysis of the unit market rental income and the unit market value of the comparables collected for the Subject Property. From the previous analysis, the unit market rental income for Level 1 of the retail podium is RMB200/sq.m. In Section 3.3, the unit market value for Level 1 is RMB20,500/sq.m. The market yield is 11.7%. We have adopted 12% as the reversionary yield for the retail component of the Subject Property which is within the range of the market comparable transactions as follows:

Retail market:

Unit	Building	Address	Gross Floor Area (sq.m.)	Date of Transaction	Actual Transaction Price (RMB)	Sale Price per sq.m. (RMB/sq.m.)	Estimated Unit Annual Market Net Rental Income as at the Date of Transaction (RMB/sq.m.) (Note 1)	Occupancy Status as at the date of Transaction	Market Yield (Note 2)
Whole	Confidential	Confidential	35,000	End of 2004	265,000,000	7,571	796	20 years Sale and Leaseback	10.5%
Whole	Confidential	Ti Yu Xi Road	1,147	Sept-04	51,608,075	44,994	4,752	Vacant	10.6%
B205	Confidential	Confidential	15.6	Sept-05	1,244,800	79,795	9,600	Vacant	12.0%
B107	Confidential	Confidential	16.5	Sept-05	1,405,050	85,155	10,260	Vacant	12.0%
Three shop units		Ti Yu Dong Road	463	Sept-04	10,645,780	22,993	2,688	Vacant	11.7%

Notes:

- 1) The estimated market net rental income is based on our analysis of recent lettings of comparable properties.
- 2) The market yield is the estimated market net rental income per annum divided by the actual transaction price.

Office Rental Income Comparables:

	Comparable 9	Comparable 10	Comparable 11	Comparable 12	Comparable 13	Comparable 14
Address	Huang Pu Xi Avenue	Ti Yu Xi Road	Tian He Bei Road	Tian He Bei Road	Lin He Xi Road	Lin He Xi Road
District	Tian He District (天河区)	Tian He District (天河区)	Tian He District (天河区)	Tian He District (天河区)	Tian He District (天河区)	Tian He District (天河区)
Date of Transaction	Mar-05	Nov-04	Apr-05	Mar-05	Aug-05	Jul-05
Unit	whole	whole	5201, 5204-06	5301, 5308	1405	3401, 3402, 3408, 3409
Level	24	23	52	53	14	34
Gross Floor Area (sq.m.)	1345.8	1,222.6	1108.5	648.6	161.5	1,623.3
Date of Completion	2000	2003	1997	1997	2004	2004
Efficiency Ratio	70%	70%	65%	65%	70%	70%
Nature of Transaction	Transacted	Transacted	Transacted	Transacted	Transacted	Transacted
Lease Term (year)	2.92	3.00	1.69	1.92	2.00	5.00
Lease Commencement Date	11-Apr-05	01-Nov-04	24-Apr-05	21-May-05	10-Aug-05	01-Aug-05
Lease Expiry Date	10-Mar-08	31-Oct-07	31-Dec-06	20-Apr-07	09-Aug-07	31-Jul-10
Net Monthly Rental Income on GFA (RMB)	100,935	110,036	146,428	97,286	21,485	202,909
Net Monthly Rental Income on GFA (RMB/sq.m.)	75	90	132	150	133	125
Ajusted Net Monthly Rental Income on GFA (RMB/sq.m.)	85	94	113	125	116	112

The existing monthly net rental income as at the date of valuation was RMB3,298,545 and it is anticipated that the development will maintain the current occupancy level of around 91% which is in line with the occupancy rate of similar type of buildings in the market.

In our assessment, the term yields adopted are 11% for the retail component and 8.5% for the office component. The term yields adopted are lower than the market yields derived below because the current passing rental income of the Subject Property is lower than the estimated current market rental income. The reversionary yields adopted are 12% for the retail component and 9.5% for the office component. We have applied individual yields to the retail and office components of the Subject Property, with a higher yield for the retail components to reflect the perceived higher levels of risk associated with the retail property market which is less mature and more volatile compared to the office market in Guangzhou.

Office Rental Income Comparables:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7	Comparable 8
Address	Ti Yu Xi Road	Ti Yu Xi Road	Ti Yu Xi Road	Ti Yu Xi Road	Ti Yu Xi Road	Ti Yu Xi Road	Ti Yu Xi Road	Ti Yu Xi Road
District	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)
Date of Transaction	Sept-05	Sep-05	Sep-05	Sep-05	Sept-05	Aug-05	Aug-05	Aug-05
Unit	An office unit	An office unit	An office unit	An office unit	An office unit	An office unit	10C	An office unit
Level	19	10	19	24	19	9	10	17
Gross Floor Area (sq.m.)	208.2	230.5	126.5	818.1	126.5	104.1	126.5	208.2
Date of Completion	1997	1997	1997	1997	1997	1997	1997	1997
Efficiency Ratio	72%	72%	72%	72%	72%	72%	72%	72%
Nature of Transaction	Transacted	Transacted	Transacted	Transacted	Transacted	Transacted	Transacted	Transacted
Lease Term (year)	2.00	2.00	0.99	2.06	1.00	0.58	2.00	0.42
Lease Commencement Date	01-Sep-05	01-Sep-05	01-Sep-05	09-Sep-05	01-Sep-05	01-Aug-05	01-Aug-05	01-Aug-05
Lease Expiry Date	31-Aug-07	31-Aug-07	30-Aug-06	30-Sep-07	31-Aug-06	28-Feb-06	31-Jul-07	31-Dec-05
Net Monthly Rental Income on GFA (RMB)	18,737	20,749	11,760	73,626	11,381	9,161	11,381	19,571
Net Monthly Rental Income on GFA (RMB/sq.m.)	90	90	93	90	90	88	90	94
Adjusted Net Monthly Rental Income on GFA (RMB/sq.m.)	90	90	93	90	90	88	90	94

Based on the analysis of Comparables 1 to 8 which are situated within City Development Plaza and were transacted recently, the average of the adjusted unit rate is approximately RMB90/sq.m. We have cross checked with comparables of other buildings which are listed in the table below and we are of the opinion that RMB90/sq.m. is reasonable.

The details of the rentals comparables are as follows:

Retail Rental Income Comparables:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Address	Lin He Xi Road	Lin He Xi Road	Ti Yu Dong Road	Tian He Road	Tian He Road
District	Tian He District (天河区)	Tian He District (天河区)	Tian He District (天河区)	Tian He District (天河区)	Tian He District (天河区)
Date of Transaction	Dec-04	Dec-04	Nov-04	May-04	Apr-04
Unit	A shop unit	A shop unit	A shop unit	A shop unit	A shop unit
Level	1	1	Podium	1	1
Gross Floor Area (sq.m.)	505	223.8	Around 1,000	30	45.5
Date of Completion	2004	2004	2003	1995	1995
Nature of Transaction	Transacted	Transacted	Transacted	Transacted	Transacted
Lease Term (year)	5.00	6.00	6.00	6.00	6.00
Lease Commencement Date	1-Nov-04	16-Oct-04	15-Nov-04	26-May-04	Jun-04
Lease Expiry Date	31-Oct-09	15-Oct-10	14-Oct-10	25-May-10	Jun-10
Net Monthly Rental Income on GFA (RMB)	75,750	31,329	282,080	37,800	45,500
Net Monthly Rental Income on GFA (RMB/sq.m.)	150	140	282	1,260	1,000
Adjusted Net Monthly Rental Income on GFA (RMB/sq.m.)	121	101	277	278	221

We have had regard to five comparables in deriving the rental income of the podium level of the Subject Property. Adjustments have been made for time, location, building quality, size, pedestrian flow and etc. The adjusted unit rentals of these comparables range from RMB101/sq.m. to RMB278/sq.m. Taking the average of all the five comparables will give a monthly unit rental income of approximately RMB200/sq.m. for Level 1 of the podium of the Subject Property. By allowing 30% and 50% discount to reflect the floor level difference for Levels 2 and 3, the monthly unit rental income is RMB140/sq.m. and RMB100/sq.m. respectively.

To bring the reversionary value back to the current date, we have used a present value rate which is the same as the reversionary yield for the particular component of the Subject Property. The present value is the current monetary value of future cash flows and reflects the opportunity cost of an investment in a similar asset which would be expected to return a similar remunerative return as the Subject Property.

In preparing our valuations, we have had regard to asking or transacted rental income comparables within similar prime office and retail developments in the locality.

For Level 1 of retail portion, the typical net monthly passing rentals as at the date of valuation generally range between RMB107 per sq.m. and RMB503 per sq.m. and the average was RMB170 per sq.m. For Levels 2 and 3 of retail portion, the net monthly passing rental income is RMB75 per sq.m. and RMB40 per sq.m. respectively. We are of the opinion that the current passing rentals were generally below the market level of RMB200 per sq.m., RMB140 per sq.m. and RMB100 per sq.m. for Levels 1, 2 and 3 respectively as at the date of valuation.

For office portion, the typical net monthly passing rentals generally ranging between RMB80 per sq.m. and RMB115 per sq.m. and the average is RMB94 per sq.m. We are of the opinion that the current passing rentals were slightly higher than the average market level of RMB90 per sq.m. as at the date of valuation.

For the purposes of market comparables compositions, we have identified a number of comparables from our own database (which is based on the most recent data available to us). Due to the limited number of actual transaction available to us, we have analysed lettings from a variety of similar type of buildings in the locality in 2004 and we consider the comparables are sufficient to derive the market rental of the Subject Property.

2.14.3 *Property Management Fee*

As advised by GZI, the monthly management fees paid by the tenants for the retail and office portions are RMB33 per sq.m. and RMB25 per sq.m. respectively which is at the market level of similar developments in the locality.

Name of Building	Management fee for Retail Portion (RMB/sq.m.)	Management fee for Office Portion (RMB/sq.m.)
Gao Sheng Building (高盛大廈)	Not Applicable	27
Times Square (時代廣場)	36	26
Goldlion Building (金利來大廈)	33	29
Pingan Insurance Building (平安保險大廈)	36	27

3. VALUATION

3.1 **Income Capitalisation Approach**

This approach converts the actual and anticipated net income from the property into a value through the process of capitalization. The most common method of converting net income into value is by the "term and reversion" method.

This approach estimates the value of the Subject Property on an open market basis by capitalising net rental income on a fully leased basis having regard to the current passing rental income and potential future income from existing vacancies.

In this valuation approach, the total rental income is divided into the term income and the reversionary income. The term value involves the capitalisation of the current passing rental income over the existing lease term. The reversionary value is taken to be current market rental income upon the expiry of the lease over the residual land use rights term and is capitalised on a fully leased basis. It is then brought back to the date of valuation.

We have applied individual yields to the retail and office components of the Subject Property, with a higher yield for the retail component to reflect the perceived higher levels of risk associated with the retail property market which is less mature and more volatile compared to the office market in Guangzhou (i.e. the retail yield is higher than office yield).

2.13 Historic Outgoings

As advised by GZI, the current monthly property management fees paid by the tenants for the retail and office portions are RMB33 per sq.m. and RMB25 per sq.m. respectively and the total property management income covers the total property management expenses.

We are of the opinion that the current property management fee is in line with the office market level of similar developments in the locality. (See Section 2.14.3)

2.14 Property Management

2.14.1 *Tenancy Services Agreement*

A tenancy services agreement was entered into between the Manager, Full Estates Investment Limited (福遠地產投資有限公司) (the "Property Company") and Guangzhou Yi Cheng Property Management Co., Ltd. (the "Leasing Agent") for an initial term of three years. Under this agreement the Leasing Agent (who is also the property manager of City Development Plaza) will be paid a remuneration of 4% per annum of the gross revenue ("Service Fees") receivable by the Leasing Agent from the operation of the Subject Property. The Leasing Agent agrees that, for so long as it is the property manager of City Development Plaza, the Service Fees paid to the Leasing Agent shall also be in satisfaction of the property management fees which it is entitled to receive from the Property Company for any vacant units of the Subject Property under the property management agreement.

2.14.2 *Deed of Mutual Covenant* (業主公約)

The Deed of Mutual Covenant was passed in a resolution of the Owners' Meeting of City Development Plaza dated 27 June 2005. It comprises provisions relating to definitions of common areas, common facilities and other terms, the beneficial interest and obligations of the individual owners, rights of the property developer, general, financial and other issues of management, management fees and other charges, rights and duties of property manager, owners' meeting and owners' committee and other related issues.

For Level 1 of retail portion, save for the tenancies entered into with related parties, the typical lease terms of the tenancies varied between 2 and 5 years and were on normal local commercial terms with agreed net monthly rentals as at the date of valuation generally ranging between RMB107 per sq.m. and RMB503 per sq.m.

For Levels 2 and 3 of retail portion, save for the tenancy entered into with a related party on Level 2, the lease terms of the tenancies were 2 and 6 years and were on normal local commercial terms with agreed net monthly rentals as at the date of valuation at RMB75 per sq.m. and RMB40 per sq.m. respectively.

For office portion, the typical lease terms of the tenancies varied between 1 and 3 years and were on normal local commercial terms with agreed net monthly rentals as at the date of valuation generally ranging between RMB80 per sq.m. and RMB115 per sq.m.

2.12 Summary of Material Rent Review Provisions

The Subject Property has the following material rent review provisions:

Level	Gross Floor Area (sq.m.)	Net Monthly Rental Income (RMB)	Lease Term	
			From	To
Unit on Level 1	234.4	117,850	1 November 2002	31 October 2005
		123,743	1 November 2005	31 October 2007
Unit on Level 3	7,907.2	313,203	1 January 2003	30 June 2006
		344,523	1 July 2006	30 June 2007
		396,201	1 July 2007	30 June 2010
Unit on Level 26	1,844.3	Rent Free	1 September 2001	30 November 2001
		151,236	1 December 2001	31 August 2003
		160,310	September 2003	31 August 2004
		169,929	1 September 2004	31 August 2005
		180,125	1 September 2005	31 August 2006
Unit on Level 27	1,844.3	Rent Free	17 October 2001	31 December 2001
		175,212	1 January 2002	16 October 2003
		182,220	17 October 2003	16 October 2004
		189,509	17 October 2004	16 October 2005
		197,089	17 October 2005	16 October 2006

We are not aware of any material sub-leases or tenancies and any material options or rights of pre-emption which may affect the value of the Subject Property. We have considered the right to renew in our valuation.

2.11 Lease Cycle Duration and Expiry Profile

In general, the typical lease terms of all tenancies vary between 1 and 6 years and are on normal local commercial terms with agreed net monthly rentals generally ranging between RMB40 per sq.m. and RMB503 per sq.m. with an average unit monthly net rental income of RMB62 per sq.m. and RMB94 per sq.m. for the retail and office portions respectively.

The details of the lease term duration are shown as follows:

Lease term greater than (year)	Lease term less than or equal to (year)	By Number (%)	By Gross Floor Area (%)
0	1	24.7	18.9
1	2	26.0	11.0
2	3	36.3	31.9
3	4	6.5	9.6
4	5	5.2	1.8
5	6	1.3	17.6
vacant area		n.a.	9.0
		<u>100</u>	<u>100</u>

The details of the lease expiry profile are shown as follows:

% of tenancies due to expire in each year	By Number (%)	By Gross Floor Area (%)
2005	16.2	8.6
2006	52.9	32.1
2007	25.0	19.9
2008	4.4	11.9
2009	0.0	0.0
2010 and beyond	1.5	18.5
Vacant	n.a.	9.0
Total	<u>100.0</u>	<u>100.0</u>

As advised by GZI, the followings are details of tenancy agreements in the Subject Property of parties who will be regarded as related parties of GZI Real Estate Investment Trust upon its inception:

Unit	Gross Floor Area <i>(sq.m.)</i>	Net Monthly Rental Income <i>(RMB)</i>	Unit Net Monthly Rental Income <i>(RMB/ sq.m.)</i>	Market Rental Income as at the date of valuation <i>(RMB)</i>	Lease Term	
					From	To
Unit 101	881.3	110,144	125	200	9/15/2002	12/31/2005
Unit 201	562.8	42,095	75	140	11/1/2003	12/31/2005
Portion of Unit 103	97.0	485	5	200	5/1/2004	4/30/2006
Portion of Level 16	922.2	82,995	90	90	1/1/2005	12/31/2007
Portion of Level 16	46.1	4,153	90	90	1/1/2005	12/31/2007
Portion of Level 16	138.3	12,449	90	90	1/1/2005	12/31/2007

As advised by GZI, we understand that the tenancy of Portion of Unit 103 for the related party will continue to be renewed at the same rental income level as the existing tenancy and the tenancies of Units 101 and 201 for the related party will be renewed at the then market rental income and we have considered this in our valuation.

The property is occupied by various tenants from various industries such as finance/insurance, property, information technology, telecommunications, manufacturing/engineering, shipping, etc.

2.10 Occupancy Rate

According to the PRC Legal Opinion, the majority of the Subject Property with a total floor area of approximately 38,559.4 sq.m. was leased to various tenants as at the date of valuation. This equates to an occupancy rate of about 91% of the Subject Property to be disposed by GZI Group.

As at the date of valuation, the top 10 major tenancy agreements by rental income within the Subject Property occupied 54.0% of the total gross floor area and were responsible for 57.7% of the net rental income received. Details of the tenancy agreements are as follows:

Unit	Gross Floor Area (sq.m.)	Net Monthly Rental Income (RMB)	Net Monthly Rent Passing (RMB/sq.m.)	Estimated Net Monthly Market Rental Income (RMB/sq.m.)	% of Current Monthly Net Rental Income	Lease Term	
						From	To
Units 22A-J, 23A-J	3,688.7	405,755	110	87	12.3%	5/1/2005	4/30/2008
Unit 202, Level 3	7,907.2	313,203	40	84	9.5%	7/1/2001	6/30/2010
Unit 28A-J	1,844.3	193,656	105	87	5.9%	9/1/2003	8/31/2006
Unit 27A-J	1,844.3	189,509	103	87	5.7%	10/17/2001	10/16/2006
Unit 26A-J	1,844.3	169,929	92	87	5.2%	9/1/2001	8/31/2006
Unit 18A-J	1,844.3	153,080	83	87	4.6%	1/1/2005	12/31/2007
Unit 11A-J	1,844.3	153,080	83	87	4.7%	11/20/2003	11/19/2006
Portion of 103	234.4	117,850	503	200	3.6%	11/1/2002	10/31/2007
Unit 101	881.2	110,144	125	200	3.3%	9/15/2002	12/31/2005
Portion of Level 16	1,060.5	95,444	90	90	2.9%	1/1/2005	12/31/2007

The total current net passing rental income received and the total estimated market rental income as at the date of valuation were RMB3,298,545 and RMB3,767,314 respectively. The total current net passing rental income is 12% lower than the total estimated market rental income. The estimated net monthly market rental income is based on the unit market rental income of different levels of the retail and office portions of the Subject Property in Section 3.1.

For the top 10 major tenancy agreements by rental income, the current net passing rental income is generally slightly higher than the estimated market rental income.

2.9 Current Rental Income

As at the date of valuation, 14.5% or 1,711.4 sq.m. of the retail portion and 7.0% or 2,126.5 sq.m. of the office portion of the Subject Property were vacant.

According to the supplied rent roll as at the date of valuation, for which a sample of 20% of leases (which is equivalent to about 30% of the total passing rental income) were checked by us and were found to be in order, the existing net monthly rental income and equivalent annual net rental income was as follows:

Portion	Gross Floor Area (sq.m.)	Monthly Net Rental Income (RMB)	Annual Net Rental Income (RMB)
Retail Portion	10,046.2	623,194	7,478,328
Office Portion	28,513.3	2,675,351	32,104,212

As at the date of valuation, for the retail portion, the retail units were leased to 5 tenants. For office portion, the office units were leased to over 50 tenants.

According to the supplied information, we understand that rental income is exclusive of property management fee and other outgoings such as water, electricity, gas, telephone, air-conditioning charges.

2.7 Specification, Services and Finishes of the Development

City Development Plaza is constructed of reinforced concrete and is decorated with marble or granite wall and floor tiles at the main lobby and with gypsum false ceiling. The specification of the building includes central air-conditioning system. Main services comprising electricity, water and telecommunications are provided to the building.

The office portion is generally decorated with carpet floor or homogenous floor tile, wallpaper and false ceiling.

The retail podium is served by 2 passenger lifts, 4 pairs of escalators and 4 staircases. The office lifts serve all floors.

The office portion is served by 6 passenger lifts, 2 service lifts and 2 staircases.

The building is maintained in a reasonable condition commensurate to its age. The building is managed by Guangzhou Yicheng Property Management Ltd. and it is responsible for collection of all management fees from the tenants and dealing with the day to day operations and outgoings relevant to the development.

The fire safety measures include the installation of automatic sprinkler heads, smoke detectors, fire alarm system and fire extinguishers throughout the building. For further information on building condition, reference should be made to the Building Condition Survey Report.

2.8 Building Condition of the Development

According to the Building Condition Survey report, the building is maintained in a reasonable condition. City Development Plaza and its vehicular access are generally in compliance with the record plans furnished by Guangzhou City Construction & Development Co. Ltd.

For the non-conformity items, some minor deviations such as additional store rooms were found by the building surveyor.

For further information of the building condition, reference should be made to the Building Condition Survey report.

We are of the opinion that the non-conformity items have no material impact on the value of the Subject Property.

2.6 Interest to be Disposed by GZI Group

GZI Group is disposing a portion of the development and the details of the interest to be disposed are listed below:

Floor	Usage	Gross Floor Area (sq.m.)	Remarks
Portion of Level 1	Commercial	1,580.2	Including management office
Portion of Level 1	Commercial	1,707.4	This portion is the atrium of Level 1 which is a not retail unit and not for permanent lease.
The whole of Level 2	Commercial	3,977.0	
The whole of Level 3	Commercial	4,493.0	
Portion of Level 6	Office	1,487.3	
Portion of Level 7	Office	818.1	
Portion of Level 8	Office	922.2	
Portion of Level 9	Office	795.7	
Portion of Level 10	Office	1,383.3	
The whole of Level 11	Office	1,844.3	
The whole of Level 16	Office	1,844.3	
Portion of Level 17	Office	1,717.9	
The whole of Levels 18 and 19	Office	3,688.7	1,844.34 sq.m. for each level
Portion of Level 20	Office	1,613.8	
Portion of Level 21	Office	1,613.8	
The whole of Levels 22 to 28	Office	12,910.4	1,844.34 sq.m. for each level
	Total:	<u><u>42,397.4</u></u>	

Note: The breakdown of the gross floor area and the usage is based on the Real Estate Title Certificates and the PRC Legal Opinion.

2.4 Car Accessibility and Road Frontage

City Development Plaza is directly accessible from Ti Yu Xi Road.

Travelling time to major areas of the City through driving:

Baiyun International Airport	45 minutes
Teem Plaza	1 minute
Guangzhou East Train Station	5 minutes

2.5 Description of the Development

City Development Plaza, a 28-storey Grade A commercial building plus a 2-storey basement carpark, is located at Nos. 185, 187 and 189 Ti Yu Xi Road, Tian He District, in Guangzhou's prime business area. The building comprises a 5-storey commercial podium and office floors from Levels 6 to 28. According to the information provided by GZI, the development has a total gross floor area of 74,049.2 sq.m.

The area breakdown of City Development Plaza is summarized as below:

Level	Usage	Gross Floor Area (sq.m.)
Basement 1 and Basement 2	Carpark, Machinery Room	12,500.6
Level 1-3	Commercial	11,757.5
Level 4	Restaurant	4,639.3
Level 5	Club House	1,724.5
Level 6-28	Office	<u>43,427.3</u>
	Total:	<u><u>74,049.2</u></u>

The commercial portion is situated behind the main entrance lobby serving the office levels, and is divided into separate retail units arranged around an atrium. The ground level of the atrium is used for exhibition purposes.

The site of the building comprises a regular and level plot having its main frontage onto Ti Yu Xi Road on which a 5-storey commercial portion with an office tower (rising from the 6th to 28th storey) has been built. The building was completed in 1997.

The building facilities include an exclusive clubhouse, restaurants, a conference centre and car parking spaces.

The layout and design of the Subject Property is square in shape.

2. THE SUBJECT PROPERTY

2.1 Situation and Locality

City Development Plaza is situated on the western side of Ti Yu Xi Road in Tian He District, Guangzhou, Guangdong, the PRC. Ti Yu Xi Road forms one axis of the square surrounding the Tian He Stadium and has become one of the main CBDs in Guangzhou.

Tian He District is a rapidly developing area and is the present focus of new Grade A office development. Located on the eastern side of Guangzhou, the majority of major developments in the area are situated around and overlook the Tian He stadium. This district has emerged as the new CBD of Guangzhou within the last few years and its increasing popularity with the business community has led to rapid development of commercial buildings around the stadium area initially and later has gradually expanded outwards from this central square.

2.2 Surrounding Development and Environmental Issues

The Subject Property is located in Tian He District. Developments in the area comprise mainly modern high-rise commercial buildings and low-rise retail shopping centres, interspersed with older medium-rise residential buildings.

The pedestrian traffic flow along that section of Ti Yu Xi Road is moderate as it is located at the less busier side of the Tian He stadium.

We have no knowledge of any environmental concerns or contamination of the subject site and surrounding sites. Due to the land registration system in the PRC, we cannot trace any information regarding to the previous development erected upon the subject site, therefore, we cannot comment on the likelihood of contamination and its effect on value nor ascertain the past use of the site.

2.3 Availability of and Access to Public Transport

General accessibility of City Development Plaza is considered good as public transportation such as taxis and buses are available along Ti Yu Xi Road. Bus stops are located at 2 minutes walk from City Development Plaza.

City Development Plaza is located at an approximately 10 minutes walk from Ti Yu Xi Station on No. 1 metro line.

12. Valuation Approach : Income Capitalisation Approach including Discounted Cash Flow Analysis, cross-checked by the Sales Comparison Approach
13. Date of Valuation : 30 September 2005
14. Market Value in existing state as at the Date of Valuation : HK\$385,500,000
15. Unit Value on Gross Floor Area : HK\$9,093 per sq.m.
16. Net Passing Income as at the Date of Valuation : RMB39,582,540 per annum
17. Fully Leased Net Income as at the Date of Valuation : RMB41,887,560 per annum
18. Estimated Market Rental Income as at the Date of Valuation : RMB45,207,768 per annum
19. Discount Rate adopted for Discounted Cash Flow Analysis only : 11%
20. Exchange Rate as at the Date of Valuation : HK\$1 = RMB1.043
21. Term Yield : Office: 8.5%
Retail: 11.0%
22. Reversionary Yield : Office: 9.5%
Retail: 12.0%
23. Occupancy Rate as at the Date of Valuation : Office: 93%
Retail: 85.5%
24. Vacancy Allowance : Office: 4%
Retail: 2%
25. Market Comment : We consider the marketability of the Subject Property to be reasonable in view of its location and accessibility.

Note: The usage is based on the Real Estate Title Certificates and the PRC Legal Opinion.

Valuation of various units of the property (the "Subject Property") located in City Development Plaza, Nos. 185, 187 and 189, Ti Yu Xi Road, Tian He District, Guangzhou, Guangdong, The People's Republic of China (the "PRC") for Guangzhou Investment Company Limited (hereinafter referred to as "GZI") and its subsidiaries hereinafter together referred to as the "GZI Group")

1 SUMMARY OF THE SUBJECT PROPERTY

According to the PRC Legal Opinion, 165 Real Estate Title Certificates have been issued in respect of the Subject Property. The details of the Subject Property are summarised as follows:

- | | | | |
|-----|--|---|--|
| 1. | Current Registered Owner | : | Full Estates Investment Limited
(福達地產投資有限公司) |
| 2. | Type of Land Use Right | : | Granted |
| 3. | Town Plan Zoning | : | The zoning of the underlying land of City Development Plaza was described as "commercial/residential". |
| 4. | Interest Valued | : | Leasehold interest of the Subject Property |
| 5. | Property Description | : | The Subject Property forms a portion of a 28-storey Grade A commercial building. (See Section 2.5 for details) |
| 6. | Gross Floor Area ("GFA") of the Subject Property | : | Total: 42,397.4 sq.m.
Office: 30,639.8 sq.m.
Retail: 11,757.6 sq.m. |
| 7. | Lease Term | : | Levels 1-3:
40 years from 27 January 1997
Levels 6-11, 16-28:
50 years from 27 January 1997 |
| 8. | Usage | : | Levels 1-3: Commercial
Levels 6-11,16-28: Office |
| 9. | Internal Floor Area of the Subject Property | : | 32,654.9 sq.m. |
| 10. | Gross Rentable Area of the Subject Property | : | 42,397.4 sq.m. |
| 11. | Construction Completion Date of City Development Plaza | : | 1997 |

4. VALUATION SUMMARY

We have summarised the calculation results of each approach in the table below:

Valuation Method	Value (HK\$)
Income Capitalisation	559,000,000
Discounted Cash Flow	531,000,000
Sales Comparison	535,000,000

Based on our primary valuation method of Income Capitalisation Approach including Discounted Cash Flow Analysis, we are of the opinion that the Market Value of the Subject Property (the property interest to be disposed by GZI Group) in its existing state as at the date of valuation was **HONG KONG DOLLARS FIVE HUNDRED AND FORTY-FIVE MILLION ONLY (HK\$545,000,000)** assuming it is available for sale in the market with the benefit of existing tenants and the property title are free from all material encumbrances or defects. The Market Value of the Subject Property is an average of the values derived using the Income Capitalisation Approach and Discounted Cash Flow Analysis.

Based on the above, we have valued the Subject Property at a value of HK\$535,000,000.

The summary is as follows:

Property	Value (HK\$)	Unit Rate on Gross Floor Area (RMB/sq.m.)
Retail portion	63,000,000	16,350
Office portion	<u>472,000,000</u>	12,930
Total	<u><u>535,000,000</u></u>	13,257

3.4 Valuation Comment

We have noted that for a certain portion of the Subject Property the existing usage is different from the usage as mentioned in Real Estate Title Certificates according to the PRC Legal Opinion. The details and their respective valuation bases are listed in the table below. For the purposes of our valuation, we have valued the Subject Property on this basis.

Unit	Tower	Usage in Real Estate Title Certificate	Existing Usage	Valuation Basis for Existing Tenancy	Valuation Basis After Expiry of Tenancy
Levels 1 to 2	Podium	Commercial	Retail/Office	Retail	Retail
Levels 3 to 5	Podium	Commercial	Office	Office	Office
Level 27	West Tower (114 Ti Yu Dong Road)	Commercial	Office	Office	Office
Level 37	East Tower (116 Ti Yu Dong Road)	Commercial	Office	Office	Office
Other units on or above Level 8	East Tower and West Tower	Office	Office	Office	Office

Adjustments have been made based on our own judgement and knowledge of market. We have had regard to seven comparables in deriving the unit market value of the podium level of the Subject Property. Comparables 1 to 6 are located in one building whereas Comparable 7 is close to the Subject Property. Adjustments have been made for time, location, building quality, size, pedestrian flow and etc. The adjusted unit rates of these comparables range from RMB20,286 to 39,984/sq.m. Taking the average of all the seven comparables will give a unit rate of approximately RMB30,000/sq.m. for Level 1 of the podium of the Subject Property. By allowing 50% discount to reflect the floor level difference for Level 2, the unit market value is RMB15,000 sq.m.

For the purposes of market comparables compositions, we have identified a number of comparables from our own database (which is based on the most recent data available to us). Due to the limited number of actual transaction available to us, we have analysed lettings from a variety of similar type of buildings in the locality in 2004 and we consider the comparables are sufficient to derive the market value of the Subject Property.

Office Sales Comparables

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Address	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road
District	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)
Date of Transaction	Dec-04	Dec-04	Dec-04	Nov-04	Nov-04	Nov-04
Unit	An office unit, West Tower	An office unit, West Tower	An office unit, West Tower	An office unit, East Tower	An office unit, East Tower	An office unit, East Tower
Level	14	14	14	11	27	11
Gross Floor Area (sq.m.)	189.5	125.8	189.5	191.7	125.5	188.8
Date of Completion	2003	2003	2003	2003	2003	2003
Efficiency Ratio	71%	71%	71%	71%	71%	71%
Nature of Transaction	Transacted	Transacted	Transacted	Transacted	Transacted	Transacted
Transacted Price on GFA (RMB)	2,822,805	1,874,569	2,822,805	2,454,272	1,756,720	2,529,920
Transacted Price on GFA (RMB/sq.m.)	14,896	14,901	14,896	12,803	13,998	13,400
Adjusted Unit Price on GFA (RMB/sq.m.)	14,751	14,751	14,751	12,672	13,860	13,266

Adjustments have been made based on our own judgement and knowledge of market. We had regard to six comparables in deriving the unit market value of the office portion of the Subject Property. All comparables are located in the same building where the Subject Property is located. Adjustments have been made for time, location, building quality, size and etc.. The adjusted unit rates of these comparables range from RMB12,672 to 14,751/sq.m. Taking the average of Comparable 1 to 6 will give a unit rate of approximately RMB14,000/sq.m.

3.3 Sales Comparison Approach

In the Sales Comparison Approach, we have considered the sales of similar properties and related market data and established a value by adjustment of the comparables. In general, the Subject Property is compared with sales of similar properties that have been transacted in the open market.

In preparing our valuations of the Subject Property, we have had regard to asking or transacted comparables within similar prime office developments in the locality.

For the purposes of market comparables compositions, we have identified a number of comparables from our own database (which is based on the most recent data available to us). Due to the limited number of actual transaction available to us, we have analysed lettings from a variety of similar type of buildings in the locality in 2004 and we consider the comparables are sufficient to derive the market value of the Subject Property.

Adjustments have been made for various factors to the evidence such as location, building age, efficiency and time. The details are as follows.

Retail Sales Comparables

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6	Comparable 7
Address	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road
District	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)
Date of Transaction	May-04	Jul-04	Jul-04	Sep-04	Sep-04	Sep-04	Sep-04
Unit	A shop unit	A shop unit	A shop unit	A shop unit	A shop unit	A shop unit	A shop unit
Level	1	1	1	1	1	1	1
Gross Floor Area (sq.m.)	105.2	83.6	65.3	59.7	59.7	343.4	1,147.0
Date of Completion	2003	2003	2003	2003	2003	2003	2004
Nature of Transaction	Transacted	Transacted	Transacted	Transacted	Transacted	Transacted	Transacted
Transacted Price on GFA (RMB)	7,150,880	4,920,955	4,041,651	1,374,020	1,374,020	7,897,740	51,608,075
Unit Price on GFA (RMB/sq.m.)	67,974	58,863	61,894	23,015	23,015	22,999	44,994
Adjusted Unit Price on GFA (RMB/sq.m.)	39,984	34,595	36,416	20,286	20,286	20,286	38,272

In our Discounted Cash Flow Analysis, based on the information provided by GZI, we have projected the following outgoings to be expended for the next 10 years on the building at the following amount:

Projected Outgoings Items	Projected Outgoings
Service Fees based on the tenancy services agreement	4% of gross rental income
Cost for Large Scale Repair & Maintenance as advised by GZI	Nil in 2005 Nil in 2006 RMB75,300 in 2007 RMB256,000 in 2008 RMB366,400 in 2009 RMB85,300 in 2010 RMB125,500 in 2011 RMB145,600 in 2012 RMB145,600 in 2013 RMB376,400 in 2014 RMB291,000 in 2015
Sundry Expenses	0.2% of rental income
Insurance	Fixed Amount
Business Tax	5.0% of rental income
Flood Prevention Works Maintenance Fee	0.09% of rental income
Urban Real Estate Tax	original value of building x 70% x 1.2%
Stamp Duty	0.1% of gross rental income

No immediate capital expenditure is included as a projected outgoings item with reference to the Building Condition Survey Report.

Based on the above, we have valued the Subject Property at a value of HK\$531,000,000 taking account of outgoings on the taxes and cost items.

The summary is as follows:

Property	Capitalisation Rate	Discount Rate	Value (HK\$)	Unit Rate on Gross Floor Area (HK\$/sq.m.)
Retail portion	9.5%	11%	92,000,000	23,877
Office portion	7.5%	11%	<u>439,000,000</u>	12,026
		Total:	<u><u>531,000,000</u></u>	13,158

In our assessment, we have valued the Subject Property using the following assumptions:

Property	Office Portion	Retail Portion
Terminal Capitalisation Rate	7.5%	9.5%
Discount Rate	11%	11%
Growth Rate — Year 1	8%	10%
Growth Rate — Year 2	2%	12%
Growth Rate — Year 3	0%	16%
Growth Rate — Year 4	0%	10%
Growth Rate — Year 5	2%	10%
Growth Rate — Years 6 to 10	6%	5%
Vacancy Loss	5%	1%
Bad Debts	1%	1%

The growth rates are based on our local market research. We have also made reference to the Market Research Report prepared by Cushman & Wakefield (HK) Limited.

Vacancy loss is based on our view on the supply and demand and our local market knowledge of the relevant property market in Guangzhou.

In arriving at the periodic cash flow provided by us, we have considered the annual rental income growth rate to assess the projected rental income, which is applied to the cash flow upon the expiry of the leases. The adopted rental income growth rates are in line with the forecasts as detailed in the Market Research Report prepared by Cushman & Wakefield (HK) Limited.

We have estimated that the rental income growth per annum during next 10 years for the Subject Property. Rental income growth patterns for each tenancy reflect the rent review provisions of each lease, including staged rent increase where applicable. We have assumed that upon expiry of the tenancies, typically new or existing two to five years leases will be granted or renewed on the basis of three years leases and the then prevailing market rentals.

An annual vacancy allowance and allowance for bad debts have been considered within the portfolio. An annual vacancy allowance is about 1% and 5% for retail and office components respectively, which is made reference to the current vacancy. With reference to the historical bad debts ratios, we consider that the bad debts allowance should be 1% of the net rent received. In the case of the Fortune Plaza units, the bad debt ratio was 2.7% for the six months ended 30 June 2005. There were no bad debt in the other periods.

We have made reference to the Building Condition Survey Report, which states that no immediate capital expenditure will be incurred as the Subject Property is maintained in a reasonable condition commensurate with its age. We have adopted the forecast of the cost for large scale repair and maintenance from 2006 to 2015 provided by GZI. No deduction has been made for the expected cost for small scale, routine repair and maintenance as we understand from GZI that the small scale, routine repair and maintenance costs, for maintaining the current condition of the Subject Property, are covered by the management fee paid by tenants. As advised by GZI, any costs incurred in non-conformities will be settled by GZI.

We have also deducted amounts for business tax, stamp duty, urban real estate tax, flood prevention works maintenance fee, insurance, cost for large scale repair and maintenance, and service fees.

In our calculation, we have not deducted any acquisition costs and disposal costs. We are of the opinion that these issues would be taken into account by a prospective purchaser.

In preparing our valuations for the Subject Property, we have had regard to asking or transacted rental income comparables within similar prime office and retail developments in the locality. For details, reference should be made to Section 3.1 of this report.

3.2 Discounted Cash Flow Analysis

This is defined in the International Valuation Standards Committee (7th Edition), as a financial modeling technique based on explicit assumptions regarding the prospective cash flow to operating real properties. This analysis involves the projection of a series of periodic cash flows to an operating property. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the rental income stream associated with the properties. In the case of operating real properties, periodic cash flow is typically estimated as gross rental income less vacancy, bad debts, impact of taxes (stamp duty, urban real estate tax, flood prevention works maintenance fee and business tax), service fees and other operating expenses. The series of periodic net operating incomes, along with an estimate of the terminal value, anticipated at the end of the projection period, is then discounted at the discount rate, being a cost of capital or a rate of return used to convert a monetary sum, payable or receivable in the future, into present value.

We have undertaken a discounted cash flow analysis on a monthly basis over a 10-year investment horizon. The net income in the year 11 is capitalised at an appropriate yield for the remainder of the ownership term. This analysis allows an investor or owner to make an assessment of the long term return that is likely to be derived from a property with a combination of both rental income and capital growth over an assumed investment horizon. This analysis is generally used in valuing investment income producing properties.

For the Subject Property, the terminal capitalisation rate for office portion within our calculation is 7.5% and the terminal capitalisation rate for retail portion is 9.5%. This is based on our analysis of the term yields applicable in the marketplace as set out in Section 3.1 with a discount to allow for the fact that we are capitalising a net rental income in year 11. The discount reflects the difference between the rental income stream before deductions and the net rental income together with an allowance for the security that a net rental income provides over the rental income before deduction.

In our calculation, we have adopted the discount rate of 11% for the Subject Property. The discount rate is a rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it reflects the opportunity cost of capital. In arriving at the discount rate, we have studied the current market situation for an investment return over a 10-year period from a commercial property. We have also investigated the return required by active property investors in the market as purchasers of shopping centres and office buildings. Based on the above, we consider that the market expectations are around 10% to 12% for both office and retail properties. We note that the yield of 10-year Exchange Fund Notes issued by the Hong Kong Monetary Authority as at 30 September 2005 is in the order of 4.17%, indicating a risk premium of between 5.83% and 7.83%. Based on our analysis of comparable sales in the international market, the higher premium reflects the inherent investment risks associated with the PRC and the property risk. We consider that Hong Kong is the closest mature market to the PRC and it is more appropriate to adopt the Hong Kong risk free rate for the PRC property investment.

From the previous analysis, the unit market rental income for office portion is RMB110/sq.m. In Section 3.3, the unit market value for office portion is RMB14,000/sq.m. The market yield is 9.4%. We have adopted 9.0% as the reversionary yield for the office component which is in line with the market comparable transactions as follows:

Office market:

Unit	Address	Gross Floor Area (sq.m.)	Date of Transaction	Actual Transaction Price (RMB)	Sale Price per sq.m. (RMB/sq.m.)	Estimated Unit Annual Market		Market Yield (Note 2)
						Net Rental Income as at the Date of Transaction (RMB/sq.m.) (Note 1)	Occupancy Status as at the date of Transaction	
Whole	Ti Yu Xi Road	1,450.8	Sept-04	14,508,043	10,000	1,080	Vacant	10.8%
An office unit	Ti Yu Dong Road	188.8	Nov-04	2,529,920	13,400	1,128	Vacant	8.4%
An office unit	Ti Yu Dong Road	191.7	Nov-04	2,454,272	12,803	1,128	Vacant	8.8%
An office unit	Ti Yu Dong Road	189.5	Dec-04	2,822,805	14,896	1,260	Vacant	8.5%
An office unit	Lin He Xi Road	229.3	Aug-05	2,866,125	12,499	1,512	Vacant	12.1%

Notes:

- 1) The estimated market net rental income is based on our analysis of recent lettings of comparable properties.
- 2) The market yield is the estimated market net rental income per annum divided by the actual transaction price.

For retail and office markets, the comparables were sourced from the Colliers International database and were calculated based on the comparable general location. Due to the limited number of whole building sales, sales of smaller units in the locality were also used.

We have valued the Subject Property at a value of HK\$559,000,000.

The summary is as follows:

Property	Term Yield	Reversionary Yield	Value (HK\$)	Unit Rate on Gross Floor Area (HK\$/sq.m.)
Retail portion	9.5%	11.5%	62,000,000	16,091
Office portion	7.0%	9.0%	<u>497,000,000</u>	13,615
		Total:	<u><u>559,000,000</u></u>	13,852

This approach is generally used in valuing income producing properties.

The reversionary yields are based on an analysis of the unit market rental income and the unit market value of the comparables collected for the Subject Property. From the previous analysis, the unit market rental income for Level 1 of the retail podium is RMB290/sq.m. In Section 3.3, the unit market value for Level 1 is RMB30,000/sq.m. The market yield is 11.6%. We have adopted 11.5% as the reversionary yield for the retail component of the Subject Property which is in line with the market comparable transactions as follows:

Retail market:

Unit	Address	Gross Floor Area (sq.m.)	Date of Transaction	Actual Transaction Price (RMB)	Sale Price per sq.m. (RMB/sq.m.)	Estimated Unit Annual Market		Market Yield (Note 2)
						Net Rental Income as at the Date of Transaction (RMB/sq.m.) (Note 1)	Occupancy Status as at the date of Transaction	
Whole	Confidential	35,000	End of 2004	265,000,000	7,571	796	20 years Sale and Leaseback	10.5%
Whole	Ti Yu Xi Road	1,147	Sept-04	51,608,075	44,994	4,752	Vacant	10.6%
B205	Confidential	15.6	Sept-05	1,244,800	79,795	9,600	Vacant	12.0%
B107	Confidential	16.5	Sept-05	1,405,050	85,155	10,260	Vacant	12.0%
Three shop units	Ti Yu Dong Road	463	Sept-04	10,645,780	22,993	2,688	Vacant	11.7%

Notes:

- 1) The estimated market net rental income is based on our analysis of recent lettings of comparable properties.
- 2) The market yield is the estimated market net rental income per annum divided by the actual transaction price.

Office Rental Income Comparables

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Address	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road	Ti Yu Dong Road
District	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)	Tian He District (天河區)
Date of Transaction	Aug-05	Aug-05	Sep-05	Sep-05	Aug-05	Aug-05
Unit	Two office units	An office unit	An office unit	An office unit	An office unit	An office unit
Level	11	12	12	13	14	28
Gross Floor Area (sq.m.)	234.3	999.0	997.7	997.7	999.0	180.4
Date of Completion	2003	2003	2003	2003	2003	2003
Efficiency Ratio	71%	71%	71%	71%	71%	71%
Nature of Transaction	Transacted	Transacted	Transacted	Transacted	Transacted	Transacted
Lease Term (year)	2.02	3.00	2.00	3.03	2.00	2.00
Lease Commencement Date	25-Aug-05	10-Aug-05	01-Sep-05	20-Sep-05	08-Sep-05	01-Aug-05
Lease Expiry Date	31-Aug-07	09-Aug-08	31-Aug-07	30-Sep-08	07-Sep-07	31-Jul-07
Net Rental Income on GFA (RMB)	25,771	102,898	104,754	117,724	104,896	19,832
Net Rental Income on GFA (RMB/sq.m.)	110	103	105	118	105	110
Adjusted Net Rental Income on GFA (RMB/sq.m.)	110	103	105	118	105	110

All the Comparables 1 to 6 are situated within Fortune Plaza and were transacted recently. Taking the average of the adjusted unit rate of Comparables 1 to 6, the unit rental income is approximately RMB110/sq.m. By allowing an upward adjustment of 5% to reflect the floor level difference for levels 3, 4 and 5, the monthly unit rental income is RMB116/sq.m.

The existing monthly net rental income as at the date of valuation was RMB2,907,045 and it is anticipated that the Subject Property will maintain the current occupancy level of around 77% which is in line with the occupancy rate of similar type of buildings in the market.

In our assessment, the term yields adopted are 9.5% for the retail component and 7.0% for the office component. The term yields adopted are lower than the market yields derived below because the current passing rental income of the Subject Property is lower than the estimated current market rental income. The reversionary yields adopted are 11.5% for the retail component and 9.0% for the office component. We have applied individual yields to the retail and office components of the Subject Property, with a higher yield for the retail component to reflect the perceived higher levels of risk associated with the retail property market which is less mature and more volatile compared to the office market in Guangzhou.

The term yield is used for capitalisation of the current passing rental income as at the date of valuation whilst the reversionary yield is used to convert reversionary rental income.

The details of the rentals comparables are as follows:

Retail Rental Income Comparables

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Address	Lin He Xi Road	Lin He Xi Road	Ti Yu East Road	Tian He Road	Tian He Road
District	Tian He District (天河区)	Tian He District (天河区)	Tian He District (天河区)	Tian He District (天河区)	Tian He District (天河区)
Date of Transaction	Dec-04	Dec-04	Nov-04	May-04	Apr-04
Unit	A shop unit	A shop unit	A shop unit	A shop unit	A shop unit
Level	1	1	Podium	1	1
Gross Floor Area (sq.m.)	505.0	223.8	Around 1,000	30.0	45.5
Date of Completion	2004	2004	2003	1995	1995
Nature of Transaction	Transacted	Transacted	Transacted	Transacted	Transacted
Lease Term (year)	5.00	6.00	6.00	6.00	6.00
Lease Commencement Date	1-Nov-04	16-Oct-04	15-Nov-04	26-May-04	Jun-04
Lease Expiry Date	31-Oct-09	15-Oct-10	14-Oct-10	25-May-10	Jun-10
Net Monthly Rental Income on GFA (RMB)	75,750	31,329	282,080	37,800	45,500
Net Monthly Rental Income on GFA (RMB/sq.m.)	150	140	282	1,260	1,000
Adjusted Net Monthly Rental Income on GFA (RMB/sq.m.)	162	128	294	474	376

We have had regard to five comparables in deriving the rental income of Level 1 of podium of the Subject Property. Adjustments have been made for time, location, building quality, size, pedestrian flow and etc. The adjusted unit rental income of these comparables range from approximately RMB128/sq.m. to RMB474/sq.m. Taking the average of all the five comparables will give a monthly unit rental income of RMB290/sq.m. By allowing 50% discount to reflect the floor level difference for Level 2, the monthly unit rental income is RMB145/sq.m.

In this valuation approach, the total rental income is divided into the term income and the reversionary income. The term value involves the capitalisation of the current passing rental income over the existing lease term. The reversionary value is taken to be current market rental income upon the expiry of the lease over the residual land use rights term and is capitalised on a fully leased basis. It is then brought back to the date of valuation.

We have applied individual yields to the retail and office components of the Subject Property, with a higher yield for the retail components to reflect the perceived higher levels of risk associated with the retail property market which is less mature and more volatile compared to the office market in Guangzhou (i.e. the retail yield is higher than office yield).

To bring the reversionary value back to the current date, we have used a present value rate which is the same as the reversionary yield for the particular component of the Subject Property. The present value is the current monetary value of future cash flows and reflects the opportunity cost of an investment in a similar asset which would be expected to return a similar remunerative return as the Subject Property.

In preparing our valuations, we have had regard to asking or transacted rental income comparables within similar prime office and retail developments in the locality.

For Level 1 of retail portion, we are of the opinion that the market rental income level was RMB290 per sq.m. as at the date of valuation.

For Level 2 of retail portion, Unit 202 was vacant and the net monthly passing rental income of Unit 201 as at the date of valuation was RMB139 per sq.m. We are of the opinion that the current passing rental income was slightly lower than the market level of RMB145 per sq.m. as at the date of valuation.

Levels 3 to 5 of the retail portion are occupied as offices and as advised by GZI, these levels will be leased as offices in the long run and therefore, we have valued them in their existing usage as offices. The average net monthly passing rental income for Level 3 is RMB75 per sq.m. whereas for Levels 4 and 5 is RMB83 per sq.m. We are of the opinion that the current passing rentals of Levels 3, 4 & 5 were lower than the average market level of RMB116 per sq.m.

For office portion, the typical net monthly passing rentals generally ranging between RMB40 per sq.m. and RMB140 per sq.m. and the average is RMB93 per sq.m. We are of the opinion that the current passing rentals were slightly lower than the average market level of RMB110 per sq.m. as at the date of valuation.

For the purposes of market comparables compositions, we have identified a number of comparables from our own database (which is based on the most recent data available to us). Due to the limited number of actual transaction available to us, we have analysed transactions from a variety of similar type of buildings in the locality in 2004 and we consider the comparables are sufficient to derive the market value of the Subject Property.

for so long as it is the property manager of Fortune Plaza, the Service Fees paid to the Leasing Agent shall also be in satisfaction of the property management fees which it is entitled to receive from the Property Company for any vacant units of the Subject Property under the property management agreement.

2.14.2 *Deed of Mutual Covenant* (業主公約)

According to the PRC Legal Opinion, the Deed of Mutual Covenant was passed in a resolution of the owners' meeting of Fortune Plaza on 23rd June, 2005. The Deed of Mutual Covenant comprises provisions relating to the rights and obligations of the individual owners, treatments for non-compliance of certain provisions and other issues. The Deed of Mutual Covenant is legally binding, valid and enforceable.

2.14.3 *Property Management Fee*

As advised by GZI, the current monthly property management fees paid by the tenants for the retail and office portions are RMB35 per sq.m. and RMB25 per sq.m. respectively which is in line with the market level of similar developments in the locality.

Name of Building	Management fee for Retail Portion (RMB/sq.m.)	Management fee for Office Portion (RMB/sq.m.)
Gao Sheng Building (高盛大廈)	Not Applicable	27
Times Square (時代廣場)	36	26
Goldlion Building (金利來大廈)	33	29
Pingan Insurance Building (平安保險大廈)	36	27

3. VALUATION

3.1 **Income Capitalisation Approach**

This approach converts the actual and anticipated net income from the Subject Property into a value through the process of capitalization. The most common method of converting net income into value is by the "term and reversion" method.

This approach estimates the values of the Subject Property on an open market basis by capitalising net rental income on a fully leased basis having regard to the current passing rental income and potential future income from existing vacancies.

For office portion, the typical lease terms of the tenancies varied between 2 and 6 years and were on normal local commercial terms with agreed net monthly rentals as at the date of valuation generally ranging between RMB40 per sq.m. and RMB140 per sq.m., with an average of RMB93 per sq.m.

2.12 Summary of Material Rent Review Provisions

The Subject Property has the following material rent review provisions:

Level	Gross Floor Area (sq.m.)	Net Monthly Rental Income (RMB)	Lease Term	
			From	To
Unit on Level 16	997.7	94,778	5/12/2004	4/11/2005
		99,766	4/12/2005	4/11/2006
		104,754	4/12/2006	4/11/2007
Unit on Level 12	999.0	Rent Free	8/10/2005	10/9/2005
		102,898	10/10/2005	8/9/2007
		108,043	8/10/2007	8/9/2008

We are not aware of any sub-leases or tenancies and any material options or rights of pre-emption which may affect the value of the Subject Property. We have considered the right to renew in our valuation.

2.13 Historic Outgoings

As advised by GZI, the current monthly property management fees paid by the tenants for the retail and office portions are RMB35 per sq.m. and RMB25 per sq.m. respectively and the property management income covers all the total property management expenses.

We are of the opinion that the current property management fee is in line with the office market level of similar developments in the locality. (See Section 2.14.3)

2.14 Property Management

2.14.1 Tenancy Services Agreement

A tenancy services agreement was entered into between the Manager, Moon King Limited (金峰有限公司) (the "Property Company") and Guangzhou Yicheng Property Management Ltd. (the "Leasing Agent") for an initial term of three years. Under this agreement the Leasing Agent (who is also the property manager of Fortune Plaza) will be paid a remuneration of 4% per annum of the gross revenue ("Service Fees"), receivable by the Property Company from the operation of the Subject Property. The Leasing Agent, as the property manager of the building is entitled to retain 10% of any contributions made by the tenants towards the operating expenses of the building. The Leasing Agent agrees that,

The details of the lease term duration are shown as follows:

Lease term greater than (year)	Lease term less than or equal to (year)	By Number (%)	By Gross Floor Area (%)
0	1	1.8	0.3
1	2	45.5	22.0
2	3	40.0	44.2
3	4	7.3	5.6
4	5	5.4	4.7
Vacant		<u>n.a.</u>	<u>23.0</u>
Total		<u>100.0</u>	<u>100.0</u>

The details of the lease expiry profile are shown as follows:

No. of tenancies due to expire in each year	By Number (%)	By Gross Floor Area (%)
2005	3.8	0.9
2006	30.2	7.6
2007	49.0	34.8
2008	13.2	30.0
2009	3.8	3.7
Vacant	<u>n.a.</u>	<u>23.0</u>
Total	<u>100.0</u>	<u>100.0</u>

For Level 1 of retail portion, Unit 109 was vacant as at the date of valuation.

For Level 2 of retail portion, the occupied unit had a lease term for 2 years and 10 months, on normal local commercial terms with agreed net monthly rental income at RMB139 per sq.m., whilst the other units were vacant as at the date of valuation.

For Levels 3 to 5 of the retail portion, they are occupied as offices and as advised by GZI, these levels will be leased as offices in the long run. The typical lease terms of the tenancies varied between 2 and 3 years and were on normal local commercial terms. The agreed net monthly rentals of Level 3 was RMB75 per sq.m. whereas for Levels 4 and 5 was approximately RMB83 per sq.m.

The total current monthly net passing rental income received and the total estimated monthly market rental income as at the date of valuation were RMB2,907,045 and RMB4,569,635 respectively. The total current net passing rental income was 36% lower than the total estimated market rental income. The estimated unit net monthly rental income is based on the unit market rental income of different levels for retail and office portions of the Subject Property in Section 3.1.

For the top 10 major tenancy agreements by rental income, the current unit net passing rental income is also generally lower than the estimated unit market rental income.

As advised by GZI, the followings are details of tenancy agreements in the Subject Property of parties who will be regarded as related parties of GZI Real Estate Investment Trust upon its inception:

Unit	Gross Floor Area (sq.m.)	Net Monthly Rental Income (RMB)	Unit Net Monthly Rental Income (RMB/ sq.m.)	Estimated Unit Net Monthly Rental Income (RMB/ sq.m.)	% of Current Monthly Net Rental Income	Lease Term	
						From	To
118, Level 4	4,275.1	354,833	83	100	12.2%	5/1/2005	1/31/2008
118, Level 5	4,275.1	354,833	83	100	12.2%	2/16/2005	1/31/2008

The Subject Property comprises various tenants from various industries such as banking/finance, property agency, information technology, manufacturing/engineering, transportation, shipping and etc.

2.10 Occupancy Rate

According to the PRC Legal Opinion, the majority of the Subject Property with a total floor area of approximately 31,036.6 sq.m. was leased to various tenants as at the date of valuation. This equates to an occupancy rate of about 76.9% of the Subject Property to be disposed by GZI Group.

2.11 Lease Cycle Duration and Expiry Profile

In general, the typical lease terms of all tenancies vary between 2 and 6 years and are on normal local commercial terms with agreed net monthly rentals generally ranging between RMB40 per sq.m. and RMB140 per sq.m. with an average unit monthly net rental income of RMB139 per sq.m. and RMB93 per sq.m. for the retail and office portions respectively.

According to the supplied rent roll as at the date of valuation, for which a sample of 20% of leases (which is equivalent to about 25% of the total passing rental income) were checked by us and were found to be in order, the existing net monthly rental income and equivalent annual net rental income was as follows:

Portion	Gross Floor Area (sq.m.)	Monthly Net Rental Income (RMB)	Annual Net Rental Income (RMB)
Retail Portion	572.5	79,710	956,520
Office Portion	30,464.4	2,827,335	33,928,020

As at the date of valuation, for the retail portion, the retail units were leased to 1 tenant. For office portion, the office units were leased to 47 tenants.

According to the supplied information, we understand that rental income is exclusive of property management fee and other outgoings such as water, electricity, town gas, telephone, air-conditioning charges and etc.

As at the date of valuation, the top 10 major tenancy agreements by rental income within the Subject Property occupied 43.5% of the total gross floor area and were responsible for 54.6% of the net rental income received. Details of the tenancy agreements are as follows:

Unit	Gross Floor Area (sq.m.)	Net Monthly Rental Income (RMB)	Unit Net Monthly Rental Income (RMB/ sq.m.)	Estimated Unit Net Monthly Rental Income (RMB/ sq.m.)	% of Current Monthly Net Rental Income	Lease Term From To	
118, Level 4	4,275.1	354,833	83	100	12.2%	5/1/2005	1/31/2008
118, Level 5	4,275.1	354,833	83	100	12.2%	2/16/2005	1/31/2008
118, 301	2,000.0	150,000	75	100	5.2%	7/21/2005	7/20/2007
114, Level 13	997.7	117,724	118	110	3.9%	9/20/2005	9/30/2008
114, Level 14	999.0	104,896	105	110	3.6%	8/9/2005	9/7/2007
114, Level 12	997.7	104,754	105	110	3.6%	9/1/2005	8/31/2007
114, Level 18	997.7	104,754	105	110	3.6%	4/1/2004	3/31/2007
116, Level 12	999.0	102,898	103	110	3.5%	8/10/2005	8/9/2008
114, Level 16	997.7	99,766	100	110	3.4%	4/12/2004	4/11/2007
114, Level 15	997.7	97,771	98	110	3.4%	5/10/2004	5/9/2009

2.7 Specification, Services and Finishes of the Development

Fortune Plaza is constructed of reinforced concrete with glazed tiling to the exterior elevations and is decorated with marble or granite wall and floor tiles at the main lobby. The specification of the building includes central air-conditioning system. Main services comprising electricity, water and telecommunications are connected to the building.

The building is subdivided into various units on all levels and is served by 8 passenger lifts and 2 cargo lifts serving all levels.

The standard of services and finishes within the development is considered to be reasonable commensurate to other office buildings in the neighbourhood.

The building is maintained in a reasonable condition commensurate to its age. The building is managed by Guangzhou Yicheng Property Management Ltd. and it is responsible for collection of all management fees from the tenants and dealing with the day to day operations and outgoings relevant to the development.

The fire safety measures include the installation of automatic sprinkler heads, smoke detectors, fire alarm system and fire extinguishers throughout the building. For further information on building condition, reference should be made to the Building Condition Survey Report.

2.8 Building Condition of the Development

According to the Building Condition Survey Report, the building is maintained in a reasonable condition. There are minor defects noted and the condition is generally in line with the building age. No structural defects have been observed and there is no major non-conformity at the time of inspection in September 2005. For further information of the building condition, reference should be made to the Building Condition Survey Report.

2.9 Current Rental Income

As at the date of valuation, approximately 85% or 3,280.6 sq.m. of retail portion were vacant and approximately 17% or 6,038.7 sq.m. of the office portion of the Subject Property were vacant.

No.	Property	Usage	Gross Floor Area (sq.m.)	Internal Floor Area (sq.m.)
58.	No. 114, Unit 1201	Office	189.0	122.0
59.	No. 114, Unit 1202	Office	125.7	81.1
60.	No. 114, Unit 1203	Office	179.4	115.8
61.	No. 114, Unit 1205	Office	189.0	122.0
62.	No. 114, Unit 1206	Office	125.7	81.1
63.	No. 114, Unit 1208	Office	189.0	122.0
64.	No. 114, Unit 1301	Office	189.0	122.0
65.	No. 114, Unit 1302	Office	125.7	81.1
66.	No. 114, Unit 1303	Office	179.4	115.8
67.	No. 114, Unit 1305	Office	189.0	122.0
68.	No. 114, Unit 1306	Office	125.7	81.1
69.	No. 114, Unit 1308	Office	189.0	122.0
70.	No. 114, Unit 1401	Office	189.0	122.0
71.	No. 114, Unit 1402	Office	125.7	81.1
72.	No. 114, Unit 1403	Office	179.4	115.8
73.	No. 114, Level 15	Office	997.7	779.6
74.	No. 114, Level 16	Office	997.7	779.6
75.	No. 114, Level 17	Office	997.7	779.6
76.	No. 114, Level 18	Office	997.7	779.6
77.	No. 114, Unit 1902	Office	125.9	81.6
78.	No. 114, Unit 1903	Office	179.3	116.2
79.	No. 114, Unit 1905	Office	188.8	122.4
80.	No. 114, Unit 1906	Office	125.9	81.6
81.	No. 114, Units 2401 & 2501	Office	1,591.4	1,243.6
82.	No. 114, Level 26	Office	646.8	446.0
83.	No. 114, Level 27	Commercial (See Note 2)	335.8	180.4
Total:			<u>40,356.2</u>	<u>30,752.3</u>

Note 1: The breakdown of the gross floor area and the usage of the Subject Property is based on the Real Estate Title Certificates and the PRC Legal Opinion. According to GZI, level 3, 4 and 5 are used as office.

Note 2: According to GZI, Level 37 of East Tower and Level 27 of West Tower are used as offices.

No.	Property	Usage	Gross Floor Area (sq.m.)	Internal Floor Area (sq.m.)
21.	No. 116, Unit 1203	Office	188.7	121.0
22.	No. 116, Unit 1205	Office	191.7	122.9
23.	No. 116, Unit 1206	Office	125.1	80.2
24.	No. 116, Unit 1208	Office	188.7	121.0
25.	No. 116, Unit 1301	Office	179.7	115.2
26.	No. 116, Unit 1302	Office	125.0	80.2
27.	No. 116, Unit 1303	Office	188.7	121.0
28.	No. 116, Unit 1305	Office	191.7	122.9
29.	No. 116, Unit 1306	Office	125.1	80.2
30.	No. 116, Unit 1308	Office	188.7	121.0
31.	No. 116, Unit 1401	Office	179.7	115.2
32.	No. 116, Unit 1402	Office	125.0	80.2
33.	No. 116, Unit 1403	Office	188.7	121.0
34.	No. 116, Unit 1405	Office	191.7	122.9
35.	No. 116, Unit 1406	Office	125.1	80.2
36.	No. 116, Unit 1408	Office	188.7	121.0
37.	No. 116, Unit 1901	Office	180.2	115.0
38.	No. 116, Unit 1902	Office	124.7	79.5
39.	No. 116, Unit 1903	Office	188.8	120.5
40.	No. 116, Unit 1905	Office	191.7	122.3
41.	No. 116, Unit 1906	Office	124.8	79.6
42.	No. 116, Unit 1908	Office	188.8	120.5
43.	No. 116, Units 2501 & 2601	Office	1,586.4	1,240.8
44.	No. 116, Unit 2705	Office	188.7	121.8
45.	No. 116, Unit 2801	Office	180.3	115.4
46.	No. 116, Unit 3401	Office	180.4	115.0
47.	No. 116, Units 3501 & 3601	Office	1,392.2	1,029.3
48.	No. 116, Level 37	Commercial (See Note 2)	302.2	181.0
West Tower, Ti Yu Dong Road				
49.	No. 114, Level 8	Office	997.7	779.6
50.	No. 114, Level 9	Office	997.7	779.6
51.	No. 114, Level 10	Office	997.7	779.6
52.	No. 114, Unit 1101	Office	189.3	120.5
53.	No. 114, Unit 1102	Office	125.0	79.5
54.	No. 114, Unit 1103	Office	179.7	114.4
55.	No. 114, Unit 1105	Office	189.3	120.5
56.	No. 114, Unit 1106	Office	125.0	79.6
57.	No. 114, Unit 1108	Office	189.3	120.5

The main entrance of Fortune Plaza is onto Ti Yu Dong Road. General accessibility of Fortune Plaza is considered good as public transportation such as metro system, buses and taxis are available along Ti Yu Dong Road.

Car parking facilities are provided within 2 basement levels while a platform garden, a club and other ancillary facilities are located on Level 7.

The layout and design of Fortune Plaza is reasonable in comparison with the other office buildings in the locality.

2.6 Portion of Interest to be Disposed by GZI Group

GZI Group is disposing a portion of the development and the details of the interest to be disposed are listed below:

No.	Property	Usage	Gross Floor Area (sq.m.)	Internal Floor Area (sq.m.)
Podium, Ti Yu Dong Road				
1.	No. 118, Unit 109	Commercial	1,007.4	968.9
2.	No. 118, Level 2	Commercial	2,845.7	2,275.8
3.	No. 118, Level 3	Commercial (See Note 1)	4,275.1	3,593.0
4.	No. 118, Level 4	Commercial (See Note 1)	4,275.1	3,593.0
5.	No. 118, Level 5	Commercial (See Note 1)	4,275.1	3,593.0
East Tower, Ti Yu Dong Road				
6.	No. 116, Unit 801	Office	180.2	115.0
7.	No. 116, Unit 802	Office	124.7	79.5
8.	No. 116, Unit 803	Office	188.8	120.5
9.	No. 116, Unit 805	Office	191.7	122.3
10.	No. 116, Unit 806	Office	124.8	79.6
11.	No. 116, Unit 808	Office	188.8	120.5
12.	No. 116, Unit 903	Office	188.8	120.5
13.	No. 116, Unit 905	Office	191.7	122.3
14.	No. 116, Unit 906	Office	124.8	79.6
15.	No. 116, Unit 908	Office	188.8	120.5
16.	No. 116, Unit 1101	Office	180.2	115.0
17.	No. 116, Unit 1102	Office	124.7	79.6
18.	No. 116, Unit 1108	Office	188.8	120.5
19.	No. 116, Unit 1201	Office	179.7	115.2
20.	No. 116, Unit 1202	Office	125.0	80.2

2.4 Car Accessibility and Road Frontage

Fortune Plaza is directly accessible from Ti Yu Dong Road. A pedestrian subway adjacent to the Subject Property allows access to Guangzhou Tian He Stadium.

Travelling time to major areas of the City through driving:

Baiyun International Airport	45 minutes
Teem Plaza	1 minutes
Guangzhou East Train Station	5 minutes

2.5 Description of the Development

Fortune Plaza, a Grade A commercial complex, is located at Nos. 114, 116 and 118 Ti Yu Dong Road, Tian He District, in Guangzhou's prime business area. According to the information provided by GZI, the development has a total gross floor area of 80,419.1 sq.m.

The area breakdown of Fortune Plaza is summarized as below:

Level	Usage	Gross Floor Area (sq.m.)
Basement	Carpark and Machinery Plant Room	8,561.6
Podium - Level 1 to 6 Level 7	Podium: Level 1 to 6 — Commercial Level 7 — Machinery Plant Room	23,993.0
East Tower	Level 8-36 — Office Level 37 — Commercial	28,900.3
West Tower	Level 8-26 — Office Level 27-28 — Commercial	18,964.2
	Total:	<u>80,419.1</u>

The site of the building comprises a regular and level plot having its main frontage onto Ti Yu Dong Road upon which a 6-storey commercial podium with two office towers has been erected and was completed in 2003. The East Tower is above the podium from the 8th to 37th storey and the West Tower from the 8th to 28th storey.

2. THE SUBJECT PROPERTY

2.1 Situation and Locality

Fortune Plaza is located at Nos. 114, 116 and 118 Ti Yu Dong Road, Tian He District, Guangzhou, Guangdong, the PRC. It is close to the Guangzhou East Train Station and metro station.

Tian He District is a rapidly developing area and is the present focus of new Grade A office development. Located on the eastern side of Guangzhou, the majority of major developments in the area are situated around and overlook the Tian He stadium. This district has emerged as the new CBD of Guangzhou within the last few years and its increasing popularity with the business community has led to rapid development of commercial buildings around the stadium area initially and later has gradually expanded outwards from this central square.

2.2 Surrounding Development and Environmental Issues

The Subject Property is located in Tian He District. Developments in the area comprise mainly modern high-rise commercial buildings and low-rise retail shopping centres, interspersed with older medium-rise residential buildings.

The pedestrian traffic flow along that section of Ti Yu Dong Road is heavy as it is located at the busier side of the Tian He stadium.

We have no knowledge of any environmental concerns or contamination of the subject site and surrounding sites. Due to the land registration system in the PRC, we cannot trace any information regarding to the previous development erected upon the subject site, therefore, we cannot comment on the likelihood of contamination and its effect on value nor ascertain the past use of the site.

2.3 Availability of and Access to Public Transport

General accessibility of Fortune Plaza is considered good as public transportation such as taxis and buses are available along Ti Yu Dong Road. Bus stops and metro station are located adjacent to Fortune Plaza.

Fortune Plaza is located in approximately 5 minutes driving distance from the Guangzhou East Train Station.

- | | | |
|--|---|--|
| 12. Valuation Approach | : | Income Capitalisation Approach including Discounted Cash Flow Analysis, cross-checked by the Sales Comparison Approach |
| 13. Date of Valuation | : | 30 September 2005 |
| 14. Market Value in existing state as at the Date of Valuation | : | HK\$545,000,000 |
| 15. Unit Value on Gross Floor Area | : | HK\$13,505 per sq.m. |
| 16. Net Passing Income as at the Date of Valuation | : | RMB34,884,540 per annum |
| 17. Fully Leased Net Income as at the Date of Valuation | : | RMB49,234,404 per annum |
| 18. Estimated Market Rental Income as at the Date of Valuation | : | RMB54,835,620 per annum |
| 19. Discount Rate adopted for Discounted Cash Flow Analysis only | : | 11% |
| 20. Exchange Rate as at the Date of Valuation | : | HK\$1 = RMB1.043 |
| 21. Term Yield | : | Office: 7.0%
Retail: 9.5% |
| 22. Reversionary Yield | : | Office: 9.0%
Retail: 11.5% |
| 23. Occupancy Rate as at the Date of Valuation | : | Office: 83.5%
Retail: 14.9% |
| 24. Vacancy Allowance | : | Office: 5%
Retail: 1% |
| 25. Market Comment | : | We consider the marketability of the Subject Property to be reasonable in view of its location and accessibility. |

Note: The usage is based on the Real Estate Title Certificates and the PRC Legal Opinion.

Valuation of various units of the Subject Property (the "Subject Property") located in Fortune Plaza, Nos. 114, 116 and 118 Ti Yu Dong Road, Tian He District, Guangzhou, Guangdong, The People's Republic of China (the "PRC") for Guangzhou Investment Company Limited (hereinafter referred to as "GZI") and its subsidiaries (hereinafter together referred to as the "GZI Group")

1. SUMMARY OF THE SUBJECT PROPERTY

According to the PRC Legal Opinion, 83 Real Estate Title Certificates have been issued in respect of the Subject Property. The details of the Subject Property are summarised as follows:

1. Current Registered Owner : Moon King Limited
(金峰有限公司)
2. Type of Land Use Right : Granted
3. Town Plan Zoning : The zoning of the underlying land of Fortune Plaza was described as "commercial/office".
4. Interest Valued : Leasehold interest of the Subject Property.
5. Property Description : The Subject Property comprises a portion of a 6-storey commercial podium and two office towers erected above it. (See Section 2.5 below)
6. Gross Floor Area ("GFA") of the Subject Property : Total - 40,356.2 sq.m.
Office - 36,503.1 sq.m.
Retail - 3,853.1 sq.m.
7. Lease Term : Levels 1-5, Level 37 of East Tower and Level 27 of West Tower — 40 years from 26 November 2002 Levels 8-9, 11-14, 19, 25-28, 34-36 of East Tower and Levels 8-19, 24-26 of West Tower — 50 years from 26 November 2002
8. Usage : Levels 1-5, Level 37 of East Tower and Level 27 of West Tower — Commercial
Levels 8-9, 11-14, 19, 25-28, 34-36 of East Tower and Levels 8-19, 24-26 of West Tower — Office
9. Internal Floor Area of the Subject Property : 30,752.3 sq.m.
10. Gross Rentable Area of the Subject Property : 40,356.2 sq.m.
11. Construction Completion Date of Fortune Plaza : 2003

4.4 Valuation Comment

We have noted that for a certain portion of the Subject Property the existing usage is different from the usage as mentioned in Real Estate Title Certificates according to the PRC Legal Opinion. The details and their respective valuation bases are listed in the table below. For the purposes of our valuation, we have valued the Subject Property on this basis:

Unit	Usage in Real Estate Title Certificate	Existing Usage	Valuation Basis for Existing Tenancy	Valuation Basis After Expiry of Tenancy
Level 8	Office	Office	Office	Retail
Level 7	Office	Warehouse	Warehouse	Retail
Level 6	Office	Retail	Retail	Retail
Level 5	Office	Retail	Retail	Retail
Level 4	Portion as office and the remaining portion as commercial	Retail	Retail	Retail
Levels 1-3	Commercial	Retail	Retail	Retail
Lower Ground Level	Storage	Common Area	Not Applicable	Not Applicable

As advised by GZI, the Lower Ground Level, (comprising mainly common area, including staircases) as well as an area of 70.1 sq.m. on Level 8 (occupied by White Horse Property Management Company as property manager of the Subject Property) are regarded as non-lettable area. Therefore, we have not attributed any value to the Lower Ground Level and the area of 70.1 sq.m. on Level 8 of the Subject Property.

5 VALUATION SUMMARY

We have summarised the calculation results of each approach in the table below:

Valuation Method	Value (HK\$)
Income Capitalisation	2,503,000,000
Discounted Cash Flow	2,580,000,000
Sales Comparison	2,303,000,000

Based on our primary valuation method of Income Capitalisation Approach including Discounted Cash Flow Analysis, we are of the opinion that the Market Value of the Subject Property (the property interest to be disposed by GZI Group) in its existing state as at the date of valuation was **HONG KONG DOLLARS TWO THOUSAND FIVE HUNDRED FORTY-ONE MILLION AND FIVE HUNDRED THOUSAND ONLY (HK\$2,541,500,000)** assuming it is available for sale in the market with the benefit of existing tenants and the property title are free from all material encumbrances or defects. The Market Value of the Subject Property is an average of values derived using by the Income Capitalisation Approach and Discounted Cash Flow Analysis.

Adjustments have been made based on our own judgment and knowledge of the market. We have had regard to six comparables in deriving the market value of Level 1 of the Subject Property. Adjustments have been made for time, location, building quality, size, pedestrian flow and etc. The adjusted unit market values of these comparables range from RMB62,230/sq.m. to RMB78,300/sq.m. Taking the average of all the six comparables will give a unit market value of approximately RMB73,000/sq.m. for Level 1 of the podium of the Subject Property.

By allowing different percentage of discount for different levels, the unit market value for different levels is shown below:

Level	Discount Allowed (%)	Unit Market Value (RMB/sq.m.)
Level 1	0%	73,000
Level 2	5%	69,350
Level 3	15%	62,050
Level 4	40%	43,800
Level 5	45%	40,150
Level 6	70%	21,900
Level 7	75%	18,250
Level 8	80%	14,600

Based on the above, we have valued the Subject Property at a value of HK\$2,303,000,000 taking no account of outgoings on the structure, taxes and other landlords costs.

The summary is as follows:

Property	Value (HK\$)	Unit Rate on Gross Floor Area (HK\$/sq.m.)
White Horse Building	2,303,000,000	45,877

Adjustments have been made for various factors to the evidence such as location, efficiency and time. The details are as follows.

	Comparable 1	Comparable 2	Comparable 3
Address	Beijing Road (北京路步行街)	Beijing Road (北京路步行街)	Beijing Road (北京路步行街)
District	Yue Xiu District (越秀區)	Yue Xiu District (越秀區)	Yue Xiu District (越秀區)
Date of Transaction	Sep-05	Sep-05	Oct-05
Unit	B205	B107	B93, B95, B108 & B109
Level	1	1	1
Gross Floor Area (sq.m.)	15.6	16.5	90.7
Date of Completion	2005	2005	2005
Efficiency Ratio	45%	45%	45%
Nature of Transaction	Transacted	Transacted	Asking
Asking/Transacted Price on GFA (RMB)	1,244,800	1,405,050	8,163,000
Asking/Transacted Price on GFA (RMB/sq.m.)	79,795	85,155	90,000
Adjusted Unit Rate on GFA (RMB/sq.m.)	71,200	75,650	75,600
	Comparable 4	Comparable 5	Comparable 6
Address	Beijing Road (北京路步行街)	Shang Xia Jiu Road (上下九路步行街)	Beijing Road (北京路步行街)
District	Yue Xiu District (越秀區)	Li Wan District (荔灣區)	Yue Xiu District (越秀區)
Date of Transaction	Oct-05	Jul-04	Dec-04
Unit	B123, B125, B126, B142, B143 & B145	N/A	Front shop
Level	1	1	1
Gross Floor Area (sq.m.)	80.0	350	313
Date of Completion	2005	2000's	1990's
Efficiency Ratio	45%	65%	85%
Nature of Transaction	Asking	Transacted	Transacted
Asking/Transacted Price on GFA (RMB)	7,200,000	32,508,000	45,385,000
Asking/Transacted Price on GFA (RMB/sq.m.)	90,000	92,880	145,000
Adjusted Unit Rate on GFA (RMB/sq.m.)	75,600	62,230	78,300

In our Discounted Cash Flow Analysis, based on the information provided by GZI, we have projected the following outgoings to be expended for the next 10 years on the building at the following amount:

Projected Outgoings Items	Projected Outgoings
Service Fees based on the tenancy services agreement	3.0% of gross rental income
Cost of Large Scale Repair and Maintenance as advised by GZI	None
Sundry Expenses	0.5% of rental income
Insurance	Fixed Amount
Business Tax	5.0% of rental income
Flood Prevention Works Maintenance Fee	0.09% of rental income
Urban Real Estate Tax	original value of building x 70% x 1.2%
Stamp Duty	0.1% of gross rental income

No immediate capital expenditure is included as a projected outgoings item with reference to the Building Condition Survey Report.

Based on the above, we have valued the Subject Property at a value of HK\$2,580,000,000 taking account of the outgoings, taxes and other cost items.

The summary is as follows:

Property	Capitalisation Rate	Discount Rate	Value (HK\$)	Unit Rate on Gross Floor Area (HK\$/sq.m.)
White Horse Building	9%	11%	2,580,000,000	51,395

4.3 Sales Comparison Approach

In the Sales Comparison Approach, we have considered the sales of similar properties and related market data and established a value by adjustment of the comparables. In general, the Subject Property is compared with sales of similar properties that have been transacted in the open market.

In preparing our valuations of the Subject Property, we have had regard to asking or transacted comparables within similar retail/wholesale developments in the locality.

In preparing our valuations for the Subject Property, we have had regard to asking or transacted rental income comparables within similar prime retail developments in the locality. For details, reference should be made to Section 4.1 of this report.

In our assessment, we have valued the Subject Property using the following assumptions:

Items	Percent
Terminal Capitalisation Rate	9%
Discount Rate	11%
Growth Rate — Year 1	2%
Growth Rate — Year 2	2%
Growth Rate — Year 3	2%
Growth Rate — Year 4	7%
Growth Rate — Year 5	7%
Growth Rate — Years 6 to 10	5%
Vacancy Loss	1%
Bad Debts	0.5%

The growth rates are based on our local market research. We have also made reference to the Market Research Report prepared by Cushman & Wakefield (HK) Limited.

Vacancy loss is based on our view on the supply and demand and our local market knowledge of the relevant property market in Guangzhou.

In arriving at the periodic cash flow prepared by us, we have considered the annual rental income growth rate to assess the projected rental income, which is applied to the cash flow upon the expiry of the leases. The adopted rental income growth rates are in line with the forecasts as detailed in the Market Research Report prepared by Cushman & Wakefield (HK) Limited.

We have estimated the rental income growth per annum during next 10 years for the Subject Property. Rental income growth patterns for each tenancy reflect the rent review provisions of each lease, including staged rent increase where applicable. We have assumed that upon expiry of the tenancies, we will follow the terms of the renewed tenancies which are typically of four or five years. Upon expiry of such tenancies new leases will be granted or renewed on three years terms at the then existing market rentals.

An annual vacancy allowance and allowance for bad debts have been considered within the portfolio. An annual vacancy allowance is about 1% for the Subject Property, which is estimated based on the current vacancy. With reference to the historical bad debts ratios, we consider that the bad debts allowance should be 0.5% of the net rent received. In the case of the White Horse Building units, there were no bad debts for the six months ended 30 June 2005.

We have made reference to the Building Condition Survey Report, which states that no immediate capital expenditure will be incurred as the Subject Property is maintained in a reasonable condition commensurate with its age. According to GZI, no large scale repair and maintenance from 2006 to 2015 is considered necessary. No deduction has been made for the expected repair and maintenance costs as we understand from GZI that the repair and maintenance costs, for maintaining the current condition of the Subject Property, are covered by the management fee paid by tenants. As advised by GZI, any costs incurred in non-conformities will be settled by GZI.

As advised by GZI, Levels 7 and 8 (originally occupied as warehouse and office) of the Subject Property will be converted into retail use commencing from May 2006. According to the information provided by GZI, the cost of such renovation is around HK\$5.8 million and will be borne by GZI, therefore, we have not allowed any cost of renovation in our valuation.

We have also deducted amounts for business tax, stamp duty, urban real estate tax, flood prevention works maintenance fee, insurance, property management fees (for existing tenancies but not for new tenancies or projected rental income commencing from January 2006) and service fees.

In our calculation, we have not deducted any acquisition costs and disposal costs. We are of the opinion that these issues would be taken into account by a prospective purchaser.

4.2 Discounted Cash Flow Analysis

This is defined in the International Valuation Standards Committee (7th Edition), as a financial modeling technique based on explicit assumptions regarding the prospective cash flow to operating real properties. This analysis involves the projection of a series of periodic cash flows to an operating property. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the rental income stream associated with the properties. In the case of operating real properties, periodic cash flow is typically estimated as gross rental income less vacancy, bad debts, impact of taxes (stamp duty, urban real estate tax, flood prevention works maintenance fee and business tax), property management fees (for existing tenancies but not for new tenancies or projected rental income commencing from January 2006), service fees and other operating expenses. The series of periodic net operating incomes, along with an estimate of the terminal value, anticipated at the end of the projection period, is then discounted at the discount rate, being a cost of capital or a rate of return used to convert a monetary sum, payable or receivable in the future, into present value.

We have undertaken a discounted cash flow analysis on a monthly basis over a 10-year investment horizon. The net income in the year 11 is capitalised at an appropriate yield for the remainder of the ownership term. This analysis allows an investor or owner to make an assessment of the long term return that is likely to be derived from a property with a combination of both rental income and capital growth over an assumed investment horizon. This analysis is generally used in valuing investment income producing properties.

For the Subject Property, the terminal capitalisation rate within our calculation is 9%. This is based on our analysis of the term yields applicable in the marketplace as set out in Section 4.1 with a discount to allow for the fact that we are capitalising a net rental income in year 11. The discount reflects the difference between the rental income stream before deductions and the net rental income together with an allowance for the security that a net rental income provides over the rental income before deduction.

In our calculation, we have adopted the discount rate of 11% for the Subject Property. The discount rate is a rate of return used to convert a monetary sum, payable or receivable in the future, into present value. Theoretically it reflects the opportunity cost of capital. In arriving at the discount rate, we have studied the current market situation for an investment return over a 10-year period from a commercial property. We have also investigated the return required by active property investors in the market as purchasers of shopping centres and office buildings. Based on the above, we consider that the market expectations are around 10% to 12% for both wholesale and retail properties. We note that the yield of 10-year Exchange Fund Notes issued by the Hong Kong Monetary Authority as at 30 September 2005 is in the order of 4.17%, indicating a risk premium of between 5.83% and 7.83%. Based on our analysis of comparable sales in the international market, the higher premium reflects the inherent investment risks associated with the PRC and the property risk. We consider that Hong Kong is the closest mature market to the PRC and it is more appropriate to adopt the Hong Kong risk free rate for the PRC property investment.

the new leases for the reversionary term have already been signed which means a more security of income, we have adopted 9.5% as the reversionary yield for the retail component of the Subject Property which is within the range of the market comparable transactions as follows:

Retail market:

Unit	Address	Gross Floor Area (sq.m.)	Date of Transaction	Actual Transaction Price (RMB)	Sale Price per sq.m. (RMB/sq.m.)	Estimated Unit	Occupancy	Market Yield (Note 2)
						Annual Market Net Rental Income as at the Date of Transaction (RMB/sq.m.) (Note 1)	Status as at the date of Transaction	
Whole	Confidential	35,000	End of 2004	265,000,000	7,571	796	20 years Sale and Leaseback	10.5%
Whole	Ti Yu Xi Road	1,147	Sept-04	51,608,075	44,994	4,752	Vacant	10.6%
B205	Confidential	15.6	Sept-05	1,244,800	79,795	9,600	Vacant	12.0%
B107	Confidential	16.5	Sept-05	1,405,050	85,155	10,260	Vacant	12.0%
Three shop units	Ti Yu Dong Road	463	Sept-04	10,645,780	22,993	2,688	Vacant	11.7%

Notes:

- 1) The estimated market net rental income is based on our analysis of recent lettings of comparable properties.
- 2) The market yield is the estimated market net rental income per annum divided by the actual transaction price.

The comparables were sourced from the Colliers International database and were calculated based on the comparable general location. Due to the limited number of whole building sales, sales of smaller units in the locality were also used.

We have valued the Subject Property at a value of HK\$2,503,000,000.

The summary is as follows:

Property	Term Yield	Reversionary Yield	Value (HK\$)	Unit Rate on Gross Floor Area (HK\$/sq.m.)
White Horse Building	8%	9.5%	2,503,000,000	49,861

By allowing different percentage of discount for different levels, the unit market rental income is shown below:

Level	Discount Allowed (%)	Unit Market Rental (RMB/sq.m.)
Level 1	0%	650
Level 2	5%	618
Level 3	15%	553
Level 4	40%	390
Level 5	45%	358
Level 6	70%	195
Level 7	75%	163
Level 8	80%	130

The existing monthly net rental income as at the date of valuation was RMB9,754,587 and it is anticipated that the development will maintain the current occupancy level of 100%, which is higher than the occupancy rate of similar type of buildings in the market.

In our assessment, the term yield adopted is 8% and reversionary yield is 9.5%. The term yield adopted is lower than the market yield derived below because the current passing rental income of the Subject Property is lower than the estimated current market rental income.

The term yield is used for capitalisation of the current passing rental income as at the date of valuation whilst the reversionary yield is used to convert reversionary rental income. This approach is generally used in valuing income producing properties.

The reversionary yields are based on an analysis of the unit market rental income and the unit market value of the comparables collected for the Subject Property. From the previous analysis, the unit market rental income for Level 1 of the retail podium is RMB650/sq.m. In Section 4.3, the unit market value for Level 1 is RMB73,000/sq.m. The market yield is approximately 10.5%. After the further deduction of 1% to reflect the fact that the majority of

	Comparable 13	Comparable 14	Comparable 15	Comparable 16
Address	Zhan Nan Road (站南路)	Zhan Nan Road (站南路)	Huan Shi Xi Road (環市西路)	Zhan Nan Road (站南路)
District	Yue Xiu District (越秀區)	Yue Xiu District (越秀區)	Yue Xiu District (越秀區)	Yue Xiu District (越秀區)
Date of Transaction	Jul-05	Jul-05	Oct-05	Oct-05
Unit	1321	1419	116	1079
Level	1	1	1	1
Gross Floor Area (sq.m.)	81.5	76.5	14	20
Date of Completion	1990	1990	1990's	2004
Efficiency Ratio	60%	60%	60%	60%
Nature of Transaction	Transacted	Transacted	Asking	Transacted
Lease Term (year)	5	5	1	2
Lease Commencement Date	01-Jan-06	01-Jan-06	N/A	Mid-2005
Lease Expiry Date	31-Dec-10	31-Dec-10	N/A	Mid-2007
Net Rental Income on GFA (RMB)	55,155	51,818	9,100	13,000
Net Rental Income on GFA (RMB/sq.m.)	677	677	650	650
Adjusted Net Rental Income on GFA (RMB/sq.m.)	677	677	713	675

We have had regard to sixteen comparables in deriving the rental income value of Level 1 of the Subject Property. Adjustments have been made for time, location, building quality, size, pedestrian flow and etc. The adjusted unit rental income values of these comparables range from RMB533/sq.m. to RMB799/sq.m. Taking the average of all the sixteen comparables will give a monthly unit rental income of approximately RMB650/sq.m. for Level 1 of the Subject Property. This rental income level supports the average rental income level of RMB599 per sq.m. for Level 1 of the Subject Property for the new tenancies commencing on January 2006 and therefore we have adopted the average rental income level for new tenancies of each level in our valuation.

Level	New Rental Income of Tenancy Agreements/ Projected New Rental Income, Both Exclusive of Property Management Fees (RMB/sq.m.)
Level 1	599
Level 2	572
Level 3	524
Level 4	366
Level 5	361
Level 6	190
Level 7	160
Level 8	131

	Comparable 5	Comparable 6	Comparable 7	Comparable 8
Address	Beijing Road (北京路步行街)	Beijing Road (北京路步行街)	Beijing Road (北京路步行街)	Beijing Road (北京路步行街)
District	Yue Xiu District (越秀區)	Yue Xiu District (越秀區)	Yue Xiu District (越秀區)	Yue Xiu District (越秀區)
Date of Transaction	Oct-05	Sep-05	Oct-05	Oct-05
Unit	141	105	145	125
Level	1	1	1	1
Gross Floor Area (sq.m.)	81.4	55	25	35
Date of Completion	2005	2004	2004	2000
Efficiency Ratio	50%	65%	65%	55%
Nature of Transaction	Asking	Transacted	Asking	Asking
Lease Term (year)	2 to 3	2	2 to 3	2 to 3
Lease Commencement Date	N/A	Aug-05	N/A	N/A
Lease Expiry Date	N/A	Aug-07	N/A	N/A
Net Rental Income on GFA (RMB)	56,966	33,000	15,000	24,500
Net Rental Income on GFA (RMB/sq.m.)	700	600	600	700
Adjusted Net Rental Income on GFA (RMB/sq.m.)	620	533	566	537
	Comparable 9	Comparable 10	Comparable 11	Comparable 12
Address	Beijing Road (北京路步行街)	Zhan Nan Road (站南路)	Zhan Nan Road (站南路)	Zhan Nan Road (站南路)
District	Yue Xiu District (越秀區)	Yue Xiu District (越秀區)	Yue Xiu District (越秀區)	Yue Xiu District (越秀區)
Date of Transaction	Oct-05	Jul-05	Jul-05	Jul-05
Unit	123	1102	1203	1301
Level	1	1	1	1
Gross Floor Area (sq.m.)	57.2	71.3	57.1	87.6
Date of Completion	2004	1990	1990	1990
Efficiency Ratio	55%	60%	60%	60%
Nature of Transaction	Asking	Transacted	Transacted	Transacted
Lease Term (year)	2	5	5	5
Lease Commencement Date	N/A	01-Jan-06	01-Jan-06	01-Jan-06
Lease Expiry Date	N/A	31-Dec-10	31-Dec-10	31-Dec-10
Net Rental Income on GFA (RMB)	45,760	45,418	38,630	59,305
Net Rental Income on GFA (RMB/sq.m.)	800	637	677	677
Adjusted Net Rental Income on GFA (RMB/sq.m.)	614	637	677	677

The current average unit net monthly rental income is generally 37% to 70% lower than the new average unit monthly passing rental income of each level for Levels 1 to 6. The current average unit net monthly rentals of Levels 7 and 8 are 89% and 60% lower than the new average unit monthly projected rental income since the two levels are currently occupied as warehouse and office respectively.

For the purposes of market comparables compositions, we have identified a number of comparables from our own database (which is based on the most recent data available to us). Due to the limited number of actual transaction available, we have analysed lettings from a variety of buildings in the locality.

The details of the rental income comparables are as follows:

Retail Rental Income Comparables:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Address	Beijing Road (北京路步行街)	Beijing Road (北京路步行街)	Beijing Road (北京路步行街)	Beijing Road (北京路步行街)
District	Yue Xiu District (越秀區)	Yue Xiu District (越秀區)	Yue Xiu District (越秀區)	Yue Xiu District (越秀區)
Date of Transaction	Oct-05	Oct-05	Oct-05	Sep-05
Unit	B202	B51	B123, B125, B126, B142, B143 & B145	101
Level	1	1	1	1
Gross Floor Area (sq.m.)	14.0	13.3	80.0	81.5
Date of Completion	2005	2005	2005	2005
Efficiency Ratio	45%	45%	45%	50%
Nature of Transaction	Transacted	Transacted	Asking	Transacted
Lease Term (year)	2	2	2 to 3	2
Lease Commencement Date	End of 2005	End of 2005	N/A	Sep-05
Lease Expiry Date	End of 2007	End of 2007	N/A	Sep-07
Net Rental Income on GFA (RMB)	11,200	11,970	64,000	48,900
Net Rental Income on GFA (RMB/sq.m.)	800	900	800	600
Adjusted Net Rental Income on GFA (RMB/sq.m.)	711	799	675	559

In this valuation approach, the total rental income is divided into the term income and the reversionary income. The term value involves the capitalisation of the current passing rental income over the existing lease term. The reversionary value is taken to be current market rental income upon the expiry of the lease over the residual land use rights term and is capitalised on a fully leased basis. It is then brought back to the date of valuation.

To bring the reversionary value back to the current date, we have used a present value rate which is the same as the reversionary yield for the particular component of the Subject Property. The present value is the current monetary value of future cash flows and reflects the opportunity cost of an investment in a similar asset which would be expected to return a similar remunerative return as the Subject Property.

In preparing our valuations, we have had regard to asking or transacted rental income comparables within similar retail/wholesale developments in the locality.

For the Subject Property, the typical net monthly rental income and the projected rental income as at the date of valuation for Level 1 to Level 8 are as follows:-

Level	Average Current Unit Gross Passing Monthly Rental Income Inclusive of Property Management Fees	Average Unit Net Monthly Rental Income (exclusive of Property Management Fees)	New Average Unit Monthly Passing Rental Income of Tenancy Agreements/ Projected New Rental Income in 2006, Both Exclusive of Property Management Fees	Compare (a) with (c) Between (Below or Above Market Rental Income)
	(RMB/sq.m.) (a)	(RMB/sq.m.) (b)	(RMB/sq.m.) (c)	
Level 1	384	340	599	(b) is lower than (c)
Level 2	373	359	572	(b) is lower than (c)
Level 3	323	278	524	(b) is lower than (c)
Level 4	203	158	366	(b) is lower than (c)
Level 5	155	110	361	(b) is lower than (c)
Level 6	140	95	190	(b) is lower than (c)
Level 7	63	18	160 (Projection)	(b) is lower than (c)
Level 8	97	52	131 (Projection)	(b) is lower than (c)

We understand from GZI that Levels 7 and 8 (originally occupied as warehouse and office) of the Subject Property will be converted into retail use commencing from May 2006.

3.14 Property Management

3.14.1 Tenancy Services Agreement

A tenancy services agreement was entered into between the Manager, Partat Investment Limited (柏達投資有限公司) (the "Property Company") and White Horse Property Management Co. Ltd. (the "Leasing Agent") for an initial term of three years. Under this agreement the Leasing Agent (who is also the property manager of White Horse Building) will be paid a remuneration of 3.0% per annum of the gross revenue ("Service Fees") receivable by the Property Company from the operation of the Subject Property. The Leasing Agent, as the property manager of the building is entitled to retain 10% of any contributions made by the tenants towards the operating expenses of the building. The Leasing Agent agrees that, for so long as it is the property manager of White Horse Building, the Service Fees paid to the Leasing Agent shall also be in satisfaction of the property management fees which it is entitled to receive from the Property Company for any vacant units of the Subject Property under the property management agreement.

3.14.2 Property Management Fee

As advised by the Manager, the current monthly management fees paid by the tenants is RMB45 per sq.m. and the monthly management fees payable by the tenants commencing from 1 January 2006 will be RMB50 per sq.m., which is higher than the market level of similar developments in the locality.

Name of Building	Monthly Management fee (RMB/sq.m.)
Xin Da Di Fashion Plaza (新大地服裝)	35
Jinbao Building of Foreign Clothing Trade (金寶(外貿)服裝批發市場)	30
Guangzhou Clothing Display Centre (廣州服裝滙展中心)	30
Guangan Knitting & Woolen Costume Market (廣安毛織服裝市場)	30

4. VALUATION

4.1 Income Capitalisation Approach

This approach converts the actual and anticipated net income from the property into a value through the process of capitalization. The most common method of converting net income into value is by the "term and reversion" method.

This approach estimates the value of the Subject Property on an open market basis by capitalising net rental income on a fully leased basis having regard to the current passing rental income and potential future income from existing vacancies.

According to the renewed leases, the details of the lease expiry profile are shown as follows:

% of tenancies due to expire in each year	By Number	By Gross
	(%)	Floor Area (%)
2005	4.7	8.3
2009	45.0	26.7
2010	<u>50.3</u>	<u>65.0</u>
Total	<u>100.0</u>	<u>100.0</u>

3.12 Summary of Material Rent Review Provisions

We understand that the Subject Property has no major material rent review provisions. We note that over 99% of the leases will expire on 31 December 2005. According to the supplied documents and tenancy agreements, over 95% of the leases have been renewed commencing from 1 January 2006 and the lease terms vary between 4 to 5 years. The projected net rental income in 2006 is approximately RMB252,626,168 which is exclusive of property management fee. In our valuations, the renewed rentals have been taken into account.

We are not aware of any sub-leases or tenancies and any material options or rights of pre-emption which may affect the value of the Subject Property and we have considered the conversion of Levels 7 and 8 into retail use commencing from May 2006, as advised by GZI and we have considered this in our valuation in determining the reversionary rental income in Income Capitalisation Approach and the rental income projection of Discounted Cashflow Analysis.

3.13 Historic Outgoings

As advised by GZI, the current monthly property management fee paid by the tenants is RMB45 per sq.m. and the total property management income covers the total property management expenses.

We are of the opinion that the current property management fee is higher than the market level of similar developments in the locality. (See Section 3.14.2)

3.10 Occupancy Rate

According to the PRC Legal Opinion, the majority of the Subject Property with a total floor area of approximately 49,007.2 sq.m. was leased to various tenants as at the date of valuation. This equates to an occupancy rate of 100% of the Subject Property to be disposed by GZI Group.

3.11 Lease Cycle Duration and Expiry Profile

In general, the typical lease term of the wholesales tenancies vary between 1 and 5 years and on normal local commercial terms with existing passing rentals, inclusive of property management fee, generally ranging between RMB113 per sq.m. and RMB437 per sq.m. with an overall average unit monthly net rental income of RMB241 per sq.m. for all the existing tenancies.

The details of the lease term duration are shown as follows:

Lease term greater than (year)	Lease term less than or equal to (year)	By Number (%)	By Gross Floor Area (%)
0	1	6.3	4.2
1	2	31.6	28.9
2	3	11.7	12.2
3	4	50.2	54.4
4	5	0.2	0.3
		<u>100.0</u>	<u>100.0</u>

We understand that over 99% of the leases will expire on 31 December 2005.

In general, as advised by GZI, the typical lease terms of the signed new tenancies commencing on 1 January 2006 vary between 4 and 5 years and are on normal local commercial terms. The agreed average net monthly rentals of the signed new tenancies in 2006 for Levels 1 to 6 are generally ranging between RMB190 per sq.m. and RMB599 per sq.m. and projected net new monthly rentals for Levels 7 and 8 (assuming conversion to retail use) in 2006 are generally ranging between RMB131 per sq.m. and RMB160 per sq.m. The abovementioned rentals are exclusive of property management fee, with an average unit monthly net rental income of RMB473 per sq.m.

Different types of rental income for the Subject Property are listed as follows:

Rental Income	Per Month
Total current gross passing rental income (inclusive of property management fee)	RMB11,811,843
Total current net rental income calculated (exclusive of property management fee)	RMB9,754,587
Total current estimated market rental income (exclusive of property management fee)	RMB21,177,076

The total current net passing rental income was 44% and 46% lower than the total net estimated market rental income. However, the agreed renewed rental income is in line with the market level of prime retail developments after excluding property management fee from both rentals.

According to the information provided by GZI, more than 95% of the existing tenancies of the Subject Property have been renewed and will commence from 1 January 2006 at significantly higher rentals than the current passing rentals. Having cross referenced with the current monthly market rental income as at the date of valuation, which is exclusive of property management fee, in the market, we consider that the renewed monthly rental income for the new tenancies, which is exclusive of property management fee, has no material difference from the estimated monthly market rental income, exclusive of property management fee.

As advised by GZI, there were no related parties lettings in the Subject Property as at the date of valuation.

The Subject Property comprises various tenants and mainly occupied for garment wholesale centre and ancillary office.

The details of tenants mix are as follows:

Industry	Gross Floor Area (sq.m.)	Percentage
Garment	44,600.1	88.8%
Bank	329.6	0.7%
Others	12.2	0.0%
Food & Restaurants	1,337.4	2.7%
Office & Storage	<u>3,920.0</u>	<u>7.8%</u>
Total area to be disposed	<u>50,199.3</u>	<u>100%</u>

We are not aware of any sub-leases or tenancies and any material options or rights of pre-emption which may affect the value of the Subject Property.

As at the date of valuation, the Subject Property was leased to 969 tenants.

According to the supplied information, we understand that the current passing rental income (based on existing leases) is inclusive of property management fee. As advised by GZI, we have deducted a monthly property management fee of RMB45 per sq.m. in order to assess the net rental income.

According to the renewed tenancy agreements commencing from January 2006, we understand that the renewed rental income is exclusive of property management fee and other outgoings such as water, electricity, town gas, telephone and air-conditioning charges.

As at the date of valuation, the top 10 major tenancy agreements by rental income within the Subject Property occupied 1.9% of the total gross floor area and were responsible for 3.4% of the gross rental income received. Details of the tenancy agreements are as follows:

Unit	Gross Floor Area (sq.m.)	Gross Monthly Rental Income Inclusive of Management Fee (RMB)	Net Monthly Rental Income (RMB)	Unit Net Monthly Rental Income (RMB/sq.m.)	Estimated Unit Net Monthly Rental Income (RMB/sq.m.)	% of Current Monthly Net Rental Income	Lease Term From To	
Portion of Level 1	235.2	65,734	55,150	235	650	0.6%	1/1/2002	12/31/2005
1323	92.2	38,424	34,275	372	650	0.4%	1/1/2002	12/31/2005
1301	87.6	36,507	32,565	372	650	0.3%	1/1/2002	12/31/2005
1305	81.5	33,961	30,294	372	650	0.3%	1/1/2002	12/31/2005
1321	81.5	33,952	30,285	372	650	0.3%	4/1/2005	12/31/2005
1325	80.8	33,660	30,024	372	650	0.3%	9/1/2003	12/31/2005
1302	80.7	33,618	29,987	372	650	0.3%	1/1/2002	12/31/2005
1331	79.7	33,215	29,629	372	650	0.3%	10/1/2002	12/31/2005
1405	77.7	32,372	28,876	372	650	0.3%	7/1/2003	12/31/2005
1322	77.5	32,315	28,828	372	650	0.3%	1/1/2002	12/31/2005

In the above table, the net monthly rental income is obtained by deduction of the property management fee from the gross monthly rental income. As advised by GZI, the monthly property management fee is RMB45 per sq.m. The estimated unit net monthly rental income is based on the unit net monthly rental income of different levels in Section 4.1.

For the top 10 major tenancy agreements by rental income, the current unit net monthly rental income, exclusive of property management fee, is significantly lower than the estimated unit market rental income, exclusive of property management fee.

The building is maintained in a reasonable condition commensurate to its age. The building is managed by Guangzhou White Horse Property Management Co. Ltd. and it is responsible for collection of all management fees from the tenants and dealing with the day to day operations and outgoings relevant to the development.

The fire safety measures include the installation of automatic sprinkler heads, smoke detectors, fire alarm system, fire extinguishers etc throughout the building. For further information on building condition, reference should be made to the Building Condition Survey Report.

3.8 Building Condition of the development

According to the Building Condition Survey Report, the building is maintained in a reasonable condition. White Horse Building and its vehicular access are generally in compliance with the record plans furnished by Guangzhou City Construction & Development Co. Ltd.

For the non-conformity items, some minor deviations such as relocation of shroff office and plant room from their approved locations, were found by the building surveyor.

For further information of the building condition, reference should be made to the Building Condition Survey Report.

We are of the opinion that the non-conformity items have no material impact on the value of the Subject Property.

3.9 Current Rental Income

As at the date of valuation, the Subject Property was fully leased.

According to the supplied rent roll as at the date of valuation, for which a sample of 20% of leases (which is equivalent to about 20% of the total passing rental income) were checked by us and were found to be in order, the existing net monthly rental income and equivalent annual net rental income was as follows:

Gross Floor Area (sq.m.)	Monthly Gross Passing Rental Income (inclusive of Management Fee) (RMB)	Monthly Net Rental Income (RMB)	Annual Net Rental Income (RMB)
<u>50,199.3</u>	<u>11,811,843</u>	<u>9,754,587</u>	<u>117,055,044</u>

3.6 Portion of Interest to be Disposed by GZI Group

GZI Group is disposing a portion of the development and the details of the interest to be disposed are listed below:

Level	Usage	Gross Floor Area (sq.m.)	Internal Floor Area (sq.m.)
Lower Ground Level	Storage	1,121.7	1,081.1
Level 1	Commercial	7,667.0	7,342.6
Level 2	Commercial	7,199.8	6,892.2
Level 3	Commercial	7,684.9	7,359.8
Level 4	Commercial/office	7,695.6	7,370.0
Level 5	Office	7,466.4	7,149.2
Level 6	Office	7,443.9	7,127.5
Level 7	Office	2,003.5	1,931.0
Level 8	Office	<u>1,916.5</u>	<u>1,847.2</u>
	Total:	<u>50,199.3</u>	<u>48,100.6</u>

Note: The breakdown of the gross floor area and the usage is based on the Real Estate Title Certificates and the PRC Legal Opinion.

Upon our site inspection, we noted that Levels 1 to 6 were occupied as retail shops, Levels 7 and 8 were occupied as warehouse and office respectively. As advised by GZI, Lower Ground Level comprises mainly common area including staircases and storage area, which is regarded as non-lettable area.

As advised by GZI, Level 7 and Level 8 will be converted into retail use commencing from May 2006 after renovation upon the expiry of the current tenancies.

3.7 Specification, Services and Finishes of the Development

White Horse Building is constructed of reinforced concrete with part glazed and part mosaic tiling to the exterior elevations and is decorated with marble or granite wall and floor tiles at the main lobby. Main services comprise electricity, water and telecommunications.

The building is subdivided into various units on all levels and is served by 8 passenger lifts and 2 cargo lifts serving Levels 1 to 6, 1 passenger lift and 1 cargo lift serving Levels 7 to 8, 2 pairs of escalators serving Levels 1 to 4 and 17 staircases serving Levels 1 to 8.

The standard of services and finishes within the development is considered to be reasonable, commensurating to other wholesale centres in the neighbourhood.

Travelling time to major areas of the City through driving:

Guangzhou Railway Station	2 minutes
Baiyun International Airport	40 minutes
Teem Plaza	20 minutes
Guangzhou East Train Station	25 minutes

3.5 Description of the Development

White Horse Building, a 10-storey commercial wholesale centre for garment, including eight levels above ground, a lower ground level and a basement accommodating a car park, is located at No. 14, 16 and 18 Zhan Nan Road, Yue Xiu District, Guangzhou's traditional wholesale business area. According to the information provided by GZI, the development has a total gross floor area of 61,703.0 sq.m.

The area breakdown of White Horse Building is summarized as below:

Level	Usage	Gross Floor Area (sq.m.)
Basement 1	Carpark, Machinery Room	5,690.9
Lower Ground Level	Storage	6,934.5
Level 1	Commercial	7,667.0
Level 2	Commercial	7,199.8
Level 3	Commercial	7,684.9
Level 4	Commercial/office	7,695.6
Level 5	Office	7,466.4
Level 6	Office	7,443.9
Level 7	Office	2,003.5
Level 8	Office	<u>1,916.5</u>
	Total:	<u>61,703.0</u>

The site of the wholesale centre comprises a regular and level plot having its main frontage onto Zhan Nan Road. White Horse Building was first completed in about 1990 and then extended into two separate phases in between 1995 and 1997 as well as between 1998 and 2000.

General accessibility of White Horse Building is considered good as public transportation such as buses and taxis are available along Zhan Nan Road.

Car parking facilities are accommodated within basement level 1.

The layout and design of White Horse Building is reasonable in comparison with other wholesale centres in the locality.

3. THE SUBJECT PROPERTY

3.1 Situation, Locality and Zoning

White Horse Building, a 10-storey commercial wholesale centre for garment, including eight levels above ground, a lower ground level and a basement accommodating a car park, is located at No. 14, 16 and 18 Zhan Nan Road, Yue Xiu District, Guangzhou, Guangdong, the PRC. It is close to the Guangzhou Railway station and bus terminal.

The Subject Property is located in Yue Xiu District and its accessibility is considered to be good. The main garment wholesale area of Guangzhou is situated around Zhan Nan Road, Yue Xiu District. The area is very popular among wholesalers because of its location (close to the Guangzhou Railway Station and major expressways).

According to the State-owned Land Use Rights Grant Contract signed on 28th June, 2005 and the PRC Legal Opinion, the zoning of the underlying land of White Horse Building is described as "commercial/office".

3.2 Surrounding Development and Environmental Issues

The Subject Property is located in Yue Xiu District. Developments in the area comprise mainly commercial buildings and retail shopping and wholesale centres, interspersed with some older medium-rise residential buildings.

The pedestrian traffic flow along that section of Zhannan Road West is heavy as it is opposite to the bus terminal and close to the Guangzhou Railway Station.

We have no knowledge of any environmental concerns or contamination of the subject site and surrounding sites. Due to the land registration system in the PRC, we cannot trace any information regarding to the previous development erected upon the subject site, therefore, we cannot comment on the likelihood of contamination and its effect on value nor ascertain the past use of the site.

3.3 Availability of and Access to Public Transport

General accessibility of White Horse Building is considered good as public transportation such as taxis and buses are available along Zhan Nan Road. Bus stops are located at 2 minutes walking distance from White Horse Building.

3.4 Car Accessibility and Road Frontage

White Horse Building is directly accessible from Zhan Nan Road. A pedestrian footbridge adjacent to the Subject Property allows access to the Guangzhou Railway Station. The Guangzhou Railway Station is also connected to No. 2 metro line.

- | | | |
|--|---|---|
| 17. Fully Leased Net Income as at the Date of Valuation | : | RMB117,055,044 per annum |
| 18. Estimated Current Market Rental Income as at the Date of Valuation | : | RMB254,124,912 per annum |
| 19. Discount Rate adopted for Discounted Cash Flow Analysis only | : | 11% |
| 20. Exchange Rate as at the Date of Valuation | : | HK\$1 = RMB1.043 |
| 21. Term Yield | : | 8% |
| 22. Reversionary Yield | : | 9.5% |
| 23. Occupancy Rate as at the Date of Valuation | : | 100% |
| 24. Vacancy Allowance | : | 1% |
| 25. Market Comment | : | We consider the marketability of the Subject Property to be reasonable in view of its location and accessibility. |

Note: The usage is based on the Real Estate Title Certificates and the PRC Legal Opinion.

2. TITLE INVESTIGATION

According to the PRC Legal Opinion, there is a Gonggan Building erected on the south side of White Horse Building with a gross floor area of 2,700 sq.m. There was an agreement signed on 7 February 1994 between Guangzhou City Construction & Development Group Co. Ltd. (廣州市城市建設開發集團有限公司) and Guangzhou City Gonggan Bureau (廣州市公安局). Guangzhou City Construction & Development Group Co. Ltd. was responsible for the design, obtaining approval and construction of the Gonggan Building. Guangzhou City Gonggan Bureau was responsible for paying the construction cost as well as land premium of RMB950,000 to Guangzhou City Construction & Development Group. Guangzhou City Gonggan Bureau could use the Gonggan Building for the residual land use rights term. The PRC legal adviser is of the opinion that the owner of the Subject Property does not have the right to use and the title ownership of Gonggan Building but this will not affect Partat Investment Limited's title to the Subject Property.

7. Lease Term	Lower Ground Level - 50 years from 7 June 2005 Level 1 - 40 years from 7 June 2005 Level 2 - 40 years from 7 June 2005 Level 3 - 40 years from 7 June 2005 Level 4 - 7,164.2 sq.m. - 40 years from 7 June 2005 Level 4 - 531.4 sq.m. - 50 years from 7 June 2005 Level 5 - 50 years from 7 June 2005 Level 6 - 50 years from 7 June 2005 Level 7 - 50 years from 7 June 2005 Level 8 - 50 years from 7 June 2005
8. Usage	Lower Ground Level - Storage Level 1 - Commercial Level 2 - Commercial Level 3 - Commercial Level 4 - Commercial/Office Level 5 - Office Level 6 - Office Level 7 - Office Level 8 - Office
9. Internal Floor Area of the Subject Property	: 48,100.6 sq.m.
10. Gross Rentable Area of the Subject Property	: 49,007.2 sq.m.
11. Construction Completion Date of White Horse Building	: 1990 with extension and renovation thereafter between 1995 and 1997 as well as between 1998 and 2000
12. Valuation Approach	: Income Capitalisation Approach including Discounted Cash Flow Analysis, cross-checked by the Sales Comparison Approach
13. Date of Valuation	: 30 September 2005
14. Market Value in existing state as at the date of valuation	: HK\$2,541,500,000
15. Unit Value on Gross Floor Area	: HK\$50,628 per sq.m.
16. Net Passing Income as at the Date of Valuation	: RMB117,055,044 per annum

Valuation of various units of the property (the "Subject Property") located in White Horse Building, Nos. 14, 16 and 18 Zhan Nan Road, Yue Xiu District, Guangzhou, Guangdong, the People's Republic of China (the "PRC") for Guangzhou Investment Company Limited (hereinafter referred to as "GZI") and its subsidiaries (hereinafter together referred to as the "GZI Group")

1. SUMMARY OF THE SUBJECT PROPERTY

According to the PRC Legal Opinion, 9 Real Estate Title Certificates have been issued in respect of the Subject Property. The details of the Subject Property are summarised as follows:

1. Current Registered Owner : Partat Investment Limited
(柏達投資有限公司)
2. Type of Land Use Right : Granted
3. Town Plan Zoning : According to the State-owned Land Use Right Grant Contract dated 28th June, 2005, the zoning of the underlying land of White Horse Building is described as "commercial/office".
4. Interest Valued : Leasehold interest of the Subject Property.
5. Property Description : The Subject Property forms a portion of a 10-storey wholesale garment shopping centre, including eight levels above ground, a lower ground level and a basement accommodating a car park. (See Section 3.5 for details)
6. Gross Floor Area ("GFA") of the Subject Property : Total - 50,199.3 sq.m.
Retail - 46,279.3 sq.m.
Office - 3,920.0 sq.m.

Lower Ground Level - 1,121.7 sq.m.
Level 1 - 7,667.0 sq.m.
Level 2 - 7,199.8 sq.m.
Level 3 - 7,684.9 sq.m.
Level 4 - 7,695.6 sq.m.
Level 5 - 7,466.4 sq.m.
Level 6 - 7,443.9 sq.m.
Level 7 - 2,003.5 sq.m.
Level 8 - 1,916.5 sq.m.

Levels 1, 2, 3, 4, 5, 6, 7, 8 correspond to 2nd, 3rd, 4th, 5th, 6th, 7th, 8th and 9th storeys in White Horse Building respectively.

- (f) We have relied to a very considerable extent on the information provided by the relevant parties:
- property information, including, rent roll, floor plans, property particulars, etc. by GZI; and
 - the PRC legal adviser.
- (g) We have not carried out detailed site measurements to verify the correctness of the site and floor areas in respect of the Subject Properties but have assumed that the site and floor areas shown on the documents and official site plans handed to us are correct. We have measured a sample of units from the plans on both the commercial podium floors and the office floors to confirm the correctness of this analysis. Based on our experience of valuation of similar properties in the PRC, we consider the assumptions so made to be reasonable. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.
- (h) We have had no reason to doubt the truth and accuracy of the information provided to us by GZI and the PRC legal adviser. We have sought confirmation from GZI that no material factors have been omitted from the information supplied. We take no responsibility for inaccurate data provided by GZI and the PRC legal adviser and subsequent conclusions derived from such data and information.
- (i) The study of possible alternative development options and the related economics are not within the scope of this report.

5. EXCHANGE RATE

Unless otherwise stated, all monetary amounts stated in this report are in Hong Kong Dollars. The exchange rate used in valuing the Subject Properties as at the date of valuation was HK\$1 = RMB1.043. There has been no significant fluctuation in exchange rate between the date of valuation and the date of this letter.

6. CAVEATS AND ASSUMPTIONS

The valuations are subject to the following caveats and assumptions.

- (a) We have inspected the exterior and interior of the Subject Properties. No tests were carried out on any of the services. However, reference can be made to a separate Building Condition Survey Report.
- (b) Based on the PRC Legal Opinion, we have assumed that the Subject Properties are free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect their values, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the Subject Properties and our valuation assumes that none exists.
- (c) We have assumed that the Subject Properties have been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Subject Properties upon which this report is based, any and all required licences, permits, certificates, and authorisations have been obtained, except only where otherwise stated.
- (d) Our valuations have been made on the assumption that the owners sell the Subject Properties on the open market without the benefit of deferred terms contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of Subject Properties. In addition, no forced sale situation in any manner is assumed in our valuations.
- (e) No allowance has been made in our valuations for any charges, mortgages or amounts owing on the Subject Properties nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Subject Properties are free from encumbrances including material building defects, restrictions and outgoings of an onerous nature which could affect their values.

In our assessment, we have assumed the Subject Properties are sold at the end of year 10 at a price based upon the forecast year 11 income, and capitalised by the terminal capitalisation rate for the remaining property lease term. The analysis is based on the assumption of a cash purchase. No allowance for interest and other funding costs have been incurred.

3.3 Sales Comparison Approach

This approach estimates the values of the properties by comparing recent sales of similar interests in the building or buildings located in the surrounding area.

By analysing sales which qualify as 'arms-length' transactions, between willing buyers and sellers, adjustments can be made for size, location, time, amenities and other relevant factors when comparing such sales against the properties. This approach is commonly used to value standard properties when reliable sales evidence is available.

4. TITLE PARTICULARS

4.1 Title Investigation

We have been provided with extracts from title documents relating to the Subject Properties. We have not, however, searched the original documents to verify ownership or to verify the existence of any lease amendments which do not appear on the copies handed to us. We have relied on the PRC Legal Opinion, concerning the validity of the titles to the Subject Properties held by Full Estates Investment Limited, Partat Investment Limited, Moon King Limited and Keen Ocean Limited in the PRC.

4.2 The PRC Legal Opinion

In our valuations, we have relied on the PRC Legal Opinion on the validity of the Subject Properties' title.

We have valued the Subject Properties in their existing state based on the PRC Legal Opinion that the Subject Properties can be freely transferred, mortgaged and let in the market and all proper title certificates have been obtained and land premiums have been fully settled.

No allowance has been made in our report for any charges, mortgages or amounts owing on the Subject Properties. Unless otherwise stated, it is assumed that the Subject Properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

3.1 Income Capitalisation Approach

Income Capitalisation Approach estimates the values of the properties on an open market basis by capitalising net rental income on a fully leased basis having regard to the current passing rental income from existing tenancies and potential future reversionary income at the market level. In calculating the net rental income, no deduction has been made from the net passing rental income which is exclusive of property management fee.

In this valuation method, the total rental income is divided into a current passing rental income over the existing lease term (the term income) and a potential future reversionary rental income over the residual land use term (the reversionary income). The term value involves the capitalisation of the current passing rental income over the existing lease term. The reversionary value is taken to be current market rental income upon the expiry of the lease over the residual land use rights term and is capitalised on a fully leased basis. It is then discounted back to the date of valuation.

In this approach, we have considered the term yield and reversionary yield. The term yield is used for capitalisation of the current passing rental income as at the date of valuation whilst the reversionary yield is used to convert reversionary rental income.

3.2 Discounted Cash Flow Analysis

This is defined in the International Valuation Standards (7th Edition) as a financial modeling technique based on explicit assumptions regarding the prospective cash flow to properties. This analysis involves the projection of a series of periodic cash flows to an operating property. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the properties. In the operating real properties, periodic cash flow is typically estimated as gross income less vacancy and operating expenses and other outgoings. The series of periodic net operating incomes, along with an estimate of the terminal value, anticipated at the end of the projection period, is then discounted at the discount rate, being a cost of capital or a rate of return used to convert a monetary sum, payable or receivable in the future, into present value.

We have undertaken a discounted cash flow analysis on a monthly basis over a 10-year investment horizon. The net income in the Year 11 is capitalised at an appropriate yield for the remainder of the ownership term. This analysis allows an investor or owner to make an assessment of the long term return that is likely to be derived from a property with a combination of both rental income and capital growth over an assumed investment horizon. This analysis is generally used in valuing income producing properties.

In our calculation, we have not deducted any acquisition costs and disposal costs. We are of the opinion that these issues would be taken into account by a prospective purchaser.

2. BASIS OF VALUATION

Market Value

The valuations have been carried out in accordance with the HKIS Valuation Standards on Properties (First Edition 2005) published by the HKIS.

Our valuations are made on the basis of Market Value which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

We have valued the Subject Properties in their existing state based on the opinion of the PRC legal adviser, Z & T Law Firm (the "PRC Legal Opinion") that the Subject Properties can be freely transferred, mortgaged and let in the market and all proper title certificates have been obtained and land premiums have been fully settled.

3. VALUATION RATIONALE

In our valuations, we have valued the Subject Properties for which the areas are based on the proper title documents and the PRC Legal Opinion. In arriving at our opinion of values, we have considered prevailing market conditions, especially those related to the office, wholesale and retail property market sectors. We have also looked at lease reversionary potential such as future rent renewal rate, lease cycle duration and lease expiry profile. The primary valuation method adopted to arrive at our opinion of value is the Income Capitalisation Approach including Discounted Cash Flow Analysis. We have also cross-checked the values with available market comparables by the Sales Comparison Approach.

The Income Capitalisation Approach reflects the specific characteristics of the Subject Properties such as lease expiry profile, existing tenant covenants and level of passing and reversionary rents. We therefore consider that this method is particularly relevant for income producing properties held for investment.

The Discounted Cash Flow Analysis reflects additional property specific characteristics of the Subject Properties such as leases duration and potential rental income growth, renewed rates, vacancy rates and all outgoings.

In relation to the Sales Comparison Approach, we have obtained market comparables to undertake our calculations and consider that this approach reflects the market values of the Subject Properties. In valuing the Subject Properties, this approach has limitations in reflecting specific factors such as lease expiry profile, quality of existing tenant covenants and vacancy rate. In this approach, all these factors must be reflected in the unit rate per square metre.

In valuing the Subject Properties, we have used an average of the values derived using the Income Capitalisation Approach and the Discounted Cash Flow Analysis. The Sales Comparison Approach has been used as a check.

1. EXECUTIVE SUMMARY

1.1 Qualification of the Valuers

The valuations have been prepared by David Faulkner who is a Fellow of the Royal Institution of Chartered Surveyors, a Fellow of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong Special Administrative Region ("Hong Kong").

He is suitably qualified to carry out the valuation and has over 25 years experience in the valuation of properties of this magnitude and nature, and over 17 years experience in the PRC.

He has been assisted by Patrick Lee and Thomas Lam who are Members of the Royal Institution of Chartered Surveyors, Members of the Hong Kong Institute of Surveyors and Registered Professional Surveyors under the Surveyors Registration Ordinance (Cap. 417).

We have no pecuniary interest that could reasonably be regarded as being capable of affecting our ability to give a fair and an unbiased opinion of the values or that could conflict with a proper valuation of the Subject Properties.

1.2 Information Sources

All investigations have been conducted independently and without influence from any third parties in any way. The information provided in this report has been obtained from Guangzhou Investment Company Limited ("GZI"), Z & T Law Firm (the "PRC legal adviser"), relevant bureaux, the People's Government of Guangzhou and other public sources.

1.3 Instructions

We accepted instructions to conduct valuations of the Subject Properties as at the date of valuation from GZI for the disposal of the Subject Properties by GZI Group.

We have complied with the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors (HKIS) in January 2005. We have also made reference to the International Valuation Standards (7th Edition) published by the International Valuation Standards Committee in 2005.

Inspections of the Subject Properties were carried out in June, July and September 2005. We confirm that we have made relevant enquiries and obtained such information as we consider necessary to conduct the valuations.

This report is for the use of the above addressee and for the purposes indicated and no liability to any third party can be accepted for the whole or any part of the contents of the document. Neither the whole nor any part of this valuation report nor any reference thereto may be included in any other published documents, circular or statement, nor published in any way whatsoever without prior written approval of Colliers International (Hong Kong) Ltd as to the form and context in which it may appear.

We hereby confirm that:

- i) We have no present or prospective interest in the Subject Properties;
- ii) We are authorised to practice as a valuer and have the necessary expertise and experience in valuing similar types of properties;
- iii) We have not previously valued the Subject Properties;
- iv) The valuations have been prepared on fair and unbiased basis; and
- v) The valuer is acting as an Independent Valuer as defined in the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors ("HKIS").

We hereby certify that the valuer undertaking these valuations is authorised to practice as a valuer.

Yours faithfully,
For and on behalf of
Colliers International (Hong Kong) Ltd
David Faulkner
BSc (Hons) FRICS FHKIS RPS (GP) MAE
Regional Director
Valuation and Advisory

Note: David Faulkner is a Chartered Surveyor who has 17 years experience in the valuation of properties in the PRC and 21 years of property valuation experience in Hong Kong and the Asia Pacific region.

The following is the text of a valuation report received from Colliers International (Hong Kong) Ltd, an independent property valuer, in connection with its valuation as at 30 September 2005 for certain property interests of the GZI Group in the PRC.



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25 November 2005

The Board of Directors
Guangzhou Investment Company Limited
24th Floor, Yue Xiu Building
160-174 Lockhart Road
Wanchai
Hong Kong

Dear Sirs,

Re: Valuations of various units of the property (the "Subject Properties") located in White Horse Building, Fortune Plaza, City Development Plaza and Victory Plaza, Guangzhou, Guangdong, The People's Republic of China for Guangzhou Investment Company Limited (hereinafter referred to as "GZI") and its subsidiaries (hereinafter together referred to as the "GZI Group")

In accordance with GZI's instructions to value the Subject Properties in the People's Republic of China (the "PRC") in which the GZI Group will be disposing, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Subject Properties as at 30 September 2005 (the "date of valuation").

LETTER FROM YU MING

RECOMMENDATION

Having taken into consideration the principal factors and reasons as set out above, we are of the view that the terms and conditions of the Reorganization Deed, the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing are fair and reasonable so far as the Shareholders are concerned and the Reorganization Deed, the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing are in the interest of the Company and the Shareholders as a whole. Accordingly, we recommend the Shareholders to vote in favour of the resolution that will be submitted at the EGM to approve the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing. Nevertheless, should there be any material variation to the terms and conditions as discussed herein which would alter our recommendation to the Independent Board Committee and the Shareholders in relation to the Reorganization Deed, the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing, a separate approval from the Shareholders will be required. In such circumstances, a supplemental circular will be issued to the Shareholders.

Yours faithfully,

For and on behalf of

YU MING INVESTMENT MANAGEMENT LIMITED

Warren Lee

Director

LETTER FROM YU MING

- (ii) that the minimum final consideration (which shall be the Initial Consideration plus the Adjustment) is acceptable as compared with the price-to-book ratio of the comparables and it represents a premium to the current price-to-book ratio of the GZI Group; and
- (iii) that the net tangible asset value per Share subsequent to the Separate Listing will increase as a result of the gain on disposal;

we are of the view that the benefits of the Separate Listing outweigh the dilution of the attributable interest of the GZI Group in GZI REIT, which will be reduced from 100 per cent. to approximately 40 per cent. and such dilution should be acceptable to the Shareholders with reference to factors (i), (ii) and (iii) above. Besides, the Distribution would reduce the dilutive effect of the Separate Listing from the perspective of the Shareholders if the Shareholders elect to accept it over the exercise of the Option. Nevertheless, the Shareholders should be reminded that their interest in GZI REIT through the GZI Group may be further diluted to approximately 30 per cent. upon the exercise of the Over-allocation Option on or after the Separate Listing. As most Hong Kong initial public offerings raising more than HK\$100 million have adjustment mechanism similar to the Over-allocation Option, we consider that the Over-allocation Option in the Global Offering is a common market practice. Such practice is a measure to satisfy unfilled demand for the Units when there is overwhelming response to the Global Offering. Therefore, the granting of the Over-allocation Option is acceptable and is in the interest of the Shareholders and the Company as a whole.

6. Conditions of the Global Offering

Your attention is drawn to paragraph eight headed "Conditions" under the section headed "Separate Listing" in the Letter from the Board in this circular. A formal application will be made by GZI REIT to the Stock Exchange for the listing of, and permission to deal in, any Units to be issued pursuant to the Reorganization Deed and to be issued in connection with the Global Offering. In addition to the approval by the Shareholders of the Separate Listing at the EGM, the Global Offering and the Separate Listing will also be conditional upon, amongst other things, the Authorization, the Listing Committee granting in the Listing Approval, the obligations of the underwriters under the underwriting agreements to be entered into between GZI REIT, the Company and the underwriters in respect of the Global Offering becoming unconditional and the underwriting agreements not being terminated. Accordingly, the Separate Listing may not proceed if the aforesaid, and other applicable conditions, are not fulfilled or waived. The Shareholders should exercise caution when dealing in the Shares and are advised to read the corporate announcements of the Company for the latest development of the Separate Listing. There is, therefore, no assurance that the Proposed Spin-off and the proposed Global Offering will proceed.

LETTER FROM YU MING

Qualifying Shareholders should note that the assured entitlements to Units under the Distribution may not represent a multiple of a board lot of 2,000 Units, and that dealings in odd lots of the Units may be at a price below their prevailing market price. Entitlements to Units are not transferable and there will be no trading in nil paid entitlements on the Stock Exchange. Any Unit issued pursuant to the Distribution shall be deemed fully paid, ranking pari passu in all respects with other Units then in issue. The Company will appoint HSBC Securities (Asia) Limited to deal with odd lots of the Units arising from the Distribution. Based on the expected timetable, the register of members of the Company will be closed on 9th December, 2005 and will be re-opened on 12th December, 2005 for the purpose of determining the entitlements of the Shareholders to the Units under the Distribution. No transfer of the Shares may be registered during such period. In order to qualify for the Distribution, all transfers must be lodged with the Registrar by no later than 4:00 p.m. on 8th December, 2005. However, if the Separate Listing is postponed, the Board may determine another date(s) for closure of the register of members of the Company for the purpose of determining the entitlement to the Distribution and further announcement(s) will be made to inform the Shareholders and other investors in due course.

Since the Distribution has met the requirement of the assured entitlements under PN15 and Qualifying Shareholders are given the election for either Units or Cash Payment by exercising the Option, we consider that the Distribution and the granting of the Option are fair and reasonable insofar as the Shareholders are concerned.

(ii) *Dilution of interest in GZI REIT*

The table below sets out the potential dilutive effect of the Global Offering to the Shareholders' attributable interest in GZI REIT based on the current expected structure of the Global Offering.

	Attributable interest of the GZI Group in GZI REIT (per cent)
Before the Global Offering	100
Immediately after the Global Offering (taking no account of the Units which may be issued pursuant to the exercise of the Over-allocation Option)	40

As illustrated in the above table, GZI REIT will cease to be a subsidiary and become an associated company of the GZI Group and the GZI Group will no longer hold a majority shareholding in GZI REIT after the Separate Listing. Having considered:

- (i) the factors discussed in "1. Background to and reasons for the Separate Listing" and "4. Effects of the Separate Listing on the GZI Group";

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Overall, based on the above quantitative factors considered, we are of the opinion that the Separate Listing will have a favourable financial impact on the Group and therefore we believe it is fair and reasonable and is in the interest of the Shareholders and the Company as a whole.

5. Effects of the Separate Listing on the Shareholders

(i) *The Distribution and the Option*

Under PN15 of the Listing Rules, the Shareholders must be offered an assured entitlement to units in GZI REIT, either by way of a distribution in specie of existing units in GZI REIT or by way of preferential application in any offering of existing or new units in GZI REIT. On 23rd November, 2005, the Board conditionally declared a special dividend of a sum to be determined by the Directors, being part of the amount standing to the credit of the Company's reserves, and which shall represent the value of such number of Units as will represent approximately 2.5 per cent. (assuming the Over-allocation Option is exercised in full) to 2.9 per cent. (assuming the Over-allocation Option is not exercised) of the Global Offering and approximately 1.7 per cent. of the total number of issued Units of GZI REIT immediately upon listing of the Units on the Stock Exchange to the Shareholders whose names appear on the register of members of GZI on the Record Date. The Directors proposed to distribute, by way of a distribution in specie, Units to the Qualifying Shareholders on the basis of one Unit for every whole multiple of 400 Shares held by them as at the close of business on Record Date. Fractional entitlements will be retained by the Company for sale in the market upon commencement of dealings in Units on the Stock Exchange with the net proceeds from which to be retained by the Company for its benefits.

To allow each of the Qualifying Shareholders to have a choice as to whether to retain the Units received under the Distribution, it is proposed that each of the Qualifying Shareholders will be given an Option. By exercising the Option, Qualifying Shareholders will receive the Cash Payment instead of the Units which they would otherwise be entitled under the Distribution.

For Ineligible Overseas Shareholders, if any, who will not be transferred any Units under the Distribution, the Units which such Shareholders would have been otherwise entitled to receive will be offered for sale by the Joint Global Coordinators under the International Offering. The net proceeds of the sale of such Units after deducting applicable taxes, stamp duty, SFC transaction levy, Stock Exchange trading fee, and investor compensation levy, if any, will be used to fund Cash Payment to the Ineligible Overseas Shareholders on the basis of the number of Units that the relevant Ineligible Overseas Shareholders would have been otherwise entitled to under the Distribution multiplied by the Offer Price net of all the aforementioned expenses.

The Distribution is subject to the satisfaction of the conditions of the proposed Separate Listing as set out in paragraph eight headed "Conditions" under the section headed "The Separate Listing" in the Letter from the Board.

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(ii) *Effect on earnings*

Following the Separate Listing, the GZI Group will apply the net proceeds from the Separate Listing to repay bank loans outstanding which is expected to reduce the interest expenses of the GZI Group. Further, the GZI Group will receive dividends distributions on its holding in GZI REIT and the management fee income of the Manager in addition to the Leasing Agent's fee subsequent to the Separate Listing. As advised by the Directors, the Manager is to distribute to the Unitholders 100 per cent. of GZI REIT's Total Distributable Income as dividends for each of the financial years from 2006 to 2008 and, thereafter, at least 90 per cent. of annual Total Distributable Income. However, the GZI Group will forgo the rental income from the Properties. The unaudited profit before taxation of the Properties for the two financial years ended 31st December, 2003, 2004 and the half year period ended 30th June, 2005 was approximately HK\$344 million, HK\$133 million and HK\$663 million⁶ respectively.

On this basis, and taking into account the improvement in the net tangible assets position of the GZI Group after the proposed Global Offering, on balance, we consider the possible decrease in the profit of the Company attributable to the Shareholders as illustrated above is acceptable.

(iii) *Effect on gearing*

The gearing ratio (being bank borrowings (excluding bank overdrafts) divided by net asset value after minority interests and bank borrowings, calculated in a method consistent with the annual report of GZI in 2004) of GZI will decrease from approximately 41 per cent. as at 30th June, 2005, before the proposed Separate Listing, after applying all net proceeds from the proposed Separate Listing for the repayment of bank loans and the enhancement of net asset value as a result of the gain on the disposal of the Properties. We are of the view that a lower gearing and a lower level of interest expenses are favourable and in the interest of the Company and the Shareholders as a whole.

(iv) *Effect on working capital of the GZI Group*

Subsequent to the Separate Listing, the working capital of the GZI Group is set to improve due to lower interest expenses. Furthermore, after taking into account the dividend income contributed by GZI REIT to the GZI Group and the management fee to be paid by GZI REIT to the GZI Group in the future, we opine that current assets of the GZI Group are set to improve. Regarding the current liabilities, the GZI Group will operate independently from GZI REIT with neither cross-corporate guarantee nor inter-company financing provided. Therefore, we are of the view that working capital of the GZI Group will improve after the Separate Listing.

⁶ The profit before taxation for the two years ended 31st December, 2003 and 2004 and the six months ended 30th June, 2005 includes fair value gains on investment properties of approximately HK\$246 million, HK\$5 million and HK\$594 million respectively.

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We believe the above is an exhaustive list of PRC property investment or development companies listed in Hong Kong bound by the criteria set out in the note above. On average, companies listed on the Stock Exchange that engaged in property investment or development in the PRC have been trading at a price-to-book discount of approximately 72 per cent. to a premium of approximately 279 per cent. with an average premium of approximately 29 per cent. After adjusting for the outliers effect, the average price-to-book premium of the above comparables is approximately 17 per cent.⁴, compared to the price-to-appraised value discount of a maximum of approximately 10 per cent. of the Properties. In fact, the GZI Group was trading at a price-to-book discount of approximately 32 per cent as at the Latest Practicable Date.

Having considered the above, we believe the minimum price-to-appraised value ratio in which the Properties will be transferred to Holdco is fair and reasonable and is in the interests of the Shareholders and the Company as a whole. Nevertheless, should the final terms of the Global Offering result in the net cash proceeds to be raised from the Separate Listing falling below HK\$2,400⁵ million (assuming the Over-allocation Option is not exercised) as stated herein, a subsequent Shareholders' approval of the Separate Listing may be required as the analysis and impact of the Separate Listing in this Circular may no longer apply.

4. Effects of the Separate Listing on the GZI Group

In this section, the financial impact of the Separate Listing is analysed based on the following assumptions: (i) the proposed Global Offering had been completed on 30th June, 2005; (ii) net cash proceeds from the Separate Listing will be no less than HK\$2,400 million; and (iii) the GZI Group's holding in GZI REIT will decrease from 100 per cent to approximately 40 per cent. subsequent to the Separate Listing (assuming that the Over-allocation Option is not exercised).

(i) *Effect on net asset value*

Since the aggregate carrying value of the Properties as at 30th June, 2005 was approximately HK\$3,204 million (converted at an exchange rate of RMB1.04 = HK\$1 for illustration purpose only) and the Initial Consideration plus the Adjustment will be no less than approximately HK\$3,600 million. The unaudited adjusted consolidated net asset value (after minority interests) of the GZI Group is expected to increase from HK\$7,739 million as at 30th June, 2005 following the Separate Listing, as the GZI Group will derive a gain from the disposal of the Properties. Such gain will be derived mainly from the fair value gain from the revaluation of the Properties (as at 30th September, 2005) with reference to the aggregate carrying value of the Properties prior to the Proposed Spin-off and the release of deferred taxation on the Properties upon completion of the Separate Listing. In this regard, we believe the Shareholders will benefit from the enhancement in the net asset value per Share resulting from the Separate Listing.

4 Outliers adjustment has resulted in the removal of one observation that exceed two standard deviation from the mean price-to-book premium of the above samples.

5 The net cash proceeds of approximately HK\$2,400 million from the Separate Listing represent the proceeds (i.e. Initial Consideration plus Adjustment of no less than HK\$3,600 million) from the disposal of its 60 per cent. interests in GZI REIT net of costs.

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Finally, we have taken into consideration the average price-to-book premium and discount of companies engaging in property investment or development in the PRC that are listed on the Stock Exchange. A sample of 22 companies involved in PRC property investment or development listed on the Stock Exchange has been taken. The table below summarises the result of the analysis:

Stock code	Company	Price-to-book (discount)/premium as at the Latest Practicable Date <i>(per cent.)</i>
1125	Lai Fung Holdings Ltd.	(72)
29	Dynamic Holdings Ltd.	(66)
169	China Fair Land Holdings Ltd.	(63)
28	Tian An China Investments Co., Ltd.	(62)
1124	Coastal Greenland Ltd.	(55)
63	Wingfoong International Ltd.	(55)
917	New World China Land Ltd.	(50)
115	Grand Field Group Holdings Ltd.	(47)
258	Tomson Group Ltd.	(37)
535	Frasers Property (China) Limited	(29)
588	Beijing North Star Co. Ltd.	(21)
649	Shimao International Holdings Ltd.	(12)
1109	China Resources Land Ltd.	5
1207	Shanghai Real Estate Ltd.	17
2868	Beijing Capital Land Ltd.	55
688	China Overseas Land & Investment Ltd.	83
2337	Shanghai Forte Land Co. Ltd.	104
149	China Velocity Group Ltd.	109
563	Neo-China Group (Holdings) Ltd.	139
754	Hopson Development Holdings Ltd.	181
766	Sino Prosper Holdings Ltd.	233
2777	Guangzhou R&F Properties Co., Ltd.	279
	Average	29 (Before adjustment for outliers)
		/17 (After adjustment for outliers)
	GZI REIT	Maximum price-to-appraised value discount 10 per cent.

Source: Bloomberg

Note: The above samples were generated from Bloomberg under the search category of "Real Estate Operations/Development" for companies listed on the Stock Exchange. Only companies with more than 50 per cent of turnover generated from properties related operations in the PRC and more than 50 per cent of total asset related to properties related operations in the PRC in the latest financial statements are included in the sample to ensure the samples were comparable to the business of GZI REIT.

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As there has been no REIT listed on the Stock Exchange as at the Latest Practicable Date, we have made reference to seven REITs listed on the Singapore Exchange which we consider comparable to GZI REIT, and examined the price-to-book ratio in order to assess the fairness and reasonableness of the proposed consideration for the Properties.

The table below is a summary of our findings:

REIT	Type of REIT	Price-to-book ratios (times)*
Mapletree Logistics Trust	Diversified	1.58
Ascendas Real Estate Investment Trust	Diversified	1.40
CapitaMall Trust	Shopping Centres	1.36
Macquarie MEAG Prime REIT	Shopping Centres	0.99
CapitaCommercial Trust	Diversified	0.97
Suntec Real Estate Investment Trust	Diversified	0.85
Fortune Real Estate Investment Trust	Shopping Centres	0.78
	Average	1.13
GZI REIT	Diversified	Minimum price-to- appraised value ratio of 0.90

Sources: Bloomberg

Note: The above samples were generated from Bloomberg under the search categories of "REITs — Diversified", "REITs — Shopping Centres" and "REITs — Office Property" for REITs that are listed on the Singapore Exchange. We believe the above serves as a fair and reasonable comparable to GZI REIT since its portfolio comprised only shopping centres and office properties.

* Price-to-book ratio is computed based on the closing price of the relevant units as at the Latest Practicable Date and book value per share as at the end of the latest financial period.

The price-to-book ratios of the above comparables range from approximately 0.78 times to 1.58 times with an average of approximately 1.13 times. The minimum price-to-appraised value ratio of the Properties of 0.90 times is below the average but within range of the comparables. It is widely accepted that the lead managers and underwriters of an initial public offering of shares negotiate a price-to-earnings ratio (or price-to-book ratio which is applicable for companies engaging in the business of investment properties holdings) lower than that of the market in order to enhance its appeal to the investing public. Based on our research, the maximum average price-to-book ratio of the above Singapore-listed REITs at their respective initial public offering date was 1.05 times. Finally, we have taken into account that the Properties are all located in the PRC compared to other REITs quoted above, which is considered as an emerging and risky market by investors. Therefore we are of the view that it is acceptable for the minimum price-to-appraised value ratio to be lower than the average found in the secondary markets for listed REITs.

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- (v) all actions, claims, losses, damages, costs (including all legal costs), charges, expenses, interests, penalties or other liabilities which any of the BVI Companies or Holdco may reasonably and properly incur in connection with:
- the investigation, assessment or the contesting of any such claim;
 - the settlement of any such claim;
 - any legal proceedings in which any of the BVI Companies or Holdco claims under or in respect of the deed and in which judgment is given in favour of any of the BVI Companies or Holdco; or
 - the enforcement of any such settlement or judgment.

The Deed of Indemnity will not cover any claim in respect of taxation or liability, amongst other things, to the extent that provision, reserve or allowance has been made for such taxation or claim in the combined management accounts of the BVI Companies as at the date immediately preceding the Listing Date.

No claims may be brought against GCCD BVI or GZI after the expiry of six years following the Listing Date and GCCD BVI and GZI shall not be liable in respect of a claim unless they have received written notice from Holdco prior to the expiry of six years following the Listing Date, giving reasonable details of the relevant claim.

Since the indemnity executed will only relate to events up to the Listing Date, we are of the opinion that the provision of the indemnity by GCCD BVI and GZI as fair and reasonable and is in the interests of the Shareholders and the Company as a whole.

3. Consideration for the BVI Companies and minimum net cash proceeds from the Separate Listing

It is expected the net cash proceeds from the Separate Listing to be no less than approximately HK\$2,400 million (assuming the Over-allocation Option is not exercised) depending on the final Offer Price. The aggregate carrying value of the Properties as at 30th June, 2005 and the appraised value of the Properties as at 30th September, 2005 was approximately HK\$3,204 million (converted at an exchange rate of RMB1.04 = HK\$1 for illustration purpose only) and HK\$4,005 million respectively. The final consideration, being the Initial Consideration plus the Adjustment, is estimated to be no less than approximately HK\$3,600 million, or approximately 10 per cent. discount to the appraised value of the Properties. Therefore the price-to-book ratio at which the Properties are transferred to Holdco will be no less than approximately 1.13² times. Such consideration represents a price-to-appraised value ratio of the Properties of no less than approximately 0.9³ times, subject to the Adjustment based on the final Offer Price. In our analysis, we have made substantial reference to the price-to-book ratio over other methodologies as we believe it is an appropriate method for companies that engage in the business of investment properties holdings.

2 Based on the estimated final consideration of no less than approximately HK\$3,600 million divided by the aggregate carrying value of the Properties as at 30th June, 2005 of approximately HK\$3,204 million (converted at an exchange rate of RMB1.04 = HK\$1 for illustration purpose only).

3 Based on the estimated final consideration of no less than approximately HK\$3,600 million divided by the appraised value of the Properties as at 30th September, 2005 of approximately HK\$4,005 million.

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implementation of the lock-up arrangement can resolve such conflict between the GZI Group and prospective investors in GZI REIT as a result of information asymmetry. In this regard, the lock-up arrangement for GZI Group is fair and reasonable to the Shareholders and is in the interest of the Shareholders and the Company as a whole.

d. Deed of Indemnity

As a condition precedent to the completion of the Reorganization Deed, GCCD BVI and GZI will execute the Deed of Indemnity in favour of Holdco (for itself and for each of the BVI Companies), the Manager and the Trustee under which GCCD BVI and GZI will undertake jointly and severally with each of the BVI Companies, Holdco and the Trustee to indemnify each BVI Company and Holdco against, among other things, all or any depletion or reduction in the value of their respective assets, or increase in the liabilities, loss or deprivation of any relief from taxation, of any of the BVI Companies or Holdco, as a result of or in connection with any claim by any revenue, customs, fiscal, statutory or governmental or other authority or the PRC or in any other part of the world, including but not limited to:

- (i) the amount of any and all taxation falling on any of the BVI Companies or Holdco or in respect of the Properties resulting from or by reference to any income, profits, gains, transactions, events, matters or things earned, accrued, received, effected on or before the Listing Date, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such taxation is chargeable against or attributable to any other person, firm or company, including any and all taxation resulting from the receipt by any of the BVI Companies or Holdco of any amounts paid by GCCD BVI or GZI under the Deed of Indemnity;
- (ii) the amount of any and all fine or penalties imposed on any of the BVI Companies or Holdco by any revenue, customs, fiscal, statutory or governmental or other authority whatsoever in the PRC and any loss or damage suffered by any of the BVI Companies or Holdco resulting from the failure to stamp and/or register any tenancies in respect of the Properties as at certain specified date;
- (iii) the amount of any and all taxation resulting from the transfer of the Property to any of the BVI Companies or Holdco or any transaction effected on or before the Listing Date;
- (iv) the amount of any and all fines or penalties imposed on any of the BVI Companies or Holdco by any statutory or governmental or other authority whatsoever in the PRC and any loss or damage suffered by any of the BVI Companies or Holdco resulting from any non-conformity of the Properties (or any part thereof) with applicable building regulations and, if rectification of such non-conformities is required by such authorities, the cost of such rectification and any losses, damages or costs (including, without limitation, any loss of rentals) which any of the BVI Companies or Holdco may incur in connection therewith;

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issue of whether the terms on which GZI proposes to sell the Relevant Property to the third party are more favourable than those offered to GZI REIT (from the perspective of the GZI REIT) to ensure the transactions are fair and reasonable as far as all parties are concerned (details of the operative of the Deed of Right of First Refusal have been included in the section headed "Documents Related to the Separate Listing" in the Letter from the Board). Besides, the granting of Right of First Refusal is common amongst REIT listings (four out of the eight REITs quoted in sub-section (a) above have such a provision). It is considered one of the major features for a REIT listing as it can enhance the attractiveness of the Global Offering and, thus, possibly maximize the net proceeds generated therefrom. Further, for the prospective Unitholders of GZI REIT, the Right of First Refusal gives rise to possible growth opportunities of GZI REIT. In this regard, the granting of the Right of First Refusal is in the interest of the Shareholders, the Company and GZI REIT. Finally, since the GZI Group and GZI REIT are both engaged in businesses in the real estate industry, the granting of the Right of First Refusal will help mitigate possible fear from prospective investors of GZI REIT that the GZI Group might compete with GZI REIT in the future. Such doubt could dampen investors' confidence in the Global Offering and may suppress the amount of proceeds from the Separate Listing or ultimately jeopardize it.

A similar arrangement can also be found in the Link Real Estate Investment Trust in Hong Kong (the "Link REIT"), which issued an offering circular on 14th November, 2005 in connection with the initial offering and listing of its units on the Stock Exchange. It was agreed between Hong Kong Housing Authority and the trustee and manager of Link REIT that, in the event that the former intends to sell certain properties, Link REIT would be offered a right of first refusal to purchase such properties at a price set at the higher of two independent valuations in order to warrant reasonableness of the pricing of the properties for a period of 10 years. Likewise, independent valuations of properties intended to be sold have to be carried out by chartered surveyors or other property consultant in order to justify the price offered by the GZI Group to GZI REIT in certain circumstances detailed above. Having considered the above factors, we opine that the granting of the Right of First Refusal by the GZI Group to GZI REIT is fair and reasonable to the Shareholders and is in the interest of the Shareholders and the Company as a whole.

c. Lock-up arrangement

It is proposed that GZI will enter into a lock-up arrangement for a period of six months following the Listing Date. Details of the lock-up arrangement will be set out in the Offering Circular.

In analysing the impact of the lock-up arrangement, we have taken into account that the lock-up period stated is no more than what must be abided by controlling shareholders of any other new listing applicants on the Stock Exchange. Therefore, the arrangement is not prejudicial against the GZI Group. Further, if without the lock-up arrangement, we fear that prospective investors of GZI REIT may raise doubt as to the level of confidence the GZI Group has on the business fundamentals of GZI REIT as the GZI Group could further sell down its stake immediately after the completion of the Global Offering. Such doubt could dampen investors' confidence in the Global Offering and may suppress the amount of proceeds from the Separate Listing or may ultimately jeopardize it. We believe the

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According to the above table, the remunerations to Leasing Agents are inclusive of compensation for providing property management services, lease management services as well as marketing and marketing co-ordination services, whereas the marketing service fee is charged separately on a commission basis for most of the above REITs listed in Singapore. Based on our research on the REITs listed in Singapore, the all-inclusive (fixed plus variable portion) property manager's fee ranged from 2.52 per cent. to 5.39 per cent.¹ of the rental income for their respective latest 2 financial periods (except for Mapletree Logistics Trust that did not disclose its actual level of property manager's fee in the annual report and the Fortune REIT that did not disclose the breakdown of its gross revenue when calculating the property manager's fee). Therefore, the remunerations paid to the Leasing Agents are within the range of the fee paid to the property managers of the REITs listed in Singapore and therefore we believe the Leasing Agents will not be under-remunerated. In addition, with experience in managing the Properties since December 1997 and November 1998 for Yi Cheng and White Horse Property Management Company respectively, the Leasing Agents are in an advantageous position to handle all matters in relation to the Properties. In this regard, the proposed management fee paid by GZI REIT to the Leasing Agents is fair and reasonable and is in the interest of the Shareholders and the Company as a whole.

b. Right of First Refusal

The GZI Group proposes to grant to GZI REIT, conditional on the Proposed Spin-off, the Right of First Refusal pursuant to a deed of Right of First Refusal for a period of five years, subject to the Units continuing listing on the Stock Exchange or the entity which is the manager of GZI REIT remaining a subsidiary of the GZI Group or Yue Xiu and its subsidiaries, with effect from the Listing Date. Pursuant to this arrangement, GZI REIT will be granted first right of refusal to acquire certain properties from the GZI Group in the event that the GZI Group proposes to dispose to a third party or parties any completed Grade-A office or commercial building located in Guangzhou, the PRC in which such a property, (i) fulfils (or would reasonably be regarded as fulfilling) the investment criteria and property characteristics and is consistent (or would reasonably be regarded as being consistent) with the investment objective and policy of the Manager, for property investments by GZI REIT; (ii) is owned by or developed by the GZI Group and in which the GZI Group has an ownership interest of 95 per cent or more in such a property; and (iii) has a value of US\$20 million (or approximately HK\$156 million) or more as determined by an independent valuer or other property consultant (for details, please refer to paragraph one under the sub-section headed "Deed of Right of First Refusal" in the Letter from the Board).

Future property transactions between the GZI Group and GZI REIT subsequent to the Separate Listing will be based on value appraised by independent surveyors or other property consultant, if there is any dispute arising between GZI and the Manager on the

¹ Computations based on the actual level of property management fee disclosed in the respective annual report against the respective rental income for the relevant financial period.

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REIT Name	Property management fee/leasing service fee
CapitaCommercial Trust	(i) 3 per cent p.a. of net property income before the property manager's property management fee (ii) Variable leasing commissions (ranging from one-quarter to one month's gross rent, depending on the length and nature of subject tenancy)
CapitaMall Trust	(i) 2 per cent p.a. of gross revenue (ii) 2 per cent p.a. of net property income (iii) 0.5 per cent p.a. of net property income in lieu of leasing commissions
Fortune REIT	(i) 3 per cent p.a. of gross property revenue (ii) Variable marketing service fee (ranging from one-half to one month base rent, depending on the length and nature of subject tenancy)
Mapletree Logistics Trust	(i) 3 per cent p.a. of gross revenue (ii) Variable marketing service fee (ranging from one-half to two months' gross rent, depending on the length and nature of subject tenancy) and project management fee (depending on size of subject project)
Macquarie MEAG Prime REIT	(i) 3 per cent p.a. of gross revenue (ii) Variable leasing commission (ranging from one-twelfth to one month's base rent, depending on the length and nature of subject tenancy)
Suntec REIT	(i) 2.5 per cent p.a. of gross revenue (ii) 3 per cent p.a. of the portion of gross revenue above S\$100 million up to S\$130 million (iii) 3.5 per cent p.a. of the portion of gross revenue above S\$130 million
GZI REIT	(i) 4 per cent p.a. of the Rental Income of the Fortune Plaza Units, the City Development Plaza Units and the Victory Plaza Units to Yi Cheng (ii) 3 per cent p.a. of the Rental Income of the White Horse Units to White Horse Property Management Company

Source: The respective prospectus

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REIT	Base fee	Performance/ Service fee	Acquisition fee	Divestment fee
GZI REIT	0.3 per cent p.a. of the value of the Deposited Property	3.0 per cent p.a. of Net Property Income	1 per cent of the gross purchase price of the prospective properties, with no fee payable for the acquisition of the Properties and properties which are acquired pursuant to the Right of First Refusal in future, or if such vendor is a connected person of the Manager	0.5 per cent of the gross sale price of the divested property. No fee if the buyer is a connected person of the Manager

Source: Investment research report by an international brokerage house dated June 2005 and the respective prospectus

Note: Deposited property is defined as the value of total assets of the corresponding REIT.

According to the above table, the Manager's remuneration, in terms of the base fee, the performance fee, the acquisition fee and the divestment fee are all within the range of the fees charged by the REITs listed in Singapore and therefore we believe the Manager will not be under-remunerated. In this regard, the proposed fees paid by GZI REIT to the Manager are fair and reasonable and are in the interest of the Shareholders and the Company as a whole.

Besides, we have also assessed the reasonableness of Leasing Agent's fees payable by GZI REIT to the Leasing Agents. It is proposed for the Manager to appoint Yi Cheng to provide certain tenancy management, lease management as well as marketing and marketing co-ordination services in respect of the City Development Plaza Units, the Victory Plaza Units and the Fortune Plaza Units. It is also proposed for the Manager to appoint White Horse Property Management Company for the provision of similar services in respect of the White Horse Units. The following table shows the property management/leasing service fee charged by all listed REITs on the Singapore Exchange:

REIT Name	Property management fee/leasing service fee
Ascendas REIT	<ul style="list-style-type: none"> (i) 3 per cent p.a. of gross revenue (ii) Variable marketing service fee (ranging from one-half to two month's gross rent, depending on the length and nature of subject tenancy) and project management service fee (depending on size of subject project)

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REIT	Base fee	Performance/ Service fee	Acquisition fee	Divestment fee
Macquarie MEAG Prime REIT	0.5 per cent p.a. of the value of trust property	<p>Tier 1: 5 per cent of the amount by which the accumulated return of the trust index exceeds the accumulated return of the benchmark index, multiplied by the equity market capitalization of the REIT</p> <p>Tier 2: only the accumulated return of the trust index in excess of 2 per cent p.a. (1 per cent for each half year) above the accumulated return of the benchmark index. This tier of the fee is calculated at 15 per cent of the amount by which the accumulated return of the trust index is in excess of 2 per cent above the accumulated return of the benchmark index, multiplied by the equity market capitalization of the REIT</p>	1 per cent of the purchase price of the prospective properties, with no fee payable for the acquisition of the initial property portfolio	0.5 per cent of the sale price of the divested property
Suntec REIT	0.3 per cent p.a. of the value of the deposited property	4.5 per cent p.a. of the net property income	1 per cent of the purchase price of the prospective properties, with no fee payable for the acquisition of the initial property portfolio	0.5 per cent of the sale price of the divested property

LETTER FROM YU MING

In order to assess whether the management fee paid by GZI REIT to the Manager, a wholly-owned subsidiary of the Company, is reasonable, we refer to the management fee charged by all listed REITs in the Singapore Exchange as shown in the table below. We have selected the Singapore Exchange since it is an English-language based emerging market in the Asia-Pacific Region similar to that of Hong Kong.

REIT	Base fee	Performance/ Service fee	Acquisition fee	Divestment fee
Ascendas REIT	0.5 per cent p.a. of the value of the deposited property	0.1 per cent p.a. of the deposited property provided that the annual growth in distribution per unit exceeds 2.5 per cent, and an additional 0.1 per cent p.a. if the growth of distribution per unit exceeds 5 per cent	1 per cent of the purchase price of the prospective properties, with no fee payable for the acquisition of the initial property portfolio	0.5 per cent of the sale price of the divested property
CapitaCommercial Trust	0.1 per cent p.a. of the value of the deposited property	5.25 per cent p.a. of the net investment income before management fees and non-operating income (e.g. revaluation of properties)	1 per cent of the purchase price of the prospective properties, with no fee payable for the acquisition of the initial property portfolio	0.5 per cent of the sale price of the divested property
CapitaMall Trust	No more than 0.25 per cent p.a. of the property value	No more than 2.85 per cent p.a. of the gross revenue	No more than 1 per cent of the purchase price of the prospective properties	0.5 per cent of the sale price of the divested property
Fortune REIT	0.3 per cent p.a. of the property value	3 per cent p.a. of the net property income	1 per cent of the purchase price of the prospective properties, with no fee payable for the acquisition of the initial property portfolio	0.5 per cent of the sale price of the divested property
Mapletree Logistics Trust	0.5 per cent p.a. of the value of the deposited property	3.6 per cent p.a. of the net property income before accounting for the performance fee	1 per cent of the purchase price of the prospective properties, with no fee payable for the acquisition of the initial property portfolio	0.5 per cent of the sale price of the divested property

LETTER FROM YU MING

a. Manager and Leasing Agents

Subsequent to the Separate Listing, the underlying assets of GZI REIT are to be owned and administered by a trustee, whereas the Manager is to be responsible for managing the assets for the benefit of the Unitholders. The Manager will set the strategic direction and risk management policies of GZI REIT and manage such assets in accordance with the stated investment strategy of GZI REIT. At the same time, the Manager will appoint the Leasing Agents to provide certain tenancy management, lease management as well as marketing and marketing co-ordination services.

As advised by the Directors, the board of the Manager will comprise six directors (namely, two executive directors, one non-executive director and three independent non-executive directors). Among the two executive directors, only one, Mr. Liang Ningguang, has direct role in the GZI Group by currently assuming the position of executive Director and deputy general manager, which constitutes potential conflict of interest in relation to management and leasing issues of the GZI Group and GZI REIT. To mitigate the conflict, it is proposed that Mr. Liang Ningguang will resign from the Board before the listing of the Units and yet maintain his role at Yue Xiu and GZI Transport Limited. Save for him, the other executive director of the Manager will not engage in the property division of the GZI Group. In this regard, the Board and the board of the Manager will have no common executive director, the conflict of interest between the GZI Group and GZI REIT caused by the board composition of the Manager will be minimal and thus the arrangement is fair and reasonable and is in the interest of the Shareholders and the Company as a whole.

As far as potential conflict of interest between the GZI Group and GZI REIT in the operating level is concerned, it has been detailed in paragraph three under the section headed "Relationship with the GZI Group" in the Letter from the Board, a series of arrangements to address the issue including an internal reorganization which will result in the segregation of certain operational functions between the Leasing Agents and the GZI Property Manager as well as the implementation of the Chinese Walls policy between the Leasing Agents and the GZI Property Manager. Other contractual measures will be put in place which, among other things, the Leasing Agents endeavour to avoid competition between the GZI Group and GZI REIT by (i) referring all business proposals which the relevant Leasing Agents, acting reasonably and in good faith, consider are or are likely to be in competition with any member of the GZI Group, to the leasing division of the Manager for vetting and confirmation before the relevant Leasing Agent proceeds with such proposals or opportunities; or (ii) sub-contracting to a third party leasing agent independent of the GZI Group to implement the relevant business proposal. In this regard, the compliance measures adopted by the Manager and the Leasing Agents meet the standard prescribed by the guidelines set by the SFC (as stipulated in "The Management, Supervision and Internal Control Guidelines for Persons Registered or Licensed by the SFC") in that important duties and functions should be segregated in order to avoid opportunities for abuses or the overlooking of errors. Therefore, we are of the view that adequate measures will be in place to mitigate any potential conflict of interests on an operational level between the GZI Group and GZI REIT and such measures are fair and reasonable and are in the interest of the Shareholders and the Company as a whole. Such measures will be in place in six months from the Listing Date.

LETTER FROM YU MING

approximately 30 per cent (assuming the Over-allocation Option is exercised in full) to approximately 40 per cent (assuming the Over-allocation Option is not exercised) of GZI REIT, it will continue to benefit from the prospects of the spun-off business. In this respect, we believe that the Separate Listing will be of clear commercial benefits to both the GZI Group and GZI REIT.

At the same time, the Manager proposes to charge a fee income from the management of GZI REIT which is estimated to be approximately HK\$22 million per annum. Furthermore, the Leasing Agents propose to charge a fee for certain tenancy management, lease management, marketing and marketing coordination services in relation to the Properties. The estimated fee for the Leasing Agents is approximately HK\$12 million per annum. The fee income of the Manager and the Leasing Agents will be consolidated into the profit and loss account of the GZI Group.

Based on the above, we believe the Separate Listing will facilitate the growth of each of the GZI Group and GZI REIT and is in the interests of the Shareholders and the Company as a whole.

2. Relationship between the GZI Group and GZI REIT subsequent to the Separate Listing

(i) Delineation between the business retained by the GZI Group and the business of GZI REIT

Though the GZI Group and GZI REIT will continue to engage in property related businesses after the Separate Listing, the investment objectives of the two entities are fundamentally different. The investment portfolio of the GZI Group will include residential properties, shopping malls, offices, car parks, other commercial properties and a variety of shops. In addition, the focus of the GZI Group will be on development and redevelopment of residential properties rather than long-term investments in prime office and commercial properties. In contrast, GZI REIT will only acquire sustainable income producing properties which are usually office, retail and other commercial buildings for long term investment purposes. We believe that the business retained by the GZI Group is distinct from that of GZI REIT which mitigates any potential competition between the GZI Group and GZI REIT. From a strategic perspective, the delineation in business of the GZI Group and GZI REIT is in the interest of the Shareholders and the Company as a whole.

(ii) GZI REIT is to function independently from the GZI Group

The relationship between the GZI Group and GZI REIT subsequent to the Separate Listing will have four main aspects. Firstly, GZI REIT will be managed by the Manager while certain tenancy, leasing and marketing aspects of the Properties will be handled by the Leasing Agents of the GZI Group. Secondly, the Company has granted the Right of First Refusal to GZI REIT on properties held by the GZI Group that meet certain requirements. Thirdly, GZI has executed the Deed of Indemnity in favour of GZI REIT. Finally, the GZI Group plans to hold approximately 30 per cent (assuming the Over-allocation Option is exercised in full) to approximately 40 per cent (assuming the Over-allocation Option is not exercised) interest in GZI REIT which is subject to a lock-up arrangement.

LETTER FROM YU MING

The Properties proposed to be transferred to Holdco are as follows:

- (i) The City Development Plaza Units, at City Development Plaza, a 28-storey Grade A commercial building, located at Nos. 185, 187 and 189 Ti Yu Xi Road, Tian He District, Guangzhou, the PRC;
- (ii) The Fortune Plaza Units, at Fortune Plaza, a Grade A commercial complex, is located at Nos. 114, 116 and 118 Ti Yu Dong Road, Tian He District, Guangzhou, the PRC;
- (iii) The Victory Plaza Units, Victory Plaza, a prime shopping centre, is located at No. 101 Ti Yu Xi Road, Tian He District, Guangzhou, the PRC; and
- (iv) The White Horse Units, White Horse Building, a 10-storey commercial wholesale centre for garment, is located at Nos. 14, 16 and 18 Zhan Nan Road, Yue Xiu District, Guangzhou, the PRC.

Together, the Properties comprise approximately 160,651 square metres of retail, office, shopping and wholesale space. The Properties represent all the investment properties held by the GZI Group as at the Latest Practicable Date which are classified as Grade "A" office and prime commercial properties that meet the stated investment objectives of GZI REIT.

Subsequent to the Separate Listing, the primary objective of GZI REIT is to own and invest in a diverse portfolio of sustainable income producing retail properties, office buildings and commercial buildings for long-term investment purposes. Unless the Unitholders approve otherwise by a Special Resolution at a meeting convened by the Manager, investment will initially be in properties in Guangdong Province. In accordance with REIT Code, GZI REIT is prohibited from investing in vacant land or engaging in property development activities. On the other hand, the GZI Group will focus on residential and commercial property development primarily in Guangzhou and is also engaged in the provision of property management, lease management and marketing services to properties developed by the GZI Group or properties in which it has an interest. In addition, the GZI Group will continue to engage in toll roads and bridges operations and newsprints production. The Separate Listing enables the GZI Group to reallocate human and financial resources for its core businesses, improve financial flexibility through the reduction of debt while keeping significant interests in GZI REIT. The GZI Group will still have interests in certain properties including residential properties, shopping malls, offices, car parks, other commercial properties and a variety of shops which do not fit into the stated investment objectives of GZI REIT.

The GZI Group will benefit financially from the Separate Listing, including but not limited to increase in net asset value, reduction in gearing and interest expenses and improved working capital, which will be detailed in later section. In the long term, such financial flexibility will enable the GZI Group to act responsively to new investment opportunities as they arise.

On the other hand, GZI REIT will be able to tap the capital market directly subsequent to the Separate Listing, which is essential in funding future acquisitions of properties. Moreover, the clearer profile of the GZI Group will allow its market price to keep up with its intrinsic value more closely as operational and financial transparency improve. As the GZI Group intends to retain a holding of

LETTER FROM YU MING

It is not within our terms of reference to advise the Qualifying Shareholders as to whether or not they should apply for the Units under the Global Offering, nor is it within our terms of reference to consider or advise on the pricing of the Units in the Global Offering and on the timing of the making of the Global Offering in relation to the prevailing market conditions or at all. In this respect, the Qualifying Shareholders are recommended to consult their own professional advisers and refer to the information contained in this Circular and the Offering Circular.

In formulating our opinion, we have relied on the statements, information, opinions and representations contained in the Circular and the information, opinions and representations provided to us by the Directors. We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and all information, opinions and representations which have been provided by the Directors for which they are solely responsible are, to the best of their knowledge, true and accurate at the time they were made and continue to be so on the date of this letter.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and the representations and opinions made to us untrue, inaccurate or misleading. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Directors, nor have we conducted an independent investigation into the business and affairs of the GZI Group and GZI REIT.

PRINCIPAL FACTORS AND REASONS CONSIDERED

1. Background to and reasons for the Separate Listing

Listed on the Main Board since December 1992, the GZI Group is actively engaged in the development of commercial and residential properties primarily in Guangzhou and is also engaged in the provision of property management, lease management and marketing services to properties developed by the GZI Group or properties in which it has an interest. Apart from the foregoing, the GZI Group is also engaged in newsprints manufacturing and toll roads and bridges operations principally in the PRC.

The Separate Listing of GZI REIT represents a unique fund raising alternative to the GZI Group. The Separate Listing will create distinct business strategy for the GZI Group's current holdings in Grade "A" office and prime commercial investment properties. The basic operative of a REIT has been incorporated in the sub-section headed "Description of a REIT" in the Letter from the Board.

LETTER FROM YU MING

approximately 60 per cent of the Units of GZI REIT as enlarged by the Global Offering will initially be made available for subscription by way of a public offer in Hong Kong and an international placement to professional, institutional and other investors. For the purpose of the Listing Rules, such issue of the new Units will give rise to a deemed disposal by the Company under Rule 14.29 of the Listing Rules. As such, the Separate Listing is subject to the approval of the Shareholders.

Prior to the Separate Listing, the GZI Group will implement the Reorganization, where, among other things, the entire interests in the BVI Companies will be transferred to Holdco, which upon incorporation, will be a wholly-owned subsidiary of GZI REIT for the Initial Consideration as detailed in the section headed "Reorganization" in the Letter from the Board.

The Company intends to apply substantially all the net cash proceeds from the Separate Listing, expected to be no less than approximately HK\$2,400 million (assuming that the Over-allocation Option is not exercised), to repay the outstanding bank loans of the GZI Group with an aim to improve the capital structure and to reduce interest expenses.

In recognition of the requirement to provide assured entitlements to shareholders of Hong Kong listed companies under the Listing Rules in connection with the Separate Listing proposal and subject to, inter alia, the Listing Approval, it is proposed that Units representing approximately 2.5 per cent (assuming that the Over-allocation Option is exercised in full) to 2.9 per cent (assuming that the Over-allocation Option is not exercised) of the Units available for subscription under the Global Offering or approximately 1.7 per cent of the total number of Units in issue immediately following the listing of GZI REIT, will be distributed to Qualifying Shareholders through the Distribution on a pro-rated basis. Qualifying Shareholders will receive one Unit for every integral multiple of 400 existing Shares held by them at the close of business on the Record Date. Qualifying Shareholders will be granted the Option, which, upon exercising, the Qualifying Shareholders are to be entitled to the Cash Payment instead of the Units. Ineligible Overseas Shareholders will be entitled to the Cash Payment only but not the Option.

We have been appointed as an independent financial adviser to make recommendations to the Independent Board Committee and the Shareholders as to whether the terms and conditions of the Reorganization Deed, the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing are fair and reasonable and whether the Reorganization Deed, the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing are in the interests of the Company and the Shareholders as a whole and to advise the Shareholders on how to vote on the resolutions to approve the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing at the EGM.

We have not considered the tax consequences of the Separate Listing on the Shareholders since these are circumstances peculiar to the individual Shareholders. In particular, the Shareholders who are subject to overseas taxation on securities dealing should consider their own tax position with regard to the Distribution of the Units and, if in doubt, should consult their own professional advisers.

It is not within our terms of reference to advise the Qualifying Shareholders as to whether or not they should retain the Units to be received under the Distribution or to exercise the Option for the Cash Payment. In this respect, the Qualifying Shareholders are recommended to consult their own professional advisers and refer to the information contained in this Circular and the Offering Circular.

LETTER FROM YU MING

The following is the text of a letter of advice received from Yu Ming to the Independent Board Committee and the Shareholders in respect of the Reorganization Deed, the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing, and is prepared for inclusion in this circular.



YU MING INVESTMENT MANAGEMENT LIMITED

ROOM 1001, 10/F, AON CHINA BUILDING, 29 QUEEN'S ROAD CENTRAL, HONG KONG

DATE 25th November, 2005

To the Independent Board Committee and the Shareholders
Guangzhou Investment Company Limited
24/F, Yue Xiu Building
160-174 Lockhart Road
Wanchai
Hong Kong

Dear Sir or Madam,

**MAJOR TRANSACTION IN RELATION TO
THE SEPARATE LISTING OF
GZI REAL ESTATE INVESTMENT TRUST
ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

INTRODUCTION

The Board announced on 24th November, 2005 that it is currently considering the Proposed Spin-off and Separate Listing of GZI REIT. An application will be made to the SFC for the Authorization and, a formal application will be made by GZI REIT to the Stock Exchange for the proposed listing of the Units on the Main Board. The Global Offering of Units proposed comprises an offer for subscription by way of public offer in Hong Kong and an international placement to professional, institutional and other investors. The Distribution and the granting of the Option to Qualifying Shareholders is also proposed.

We have been appointed to advise you in respect of the Separate Listing of GZI REIT, details of which are set out in the circular to the Shareholders dated 25th November, 2005 (the "Circular"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

The Separate Listing will result in the separate listing of the Units on the Main Board following the Global Offering. Immediately following the Distribution and the completion of the Global Offering, the GZI Group's stake in GZI REIT will be reduced from 100 per cent to approximately 40 per cent (assuming that the Over-allocation Option is not exercised) and approximately 30 per cent (assuming that the Over-allocation Option is exercised in full). Accordingly, it is intended that

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 123)

25 November 2005

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION IN RELATION TO
THE SEPARATE LISTING OF
GZI REAL ESTATE INVESTMENT TRUST
ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

We refer to the circular to the Shareholders dated 25 November 2005 (the "Circular"), of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meanings given to them in the definition section of the Circular.

In compliance of the Listing Rules, we have been appointed by the Board to advise the Shareholders in relation to the Separate Listing which constitutes a major transaction for the Company under the Listing Rules. In this connection, Yu Ming has been appointed as an independent financial adviser to advise on whether the terms and conditions of (among other things) the Reorganisation Deed, the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing are fair and reasonable so far as the Company and the Shareholders are concerned and the Reorganisation Deed, the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing are in the interests of the Company and the Shareholders as a whole. Details of, and the reasons for the Reorganisation, the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing together with the actions to be taken by the Shareholders are contained in the Letter from the Board set out on pages 11 to 48 of the Circular.

As the members of the Independent Board Committee, we have discussed with the management of the Company as to the reasons for the Reorganisation, the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing. We also wish to draw your attention to the letter of advice from Yu Ming set out on pages 50 to 71 of the Circular. We have also discussed with Yu Ming as to the basis upon which its advice has been given to us. We have also noted the letter and the advice contained therein and have considered, amongst others, the various factors contained in such letter. In our opinion, the terms and conditions of the Reorganisation Deed, the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing are fair and reasonable so far as the Company and the Shareholders are concerned and the Reorganisation Deed, the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing are in the interests of the Company and the Shareholders as a whole. Accordingly, as the members of the Independent Board Committee, we recommend the Shareholders to vote in favour of the ordinary resolution which will be proposed at the EGM to approve the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing by way of poll.

Yours faithfully,
**Independent Board Committee of
Guangzhou Investment Company Limited**
Mr. Yu Lup Fat Joseph
Mr. Lee Ka Lun Mr. Lau Hon Chuen, Ambrose

LETTER FROM THE BOARD

In connection with the Global Offering, the price of the Units may be stabilised in accordance with the SFO. Details of any intended stabilisation and how it will be regulated under the SFO will be contained in Offering Circular.

Your attention is drawn to the additional information contained in the appendices to this circular.

Yours faithfully,
By Order of the Board
Guangzhou Investment Company Limited
Ou Bingchang
Chairman

LETTER FROM THE BOARD

RECOMMENDATIONS

The Directors (including the independent non-executive Directors) are of the view that the Reorganisation, the Distribution, the Option and the Separate Listing, are in the interests of the Company and the Shareholders and accordingly recommend the Shareholders to vote in favour of the ordinary resolution to approve the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing at the EGM as set out in the notice of EGM on pages 278 to 281 of this circular. Yu Ming, the independent financial adviser to the Shareholders, considers that the terms and conditions of the Reorganisation Deed, the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing are fair and reasonable so far as the Company and the Shareholders are concerned and that the Reorganisation Deed, the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing are in the interests of the Company and the Shareholders as a whole. Accordingly, Yu Ming recommends the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing. The text of the letter from Yu Ming containing its advice and the principal factors and reasons taken into account as regards, among other things, the Reorganisation, the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing is set out on pages 50 to 71 of this circular.

GENERAL

The Hongkong and Shanghai Banking Corporation Limited has been appointed as the listing agent and, together with Citigroup Global Markets Asia Limited and DBS Bank Ltd. Hong Kong Branch, as the joint global co-ordinators and joint bookrunners of the Global Offering. The Board expects that the Offering Circular will be despatched to the Qualifying Shareholders in due course (subject to the legal restrictions under the relevant laws and regulations in the relevant overseas jurisdictions).

Should the net cash proceeds to be received by GZI be lower than the amount stated in this circular due to (among other things) the change in the Offer Price of the Units during the Global Offering, or other situations where, in the opinion of the Company and its professional advisers, there is material variation to the terms stated in this circular affecting the basis on which Shareholders' approval was obtained pursuant to the terms as stated in this circular, GZI will (among other things) release a supplemental circular and to seek Shareholders' approval for such revision.

ADDITIONAL INFORMATION

This circular is being distributed to the Shareholders. This circular does not constitute and offer or invitation to subscribe for or purchase any securities nor is it calculated to invite any such offer or invitation. Neither this circular nor anything contained herein shall form the basis of any contract or commitment whatsoever.

LETTER FROM THE BOARD

According to the Interim Report, net asset value (after minority interests) of GZI amounted to approximately HK\$7,739 million as at 30 June 2005. In addition, the gearing (being bank borrowings (excluding bank overdrafts) divided by net asset value (after minority interests) and bank borrowings, calculated in consistent with the annual report of GZI in 2004) of GZI was approximately 41% as at 30 June 2005.

As a result of the Separate Listing, financial results of the Properties will not be consolidated into the accounts of GZI, thereby the total assets value of GZI will be decreased. GZI will be able to repay certain bank borrowings with the proceeds to be received by GZI under the Separate Listing, thereby decreasing the liabilities of the GZI Group. Upon the Separate Listing, GZI will receive dividend payments (if any) from GZI REIT. Since it is not possible to forecast the financial results of GZI, GZI REIT or the Properties, projection of such effect is not practical. Based on the unaudited results of the Properties, net profit derived from such Properties amounted to approximately HK\$89 million and HK\$454 million for the year ended 31 December 2004 and the six months ended 30 June 2005 respectively.

Immediately upon completion of the Separate Listing, GZI will be able to recognise a gain on disposal of the Properties determined upon, among other things, the final Offer Price of the Units, of approximately HK\$1,500 million to HK\$2,100 million. Such gain will be derived mainly from the fair value gain from the revaluation of the Properties (as at 30 September 2005) with reference to the aggregate carrying value of the Properties prior to the Proposed Spin-off and the release of deferred taxation on the Properties upon completion of the Separate Listing.

EGM

A notice convening the EGM to be held at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong on 10 December 2005 at 9:30 a.m. is set out on pages 278 to 281 of this circular.

Form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed forms of proxy in accordance with the instructions printed thereon and return the same to the Registrar at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM, or any adjournments thereof. Completion and return of the respective form of proxy will not preclude you from attending and voting in person at the EGM or any adjournments thereof should you so desire.

At the EGM, a poll may be demanded by the chairman; or not less than five members having the right to vote at the relevant meeting; or a member or members representing not less than 10% of the total voting rights of all members having the right to vote at the relevant meeting; or a member or members holding Shares conferring a right to vote on the resolution on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the Shares conferring that right.

LETTER FROM THE BOARD

<i>For the six months ended 30 June 2005</i>	White Horse Units HK\$'000	Fortune Plaza Units HK\$'000	City Development Plaza Units HK\$'000	Victory Plaza Units HK\$'000	Total HK\$'000
Turnover — rental income and management fee income					
— Retail	65,105	4,145	2,471	3,363	75,084
— Office	<u>811</u>	<u>6,175</u>	<u>10,574</u>	<u>—</u>	<u>17,560</u>
	65,916	10,320	13,045	3,363	92,644
Other gains — net	5,385	127	163	188	5,863
Direct outgoings	(16,050)	(4,546)	(2,787)	(3,664)	(27,047)
Other operating expenses	—	(1,026)	(748)	(672)	(2,446)
Fair value gains on investment properties	<u>437,944</u>	<u>143,899</u>	<u>12,444</u>	<u>—</u>	<u>594,287</u>
Profit before taxation	493,195	148,774	22,117	(785)	663,301
Income tax expenses					<u>(209,083)</u>
Profit for the period					<u><u>454,218</u></u>

The above amounts have been translated into HK\$ at an exchange rate of RMB1.07 = HK\$1 for illustration purpose only.

Since the BVI Companies only became the beneficial owners of the Properties for accounting purposes in September and October 2005, thus no profit was recorded during the period reported.

FINANCIAL EFFECTS OF THE SEPARATE LISTING

The aggregate carrying value of the Properties as at 30 June 2005 amounted to approximately HK\$3,204 million (which amount has been translated into HK\$ at an exchange rate of RMB1.04 = HK\$1 for illustration purpose only) and the aggregate appraised value of the Properties as at 30 September 2005 amounted to approximately HK\$4,005 million.

As mentioned in the sub-paragraph headed “Intended use of proceeds” under the paragraph headed “Separate Listing” above, net cash proceeds (subject to the Offer Price and relevant expenses) to be received by GZI is expected to be approximately HK\$2,400 million to HK\$3,200 million. It is the present intention of the Directors to use such net cash proceeds from the Separate Listing for repayment of bank borrowings, thereby reducing gearing level and interest expenses and improving the liquidity and financial position of GZI.

LETTER FROM THE BOARD

<i>For the year ended</i> 31 December 2004	White Horse Units HK\$'000	Fortune Plaza Units HK\$'000	City Development Plaza Units HK\$'000	Victory Plaza Units HK\$'000	Total HK\$'000
Turnover — rental income and management fee income					
— Retail	103,175	979	6,977	24,397	135,528
— Office	<u>1,562</u>	<u>8,063</u>	<u>26,927</u>	<u>—</u>	<u>36,552</u>
	104,737	9,042	33,904	24,397	172,080
Other gains — net	8,072	255	648	506	9,481
Direct outgoings	(35,309)	(6,623)	(4,187)	(4,891)	(51,010)
Other operating expenses	—	(705)	(730)	(1,364)	(2,799)
Fair value gains/(losses) on investment properties	<u>53,705</u>	<u>8,411</u>	<u>(119,626)</u>	<u>62,617</u>	<u>5,107</u>
Profit before taxation	131,205	10,380	(89,991)	81,265	132,859
Income tax expenses					<u>(44,273)</u>
Profit for the year					<u>88,586</u>

The above amounts have been translated into HK\$ at an exchange rate of RMB1.07 = HK\$1 for illustration purpose only.

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UNAUDITED FINANCIAL INFORMATION OF THE PROPERTIES

The table below sets out the unaudited financial information of the Properties for the two years ended 31 December 2004 and the six months ended 30 June 2005:

<i>For the year ended</i> <i>31 December 2003</i>	White Horse Units HK\$'000	Fortune Plaza Units HK\$'000	City Development Plaza Units HK\$'000	Victory Plaza Units HK\$'000	Total HK\$'000
Turnover — rental income and management fee income					
— Retail	88,263	—	6,754	7,580	102,597
— Office	<u>1,491</u>	<u>150</u>	<u>25,157</u>	<u>—</u>	<u>26,798</u>
	89,754	150	31,911	7,580	129,395
Other gains — net	11,154	10	476	91	11,731
Direct outgoings	(31,796)	(1,205)	(3,194)	(3,881)	(40,076)
Other operating expenses	—	(608)	(1,065)	(1,254)	(2,927)
Fair value gains/(losses) on investment properties	<u>(3,154)</u>	<u>205,914</u>	<u>(27,103)</u>	<u>70,684</u>	<u>246,341</u>
Profit before taxation	65,958	204,261	1,025	73,220	344,464
Income tax expenses					<u>(109,608)</u>
Profit for the year					<u>234,856</u>

The above amounts have been translated into HK\$ at an exchange rate of RMB1.07 = HK\$1 for illustration purpose only.

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The Deed of Indemnity will not cover any claim in respect of taxation or liability, among other things, to the extent that provision, reserve or allowance has been made for such taxation or claim in the combined management accounts of the BVI Companies as at the date immediately preceding the Listing Date.

No claims may be brought against GCCD BVI or GZI after the expiry of six years from the Listing Date and GCCD BVI and GZI shall not be liable in respect of a claim unless they have received written notice from Holdco prior to the expiry of six years from the Listing Date, giving reasonable details of the relevant claim.

FINANCIAL AND TRADING PROSPECTS OF THE GZI GROUP

As disclosed in the annual report of the GZI Group for the year ended 31 December 2004 (the "Annual Report"), the GZI Group's turnover increased by approximately 15.3% to approximately HK\$4,526.7 million, of which income from properties business accounted for approximately 63.8% of the turnover. Total sales of properties in Guangzhou and Hong Kong amounted to approximately HK\$1,987.2 million representing approximately 43.9% of the GZI Group's turnover. Further, as disclosed in the interim report of the GZI Group for the six months ended 30 June 2005 (the "Interim Report"), the GZI Group's turnover amounted to approximately HK\$1,588.2 million, of which income from properties business accounted for approximately 48.3% of the turnover while income derived from the operations in the PRC accounted for approximately 90% of the turnover. Profit attributable to shareholders of GZI for the six months ended 30 June 2005 amounted to approximately HK\$132.4 million.

As disclosed in the Interim Report, the gearing ratio (being the total bank borrowings divided by total capitalization) of the GZI Group as at 30 June 2005 was approximately 41%.

As at 30 June 2005, the GZI Group had approximately 7,250 employees of whom approximately 7,120 employees were primarily engaging in the properties, toll roads and newsprint businesses. The GZI Group remunerates its employees largely based on industry practice, including contributory provident funds and other staff benefits. The GZI Group has also adopted share option schemes which award its employees according to performance of the GZI Group and individual employees.

As disclosed in the Interim Report, the GZI Group's bank loans as at 30 June 2005 amounted to approximately HK\$5,341 million (the "Bank Loans"), of which approximately HK\$2,980 million were denominated in Hong Kong dollars with the remaining principally denominated in RMB. Further, approximately HK\$1,597 million out of the Bank Loans are repayable within one year as at 30 June 2005 while over 50% of the Bank Loans are repayable in the third to fifth year from 30 June 2005. Such bank loans bore interest ranging from approximately 2.8% to 5.9% per annum. In addition, the GZI Group is permitted to exchange Renminbi for other currencies through banks authorised to conduct foreign exchange business.

As at 30 June 2005, the GZI Group had provided approximately HK\$126 million in respect of the guarantee for mortgage facilities granted to certain buyers of the GZI Group's properties and commitments under operating leases amounted to approximately HK\$341 million.

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value of their respective assets, or increase in the liabilities, loss or deprivation of any relief from taxation, of any of the BVI Companies or Holdco, as a result of or in connection with any claim by any revenue, customs, fiscal, statutory, governmental or other authority of the PRC or in any other part of the world, including but not limited to:

- the amount of any and all taxation falling on any of the BVI Companies or Holdco or in respect of the Properties resulting from or by reference to any income, profits, gains, transactions, events, matters or things earned, accrued, received, effected on or before Listing Date, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such taxation is chargeable against or attributable to any other person, firm or company, including any and all taxation resulting from the receipt by any of the BVI Companies or Holdco of any amounts paid by GCCD BVI or GZI under the Deed of Indemnity;
- the amount of any and all fines or penalties imposed on any of the BVI Companies or Holdco by any revenue, customs, fiscal, statutory or governmental or other authority whatsoever in the PRC and any loss or damage suffered by any of the BVI Companies or Holdco resulting from the failure to stamp and/or register any of the tenancies in respect of the Properties as at certain specified dates;
- the amount of any and all taxation resulting from the transfer of the Property to any of the BVI Companies or Holdco or any transaction effected on or before the Listing Date;
- the amount of any and all fines or penalties imposed on any of the BVI Companies or Holdco by any statutory or governmental or other authority whatsoever in the PRC and any loss or damage suffered by any of the BVI Companies or Holdco resulting from any non-conformity of the Properties (or any part thereof) with applicable building regulations and, if rectification of such non-conformities is required by such authorities, the cost of such rectification and any losses, damages or costs which any of the BVI Companies or Holdco may incur in connection therewith; and
- all actions, claims, losses, damages, costs (including all legal costs), charges, expenses, interests, penalties or other liabilities which any of the BVI Companies or Holdco may reasonably and properly incur in connection with:
 - the investigation, assessment or the contesting of any such claim;
 - the settlement of any such claim;
 - any legal proceedings in which any of the BVI Companies or Holdco claims under or in respect of the deed and in which judgment is given in favour of any of the BVI Companies or Holdco; or
 - the enforcement of any such settlement or judgment.

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consultant as to the matter in dispute shall, in the absence of fraud or manifest error, be final and binding on the Manager and GZI and such independent valuer or other property consultant shall be deemed to act as an expert and not as arbitrator. The costs of the independent valuer or other property consultant appointed, if any, shall be borne by GZI REIT and GZI in equal shares.

If the Manager (acting on behalf of GZI REIT) elects to acquire the Relevant Property offered by GZI pursuant to the deed of Right of First Refusal, the completion of the sale and purchase of the Relevant Property shall be conditional upon obtaining all requisite approvals and consents by GZI and GZI REIT, the satisfactory results on the completion of the due diligence review of the Relevant Property by the Manager and such other conditions as may be set out in the relevant sale and purchase agreement of the Relevant Property.

The Right of First Refusal to be granted by GZI to GZI REIT will commence on the Listing Date until the earliest of the following occurring:

- (i) five years after the Listing Date;
- (ii) the Units ceasing to be listed on the Stock Exchange (except for temporary suspension of trading); or
- (iii) the entity which is the asset manager of GZI REIT ceasing for whatever reason to be a subsidiary of any member of the GZI Group or Yue Xiu and its subsidiaries.

Further, if GZI or any of its subsidiaries intends to enter into a joint venture in respect of a Relevant Property whereby GZI or, as the case may be, its subsidiary is to hold an ownership interest of more than 50.0% but less than 95.0%, and such Relevant Property is reasonably expected to be completed during the term of the Right of First Refusal, GZI will use all reasonable commercial endeavours to negotiate with the relevant joint venture party or parties such that the terms of the joint venture will enable it to include such Relevant Property within the scope of the Right of First Refusal.

The Board considers that the grant of the right of first refusal by the Company to GZI REIT is in the interests of both the Company and GZI REIT and will put forward to the Shareholders to consider such grant as part of the resolution to the Separate Listing.

In the event that GZI REIT elects to exercise the Right of First Refusal to acquire any property from the Company, the Company will comply with the requirements of Chapter 14 and other applicable requirements of the Listing Rules at the relevant time and will issue a separate announcement to disclose details of such a disposal at the relevant time (if so required by the Listing Rules).

2. Deed of Indemnity

GCCD BVI and GZI will execute the Deed of Indemnity in favour of Holdco (for itself and for each of the BVI Companies), the Manager and the Trustee under which GCCD BVI and GZI will undertake jointly and severally with each of the BVI Companies, Holdco and the Trustee to indemnify each BVI Company and Holdco against (among other things) all or any depletion or reduction in the

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expected to be completed in 2007, as well as the commercial portion of the West Tower of the Mega-Twin Commercial Tower (an integrated office, retail and hotel complex of approximately 400,000 sq.m. under development in Zhujiang New Town in Guangzhou near the No.3 metro line and which is expected to be completed in 2009).

On the first occasion when GZI offers to GZI REIT a right of first refusal to acquire the entire building of the West Tower of Victory Plaza pursuant to the deed of Right of First Refusal, GZI shall also grant to GZI REIT a right of first refusal to acquire such number of car parks in Victory Plaza (the "Additional Car Parks") which will, when aggregated with GZI REIT's interests in the total construction area of the podium and the West Tower of Victory Plaza, enable GZI REIT to control more than 50% of the total construction area of Victory Plaza, provided that GZI REIT elects to acquire the West Tower of Victory Plaza and the completion of the sale and purchase of the Additional Car Parks shall take place simultaneously with, and conditional upon, the completion of the sale and purchase of the West Tower of Victory Plaza. If GZI REIT does not elect to acquire the Additional Car Parks or the sale and purchase of the Additional Car Parks is not duly completed, GZI can deal with the Additional Car Parks freely and is not subject to any selling restrictions under the deed of Right of First Refusal.

GZI will give written notice to the Manager and the Trustee of any proposed offer for sale of a Relevant Property to GZI REIT. If no election to purchase is made by GZI REIT through the Manager within 30 business days from the date of GZI's notice, or if the sale and purchase of the Relevant Property is not duly completed, then GZI can:

- (i) sell the Relevant Property to any third party on terms no more favourable (from GZI REIT's perspective) than those offered to GZI REIT within 12 calendar months; or
- (ii) retain the Relevant Property for investment purposes and the Right of First Refusal shall apply anew to such property in the event that GZI proposes to dispose of the same at a later date, which the Right of First Refusal is in subsistence, and the property satisfies the criterion of a Relevant Property at the relevant time.

If GZI elects to sell the Relevant Property to a third party, GZI will give to the Manager a written notice of the price and other principal terms on which the Relevant Property is proposed to be sold by GZI to the third party. The Manager (acting on behalf of GZI REIT) shall have 10 business days within which to object (by written notice to GZI) to such proposed sale solely on the grounds that it is on terms more favourable than those offered to GZI REIT (from the perspective of GZI REIT), failing which such right of objection shall lapse. If such terms are more favourable than those offered to GZI REIT (from GZI REIT's perspective), the Right of First Refusal shall apply anew to such property in the event that GZI proposes to dispose of the same at a later date, which the Right of First Refusal is in subsistence, and the property satisfies the criterion of a Relevant Property at the relevant time. If there is any dispute arising between GZI and the Manager (acting on behalf of GZI REIT) on the issue of whether the terms on which GZI proposes to sell the Relevant Property to the third party are more favourable than those offered to GZI REIT (from the perspective of the GZI REIT), the matter shall be referred to an independent valuer or other property consultant selected by agreement between the Manager and GZI. Such an independent valuer or other property consultant shall be requested to settle any matter in dispute and the decision of that independent valuer or other property

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4. On-going transactions

There are anticipated to be various on-going transactions between GZI REIT, the Manager (acting on GZI REIT's behalf) and/or the BVI Companies (on the one hand) and members of the GZI Group (on the other hand) in the future. All such transactions will be on arms' length basis and normal commercial terms. Upon completion of the Separate Listing, GZI will be interested in approximately 30% to 40% of the Units (after the Distribution) and the accounts of GZI REIT will not be consolidated into GZI's accounts and hence GZI REIT will not become a subsidiary of GZI. Since GZI REIT will not become a subsidiary of GZI (after the Proposed Spin-off) and none of the substantial shareholders (as defined in the Listing Rules) of GZI will be directly interested in more than 10% of GZI REIT, transaction entered into between GZI and GZI REIT will not be treated as connected transaction for GZI under the Listing Rules.

DOCUMENTS RELATED TO THE SEPARATE LISTING

1. Deed of Right of First Refusal

Since the GZI Group and GZI REIT are both engaged in businesses in the real estate industry, therefore potential business conflicts may arise when, due to certain market conditions, the GZI Group has no other feasible options but to hold certain properties that are of similar nature and quality to those of GZI REIT for investment purposes. As mentioned above, the principal businesses of the GZI Group are, among other things, property development, management and investment while GZI REIT will engage in investments in income-producing real estate assets.

Having balanced the interests of the Shareholders and those of the Unitholders, in order to address the potential business conflicts which may arise and to provide support to GZI REIT in its initial years of establishment, GZI proposes to grant to GZI REIT, conditional on the Proposed Spin-off, a right of first refusal to acquire certain properties from the GZI Group in the event that GZI proposes to dispose, to a third party or parties, any completed Grade A office or commercial building located in Guangzhou, the PRC, which (i) fulfils (or would reasonably be regarded as fulfilling) the investment criteria and property characteristics and is consistent (or would reasonably be regarded as being consistent) with the investment strategy of the Manager, for property investments by GZI REIT; (ii) is owned or developed by the GZI Group and in which the GZI Group has an ownership interest of 95.0% or more (and in circumstances in which GZI is able to negotiate and agree terms with the relevant joint venture party so as to extend the coverage of the Right of First Refusal granted by GZI to include the relevant property that is the subject of that joint venture); and (iii) has a value of US\$20.0 million (or approximately HK\$156.0 million) or more (as determined by an independent property valuer) (the "Relevant Property").

Properties which fall within the parameters of the right of first refusal granted by GZI include Yue Xiu New Metropolis (a commercial property of approximately 86,000 sq.m. being developed above the underground metro station on the No. 1 metro line in Guangzhou and which is expected to be completed in 2006), the commercial portion of Asian-Pacific Century Plaza (an integrated hotel and commercial property of approximately 223,900 sq.m. under development at Tian He North Road in Guangzhou and which is expected to be completed by 2008), the two tower blocks currently being constructed above the Victory Plaza podium (a property already owned by GZI REIT) and which are

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- (iii) the Leasing Agents will implement the annual business plan and budget approved by the Manager every year and use their best endeavours to achieve the revenue targets in such approved annual business plan and budget; and
- (iv) if leasing or marketing opportunities in relation to any of the Properties become available to the Leasing Agents which the Leasing Agents, acting reasonably and in good faith, consider are or are likely to be in competition with any member of the GZI Group, the Leasing Agents shall either:
 - refer all such business proposals to the Manager for vetting and confirmation before the relevant Leasing Agent proceeds with such proposals or opportunities; or
 - sub-contract to a third party leasing agent independent of the GZI Group, to devise and implement the relevant business proposal.

GZI, being the parent company of the Leasing Agents, will provide an undertaking to GZI REIT that it will procure that the Leasing Agents will comply with the relevant provisions set out in the Tenancy Services Agreements in this regard.

(iv) *Transitional procedures*

The GZI Group will have a transitional period of six months from the Listing Date to complete the restructuring described above. The transitional period is required because:

- significant staff movement and re-allocation will be involved in the restructuring. Accordingly, a large number of employment contracts will have to be re-executed (and potentially re-negotiated) with those affected personnel; and
- it is also anticipated that various statutory employment-related provident funds would have to be re-allocated as a result of the significant staff movement, which will require substantial time to process.

It is also expected that as part of the restructuring, the business licence position for Yi Cheng and White Horse Property Management Company will need to be re-assessed to ensure that each of the Leasing Agents and the GZI Property Manager continues to hold all necessary licences for their respective businesses and functions, and where needed, further licensing applications may need to be made to the relevant PRC authorities.

As from the Listing Date, the "Chinese Wall" procedures will be put in place to segregate reporting lines and operational information. As soon as practicable thereafter, the personnel and IT systems of the Leasing Agents and the GZI Property Manager will also be physically segregated (i.e. separate office premises and systems). It is anticipated that such physical segregation will be achieved within two months after the Listing Date.

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The BVI Companies, on the recommendation of the Manager, will decide the prevailing market rates for the Leasing Agents' fees for the extension term and if the relevant Leasing Agent disagrees with the BVI Companies' decision on the prevailing market rates, the matter will be referred to an independent expert whose determination of such rates shall be final and binding on the parties.

Further details of the Tenancy Services Agreements will be set out in the Offering Circular.

3. Conflicts of interests

As both the Leasing Agents are members of the GZI Group and GZI is actively engaged in the development of commercial and residential properties primarily in Guangzhou as well as in the provision of leasing, marketing, tenancy management and property management services to properties developed by the GZI Group or other properties in which it has an interest, potential conflicts of interests may arise in relation to leasing and marketing opportunities. In order to address such potential conflicts of interests between GZI and GZI REIT, the following arrangements will be put into place:

i) *Segregation of certain operational functions*

The GZI Group will undergo an internal restructuring which will result in the Leasing Agents only be responsible for providing leasing and marketing services to GZI REIT's properties and another company within the GZI Group (the "GZI Property Manager") will be responsible for providing such services to properties not belonging to GZI REIT.

ii) *"Chinese Walls"*

"Chinese Wall" procedures will be put in place to ensure that there is segregation of information between the Leasing Agents and the GZI Property Manager. These will include having separate operating premises and IT systems, and separate reporting lines, for the Leasing Agents and the GZI Property Manager.

iii) *Contractual protection*

Contractual provisions in each of the Tenancy Services Agreements entered into between the Manager and Partat, Moon King, Full Estates or Keen Ocean, as the case may be, as well as the relevant Leasing Agent provide that:

- (i) the Leasing Agents will at all times act in the best interests of the relevant BVI Company and exercise a reasonable standard of care, skill, prudence and diligence under the circumstances then prevailing that a reputable leasing agent would use in providing similar services for comparable commercial properties in Guangzhou;
- (ii) the Leasing Agents will adhere to the organisational charts and reporting lines to be agreed with the Manager and will act in accordance with the directions of the Manager;

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The Manager and each of Full Estates, Moon King and Keen Ocean have entered into a Tenancy Services Agreement with Yi Cheng while the Manager and Partat have entered into a Tenancy Services Agreement with White Horse Property Management Company.

(i) *Leasing Agents' fees*

Each of the Tenancy Services Agreements relating to the Fortune Plaza Units, the City Development Plaza Units and the Victory Plaza Units provides for payment to Yi Cheng of a monthly fee of 4.0% per annum of the Rental Income of the relevant Property. The Tenancy Services Agreement relating to the White Horse Units provides for payment to White Horse Property Management Company of a monthly fee of 3.0% per annum of the Rental Income of the White Horse Units.

The Leasing Agents have agreed that, for so long as they are also the property managers of the relevant Properties, their fees as leasing agent under the Tenancy Services Agreement shall also satisfy the property management fees which they are entitled to receive from the relevant BVI Companies for any vacant units in the Properties under the property management arrangements described in the Offering Circular.

(ii) *Non-reimbursable expenses*

Under the Tenancy Services Agreements, the Leasing Agents will not be reimbursed for the following expenses, which shall be assumed and paid for by the Leasing Agents:

- costs and expenses under contracts entered into by the Leasing Agents with third party service providers delegates and agents for the provision of, among other things, supervision, maintenance, marketing and other services for the Properties, where such services are not directly provided by employees of the Leasing Agents;
- costs and expenses for utilities, including but not limited to, water, gas and electricity supply to the Properties, save where such costs and expenses are borne by the tenants thereof; and
- marketing and leasing commissions of third party service providers for the leasing of the Properties.

(iii) *Term of appointment*

The initial term of appointment of the Leasing Agents will be three years (unless earlier terminated in accordance with the provisions of the Tenancy Services Agreements). Six months prior to expiry of this term, each of the Leasing Agents may request to extend its appointment for a further three years on the same terms and conditions except that all fees payable to it may be revised to the prevailing market rates and provided that such extension shall be subject to Unitholders' approval.

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Manager's fee

The following is a summary of certain fees payable by GZI REIT, at the maximum, to the Manager:

- (i) in each Financial Year, a base fee of 0.3% per annum of audited value of the Deposited Property as at end of the Financial Year, payable semi-annually in arrears.
- (ii) in each Financial Year, a service fee of 3.0% per annum of audited annual net property income, payable monthly in arrears.
- (iii) a transaction fee of 1.0% of the consideration for the acquisition of any real estate (which, for the avoidance of doubt, shall not include any taxes, withholdings, out-of-pocket expenses or deductions incurred by GZI REIT in connection with any such acquisition) to form part of Deposited Property (except where the vendor of such real estate is the Manager or any of its connected persons, which would include property acquired under the Right of First Refusal granted by GZI to GZI REIT as described in the paragraph under "Deed of Right of First Refusal" in this circular), which shall be paid as soon as practicable after the relevant acquisition.
- (iv) a transaction fee of 0.5% of the gross sale price (which, for the avoidance of doubt, shall not include any taxes, withholdings, out-of-pocket expenses or deductions incurred by GZI REIT in connection with any such sale) of the disposal of any part of Deposited Property comprising real estate (except where the purchaser of such real estate is the Manager or any of its connected persons), which shall be paid as soon as practicable after the relevant sale of real estate.

Any increase in the base fee, service fee, acquisition fee and disposal fee over the percentages set out above or any change to the structure of the Manager's remuneration will require Unitholders' approval by Special Resolution.

The Directors are of the view that the proposed Manager's fees are on normal commercial terms and in the interest of the GZI Group.

2. Leasing Agents

It is proposed for GZI REIT to appoint Yi Cheng to provide certain leasing, marketing and tenancy management services in respect of the City Development Plaza Units, the Victory Plaza Units and the Fortune Plaza Units. It is also proposed for GZI REIT to appoint White Horse Property Management Company for the provision of similar services in respect of the White Horse Units.

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Senior executives

Mr. Don Lau is proposed to be the deputy chief executive officer and one of the responsible officers of the Manager. Mr. Lau also serves as the compliance manager of the Manager and is responsible for ensuring that the compliance manual adopted by the Manager, the REIT Code, the Trust Deed and the Listing Rules are adhered to. Additionally, he is responsible for managing GZI REIT's borrowings, cash flow, assets and liabilities and other financial matters. He will be invited to participate in the Manager's finance and investment committee to review and make recommendations on any financial matters as well as acquisitions and disposals of assets. Mr. Lau is concurrently the deputy general manager of the finance and accounts department of both Yue Xiu and GZI.

Mr. Cai Xiao Ping is proposed to be a deputy chief executive officer of the Manager and will also head its investment team. He will also oversee human resources and administrative functions of GZI REIT. He is currently the deputy general accountant of GCCD. It is proposed that Mr. Cai will resign from GCCD before listing of the Units. Mr. Cai is expected to spend 100.0% of his time in the management of GZI REIT.

Ms. Ko Yung Lai, Jackie is proposed to be the chief financial officer of the Manager. She will also oversee the information technology function of GZI REIT. She is currently the deputy general manager of the finance and accounts departments of both Yue Xiu and GZI and the director and financial controller of Yue Xiu Securities Co. Ltd.. It is proposed that Ms. Ko will resign from GZI and Yue Xiu (other than Yue Xiu Securities Co. Ltd.) before listing of the Units.

On the basis of the foregoing, the Directors confirm that the secondment of Mr. Don Lau will not affect the operation of the GZI Group and GZI REIT will be able to function independently from the GZI Group.

Sharing of non-management function

There will be some sharing of administrative and non-management functions between the Manager and the Group. Mr. Yu Tat Fung, who is the general counsel of the Group, will oversee the corporate services of the Manager, which will be staffed with two other members. Mr Alex Shiu, who is currently a senior manager of the capital management department of the Group, will be responsible for handling investor relation matters of GZI REIT.

The Board confirms that, other than disclosed above, all essential administrative functions would be carried out by GZI REIT without requiring the support of the Group.

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Board and management of the Manager

The board of directors of the Manager is responsible for the overall governance of the Manager including establishing goals for management and monitoring the achievement of these goals. It will establish a framework for the management of GZI REIT, including a system of internal controls and business risk management processes.

The board of directors of the Manager is proposed to comprise six directors, three of whom will be independent non-executive directors.

The two proposed executive directors of the Manager are Mr. Liang Ningguang and Mr. Liu Yong Jie. A proposed non-executive director will be Mr. Liang You Pan. The three proposed independent non-executive directors of the Managers are Mr. Chan Chi On, Derek, Mr. Lee Kwan Hung, Eddie and Mr. Chan Chi Fai, Brian.

Directors

Mr. Liang Ningguang is proposed to be the chairman and executive director of the Manager. Mr. Liang is currently the vice chairman of Yue Xiu, with overall responsibility for its investment and asset management activities. He is an executive Director and deputy general manager of the Company and an executive director of GZI Transport Limited, both of which are companies listed on the Stock Exchange.

It is proposed that Mr. Liang Ningguang will resign from GZI before listing of the Units in order to dedicate more time to the Manager but will continue in his roles at Yue Xiu and GZI Transport Limited. The Board confirms that the proposed resignation will have no material adverse impact on the operation of the GZI Group.

Mr. Liu Yong Jie is proposed to be an executive director, the chief executive officer and one of the responsible officers of the Manager. Mr Liu is the deputy general manager of Yue Xiu but has no executive responsibility at Yue Xiu.

Mr. Liang You Pan is proposed to be a non-executive director of the Manager. He is currently the deputy general manager of GZI.

Mr. Chan Chi On, Derek, is proposed to be an independent non-executive director of the Manager. He is currently the managing director of Tai Fook Capital Limited.

Mr. Lee Kwan Hung, Eddie, is proposed to be an independent non-executive director of the Manager. He is a partner and the chief representative of Woo, Kwan, Lee and Lo's Beijing office.

Mr. Chan Chi Fai, Brian, is proposed to be an independent non-executive director of the Manager. He is currently the chief financial officer of the Parkview Group, which comprises two listed companies and a group of other companies with total assets exceeding HK\$10 billion.

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The aggregate maximum liability of GCCD BVI and GZI in respect of all and any claims under the representations and warranties contained in the Reorganisation Deed as well as any claims made under or in connection with the Deed of Indemnity shall not exceed the final consideration for the transfer of the Issued Shares pursuant to the Reorganisation Deed.

Shareholders should note that the implementation of the Reorganisation described above is not conditional upon the Separate Listing or the proposed Global Offering.

The liability of the Trustee (if any) under the Reorganisation Deed shall be limited to the assets of GZI REIT.

RELATIONSHIP WITH THE GZI GROUP

The remaining business and operations of the GZI Group (on one hand) and GZI REIT (on the other hand) are managed by separate teams of management. The Trustee, will be a professional trustee independent of the GZI Group.

It is contemplated that the manager of GZI REIT will be a wholly-owned subsidiary of the Company and that Yi Cheng, which is 85.7% owned by the Company, and White Horse Property Management Company, which is 96.8% owned by the Company, will be the leasing agents for the Properties. The Leasing Agents have been managing the Properties and therefore, the Directors consider the continual appointment of the Leasing Agents is in the interest of GZI REIT since they have extensive experience in, among other things, managing the Properties.

1. **Manager**

The Manager has responsibility for managing the assets of GZI REIT for the benefit of the Unitholders. The Manager will set the strategic direction and risk management policies of GZI REIT and manage such assets in accordance with the stated investment strategy of GZI REIT and in accordance with compliance procedures set forth therein. The Manager will seek to be licensed by the SFC to conduct the regulated activity of asset management, as required by the SFC.

The Manager is a wholly-owned subsidiary of GZI, which is part of the Yue Xiu conglomerate. Yue Xiu is the flagship trading and investment vehicle of the Guangzhou Municipal People's Government in Hong Kong and the conglomerate has interests in a wide range of businesses and industries, including property investment and development, toll roads and bridges, newsprint, cement and ready mix concrete, high technology businesses, dry cell battery manufacturing, financial, stock broking and insurance services as well as hotel operations.

GZI, Yue Xiu's principal subsidiary, is listed on both the Stock Exchange and Singapore Exchange Securities Trading Limited. It is actively engaged in the development of commercial and residential properties primarily in Guangzhou and is also engaged in the provision of property management, lease management and marketing services to properties developed by the GZI Group or properties in which it has an interest.

LETTER FROM THE BOARD

If there is an increase in the Combined Net Assets, the amount of the increase shall be paid by Holdco to GCCD BVI or its nominee within four months after the Listing Date. If there is a decrease in the Combined Net Assets, the amount of the decrease shall be paid by GCCD BVI to Holdco within four months after the Listing Date.

The main purpose of the Initial Adjustment is to ensure that the Initial Consideration reflects the value of the Properties implied by the Offer Price attributable to GCCD BVI.

Final consideration

The final consideration shall be the Initial Consideration plus the Adjustment (if a positive number) or less the Adjustment (if a negative number). The Manager will announce the Adjustment and the final consideration upon determination thereof.

As at the Latest Practicable Date, the final consideration is expected to be no less than HK\$3,600 million.

Warranties, representations and undertakings

Under the Reorganisation Deed, Holdco, the Manager and the Trustee will have the benefit of certain limited warranties, representations and undertakings ("Warranties") given by GCCD BVI and guaranteed by GZI.

The Warranties provide Holdco, the Manager and the Trustee a degree of comfort in relation to matters such as the assets and liabilities of the BVI Companies, the state of affairs of the business of the BVI Companies, title to the Issued Shares, title to the Properties, the absence of undisclosed liabilities attaching to the BVI Companies and certain other matters. All of the Warranties are given subject to the disclosures made by GCCD BVI or GZI to Holdco or the Manager (including, but not limited to those set out in the Offering Circular), are subject to certain limitations and will expire (i) 72 months after the Listing Date (in the case of Warranties relating to the share capital of the BVI Companies, taxation, title to assets, title to the Properties and compliance with certain regularised contractual obligations) and (ii), except in limited circumstances, 24 months after the Listing Date in all other cases.

After the expiry of such period, none of Holdco, the Manager and the Trustee will have any further recourse against either GCCD BVI or GZI under the Reorganisation Deed and risks associated with the acquisition of the Issued Shares (including, without limitation, in relation to title to the Properties), will be solely for the account of GZI REIT.

Under the Reorganisation Deed, the Trustee has the benefit of certain representations and warranties given by GZI in respect of, among other things, the due incorporation and status of Holdco.

LETTER FROM THE BOARD

- (c) the Loan Proceeds less any costs relating to the Facility Agreement agreed between GCCD BVI and Holdco

less the sum of:

- (a) the Initial Consideration;
- (b) the IPO Transaction Costs;
- (c) the gross amount collected by White Horse Property Management Company from the tenants of the White Horse Units under their tenancies attributable to Partat in respect of the period from the Listing Date to 31 December 2005 (both dates inclusive) (*Note: Rents under the current lease agreements in the White Horse Units are paid by tenants to White Horse Property Management Company together with their property management fees. After the Listing Date, the rents rightfully belong to GZI REIT and its Unitholders while the property management fees have to be retained by White Horse Property Management Company to meet property management expenses*); and
- (d) HK\$26,700,000, being an amount agreed to be borne by GCCD BVI for proposed renovation works at the White Horse Units.

The amount of the Initial Adjustment shall be paid:

- (a) by Holdco to GCCD BVI or its nominee on the Listing Date, if the Initial Adjustment is a positive figure; and
- (b) by GCCD BVI to Holdco on the Listing Date, if the Initial Adjustment is a negative figure. Payment by GCCD BVI of the amount of the Initial Adjustment to Holdco shall be effected by way of setting off the relevant amount against the principal amount of the promissory note so that the amount payable by Holdco to the Company pursuant to the terms of the promissory note shall be the amount representing the difference between the principal amount of the promissory note and the Initial Adjustment.

Combined Net Assets Adjustment

The Combined Net Assets Adjustment shall be the increase or reduction in the Combined Net Assets in the interval from the date of the Reorganisation Deed until the day immediately preceding the Listing Date, excluding (i) any fluctuations in the value of the Properties; (ii) any costs incurred in connection with the Global Offering and the Facility Agreement; and (iii) any other matter already taken into consideration in calculating the Initial Adjustment, and adopting the same accounting policies, principles, standards and practices.

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The Reorganisation Deed will be entered into by, among others, GCCD BVI (as vendor and the beneficial owner of the Issued Shares comprising the FE Issued Share, the KO Issued Share, the MK Issued Share and the PI Issued Share) and GZI (as the guarantor of GCCD BVI's obligations under the Reorganisation Deed) to transfer the Issued Shares to Holdco. Full Estates, Keen Ocean, Moon King and Partat are the respective registered owners of the City Development Plaza Units, the Victory Plaza Units, the Fortune Plaza Units and the White Horse Units.

Consideration

The Initial Consideration payable by Holdco under the Reorganisation Deed for the Issued Shares will be determined with reference to, among other things, the Combined Net Assets as at 31 October 2005 (but is subject to Adjustment as described below).

The Initial Consideration shall be satisfied in the following manner:

- (a) by the issue of such Units in GZI REIT as will represent approximately 41.7% of the total Units to be issued immediately following the Global Offering to GCCD BVI or its nominee; and
- (b) as to the balance by the execution and delivery of a promissory note by Holdco to GZI, which will be settled on or shortly after the Listing Date.

As at the Latest Practicable Date, the Initial Consideration is expected to be approximately HK\$4,014 million.

In accordance with its rights under the Reorganisation Deed, GCCD BVI intends to nominate Dragon Yield as the company to which the Units forming part of the Initial Consideration are to be issued.

The Adjustment shall, in the event that the Listing Date taking place on or before a date to be agreed between GCCD BVI, the Holdco, the Manager, GZI REIT and GZI, be calculated and settled in accordance with the Reorganisation Deed.

Adjustment

Initial Adjustment

The Initial Adjustment shall be calculated as the sum of:

- (a) the IPO proceeds (i.e., the gross proceeds of the issue of the Units under the Global Offering being equal to the number of Units issued under the Global Offering multiplied by the Offer Price);
- (b) such portion of the Initial Consideration as is represented by the issue of Units by GZI REIT to Dragon Yield under the Reorganisation Deed; and

LETTER FROM THE BOARD

Please note that arrangements will be made for the Units which the Ineligible Overseas Shareholders would otherwise have been entitled to receive under the Distribution, if any, to be offered for sale under the International Offering. The net proceeds of the sale, after deducting applicable taxes, stamp duty, SFC transaction levy, Stock Exchange trading fee and investor compensation levy, if any, will be used to fund the Cash Payments.

CLOSURE OF REGISTER OF MEMBERS

Based on the expected timetable, the register of members of the Company will be closed on 9 December 2005 and will be re-opened on 12 December 2005 for the purpose of determining the entitlements of the Shareholders to the Units under the Distribution. No transfer of the Shares may be registered during such book close period. In order to qualify for the Distribution, all transfers must be lodged with the Registrar by no later than 4:00 p.m. on 8 December 2005. However, if the Separate Listing is postponed, the Board may then determine another date(s) for closure of the register of members of the Company for the purpose of determining the entitlement to the Distribution and further announcement(s) will be made to inform the Shareholders and other investors in due course.

Shareholders should note that the implementation of the Distribution and Option shall be conditional upon the satisfaction of the conditions of the proposed Separate Listing as set out in the sub-paragraph headed "Conditions" under the paragraph headed "Separate Listing" above. If any of such conditions is not fulfilled by such time as is set out therein, the whole of the special dividend will lapse absolutely and unconditionally.

Shareholders should further note that the actual number of the Units distributed subject to the Distribution will vary depending on the actual number of issued Shares as at the Record Date.

REORGANISATION

GZI REIT will be a REIT to be established as part of an internal reorganisation of the GZI Group of part of its real estate portfolio. The reorganisation will be effected in the manner described below.

GZI REIT will be constituted when GZI REIT Asset Management Limited as the manager of GZI REIT and HSBC Institutional Trust Services (Asia) Limited as the trustee of GZI REIT enter into the Trust Deed.

Holdco will be incorporated and will be wholly-owned by the Trustee (acting in its capacity as the trustee of GZI REIT).

Reorganisation Deed

GZI and GCCD BVI will reorganise the interests in the Properties for the purposes of the establishment of GZI REIT with HSBC Institutional Trust Services (Asia) Limited as the trustee and with the Manager as the manager.

LETTER FROM THE BOARD

of Election, will be treated as null and void and the relevant Shareholder will be deemed not to have elected to receive a Cash Payment instead of the Units proposed to be transferred to him/her pursuant to the Distribution. GZI will use its reasonable endeavours to inform the Shareholders if he/she falls within the abovementioned category.

3. Procedure of the exercise of the Option

If you are a Qualifying Shareholder and you wish to exercise the Option and receive a Cash Payment instead of the Units proposed to be transferred to you pursuant to the Distribution, please sign the Form of Election to be despatched on or after the date of the EGM and return it at the address and before the date and time set out in the Form of Election. If you wish to receive and retain such Units, please ignore the Form of Election and take no further action with them.

If the Registrar does not receive the Form of Election from you by the aforesaid 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 not to have elected to receive a Cash Payment instead of the Units proposed to be transferred to you pursuant to the Distribution and hence not to receive a Cash Payment.

The Joint Global Coordinators will allocate any Units not taken up by Qualifying Shareholders and the Units which the Ineligible Overseas Shareholders would otherwise have been entitled to receive under the Distribution to the International Offering.

4. Ineligible Overseas Shareholders

The Offering Circular and the accompanying application forms will not be registered or filed under the securities or equivalent legislation of any jurisdiction other than Hong Kong. The Directors are of the view that it may, in the absence of compliance with registration or other special formalities in other jurisdictions, be unlawful or impracticable for GZI to distribute the Units to Ineligible Overseas Shareholders and/or to offer them the Option and/or to make the Cash Payment thereto, in each case pursuant to the Distribution.

GZI has used its reasonable endeavours to identify the Ineligible Overseas Shareholders in an effort to ensure that the Form of Election will only be despatched to the Qualifying Shareholders. However, no assurance is and can be given by GZI that by virtue of receiving the Form of Election, you are a Qualifying Shareholder.

If you are an Ineligible Overseas Shareholder and return a Form of Election, your Form of Election will be treated as null and void. GZI will use its reasonable endeavours to inform you should this arise.

LETTER FROM THE BOARD

The Qualifying Shareholders should also note the instructions and terms printed on the Form of Election.

1. Indicative price range

The indicative price range per Unit will be determined at a time closer to the Listing Date and will be made available by way of announcement (the "Announcement") around the despatch date of the Offering Circular. The calculation of the Cash Payment and any material changes, if any, to the information set out in this circular will also be set out in the Announcement. **You are advised to make your election only at a time when you are fully aware of the indicative price range and other information, if any, set out in the Announcement and/or the Offering Circular. If you choose to return the Form of Election prior to the Announcement and choose to make the election without the benefit of the indicative price range and other information, if any, it will nonetheless be valid and binding on you. You are also reminded to read through the Offering Circular before making any decision in relation to the election.** For the avoidance of doubt, the final price that you will receive per Unit, as a result of exercising the Option, will not be determined until after you have exercised your Option. Cheques for the Cash Payment (after deducting applicable taxes, stamp duty, SFC transaction levy, Stock Exchange trading fee and investor compensation levy, if any) are expected to be despatched within approximately 1 week following the commencement of trading in the Units.

2. Conditions of the exercise of the Option

The exercise of the Option is conditional upon: (a) the Distribution becoming unconditional; (b) the due execution and return of the Form of Election by the Qualifying Shareholders strictly in accordance with the instructions set out herein and on the Form of Election; and (c) the terms and conditions contained in the Form of Election.

The Option is not granted to the Shareholders in relation to whom the Directors, after reasonable enquiries, consider that the exclusion of such Shareholder is necessary or expedient either due to the legal restrictions under the laws of the relevant places or the requirements of the relevant body or stock exchange in those places in granting the Option. Therefore, the exercise of the Option is also conditional upon GZI being satisfied that the Shareholder(s) do not fall within the abovementioned category.

It is the responsibility of anyone outside Hong Kong wishing to exercise the Option to satisfy himself/herself, before so exercising the Option, 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. GZI reserves the right to refuse to accept a Form of Election if it believes that the exercise of the Option by the relevant Shareholder would violate the applicable securities or other laws or regulations of any jurisdiction.

GZI's decision in relation to whether all of the conditions of the exercise of the Option have been fulfilled will be conclusive. If, in the sole discretion of GZI, a Form of Election does not satisfy all of the conditions of the exercise of the Option, then the return of a Form of Election and, the Form

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In order to alleviate the difficulties arising from the existence of odd lots of the Units, the Company has agreed to make arrangements for a broker to stand in the market to purchase and sell odd lots of Units held by the Qualifying Shareholders at the relevant market price per Unit. HSBC Securities (Asia) Limited will be appointed as the broker and will open a securities trading account for this purpose. Holders of odd lots of the Units who wish to take advantage of this facility should contact HSBC Securities (Asia) Limited during a period of three weeks, dates of which will be separately announced in due course. Qualifying Shareholders should note that successful matching of the sale and purchase of odd lots of Units is not guaranteed. Further details of the arrangement will be announced in due course.

For Ineligible Overseas Shareholders, if any, who will not be transferred any Units under the Distribution, the Units which such Shareholders would have been otherwise entitled to receive will be offered for sale by the Joint Global Coordinators under the International Offering. The net proceeds of the sale of such Units, after deducting applicable taxes, stamp duty, SFC transaction levy, Stock Exchange trading fee, investor compensation levy, if any, will be used to fund Cash Payments to the Ineligible Overseas Shareholders on the basis of the number of Units which the relevant Ineligible Overseas Shareholders would otherwise have been entitled to receive under the Distribution and the Offer Price.

The Distribution is subject to the satisfaction of the conditions of the proposed Separate Listing as set out in the sub-paragraph headed "Conditions" under the paragraph headed "Separate Listing" above.

OPTION

To allow each of the Qualifying Shareholders to have a choice as to whether to receive all of the Units to which he/she is entitled pursuant to the Distribution or to receive a Cash Payment in the alternative, it is proposed that each of them will be given an Option. **Each Qualifying Shareholder may only exercise the Option in respect of the whole of (but not part) (save in the case of HKSCC Nominees Limited, which may exercise the Option in respect of the whole or part of) his/her Units proposed to be transferred to him/her pursuant to the Distribution in consideration of a Cash Payment.** A form of election in respect of the Option (the "Form of Election") will be despatched to each Qualifying Shareholder on or after the date of the EGM.

Any Qualifying Shareholder who holds the Shares as a nominee, trustee or registered holder in any other capacity will not be treated differently from any other registered holder. Any beneficial owner of the Shares whose Shares are registered in the name of a nominee, trustee or registered holder in any other capacity should make arrangements with such nominee, trustee or registered holder in relation to the Distribution. Any such person may consider whether it wishes to arrange for the registration of the relevant Shares in the name of the beneficial owner prior to the Record Date.

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time). Shareholders should note in particular that, as of the date of this circular, no underwriting agreement has been signed. It is further expected that such underwriting agreements, if signed, will be subject to, inter alia, customary conditions precedent. There is, therefore, no assurance that the Separate Listing and the proposed Global Offering will proceed.

Note: It is expected that the BVI Companies will fully draw down on the Loan Facility on the Listing Date and onward lend the funds to Holdco to fund the payment of the promissory note.

LISTING AND DEALINGS

The Shares will continue to be listed on the Stock Exchange after the implementation of the Separate Listing.

An application will be made to the SFC for the Authorisation and a formal application will be made to the Stock Exchange for the listing of, and permission to deal in, the Units to be issued pursuant to the Reorganisation Deed and to be issued in connection with the Global Offering, as set out in the Offering Circular to be issued by GZI REIT in due course (including any Units to be sold upon the exercise of the Over-allocation Option).

Subject to the granting of the Listing Approval and the compliance with the stock admission requirements of HKSCC, the Units will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Units or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

DISTRIBUTION

In order to satisfy the assured entitlement requirement under PN15, on 23 November 2005, the Board conditionally declared a special dividend of a sum to be determined by the Directors, being part of the amount standing to the credit of the Company's reserves, and which shall represent the value of such number of Units as will represent approximately 2.5% (assuming that the Over-allocation Option is exercised in full) to 2.9% (assuming that the Over-allocation Option is not exercised) of the Global Offering and approximately 1.7% of the total number of Units of GZI REIT immediately upon the Separate Listing to the Shareholders whose names appear on the register of members of GZI as at the close of business on the Record Date.

The Directors propose to distribute, by way of a distribution in specie, Units to the Qualifying Shareholders on the basis of 1 Unit for every 400 Shares held as at the close of business on the Record Date. The Units will be credited as fully paid and will rank *pari passu* in all respects with the Units in issue at the time of the Global Offering. Fractional entitlements to the Units will not be transferred under the Distribution but will be retained by the Company for sale in the market upon commencement of dealings in the Units on the Stock Exchange. The net proceeds derived therefrom after deduction of expenses will be retained for the benefit of the Company.

LETTER FROM THE BOARD

(v) *General*

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to tax implications of the holding or disposal of, or dealing in the Units and, as regards the Ineligible Overseas Shareholders, their receipt of the Cash Payment. It is emphasised that none of the Company, its Directors or any other parties involved in the Separate Listing and the Global Offering accepts responsibility for any tax effects or liabilities of holders of the Units resulting from the holding or disposal of, or dealing in the Units.

7. **Lock-up arrangement**

It is proposed that GZI will enter into a lock-up arrangement for a period of six months following the Listing Date. Details of the lock-up arrangement will be set out in the Offering Circular.

8. **Conditions**

The Separate Listing will be conditional on, among other things, the following:

- (a) Shareholders passing an ordinary resolution by way of poll at the EGM to approve the Separate Listing and other matters related to the Separate Listing;
- (b) the Listing Committee granting the Listing Approval;
- (c) the obligations of the underwriters under the underwriting agreements to be entered into between, among other things, the Company and the underwriters in respect of the Global Offering becoming and remaining unconditional and neither underwriting agreement being terminated in accordance with its terms or otherwise, on or before the dates and times to be specified therein, details of which will be set out in the Offering Circular;
- (d) the condition precedents to draw down of the Facility Agreement ^(Note) being fulfilled or waived; and
- (e) the receipt of the Authorisation.

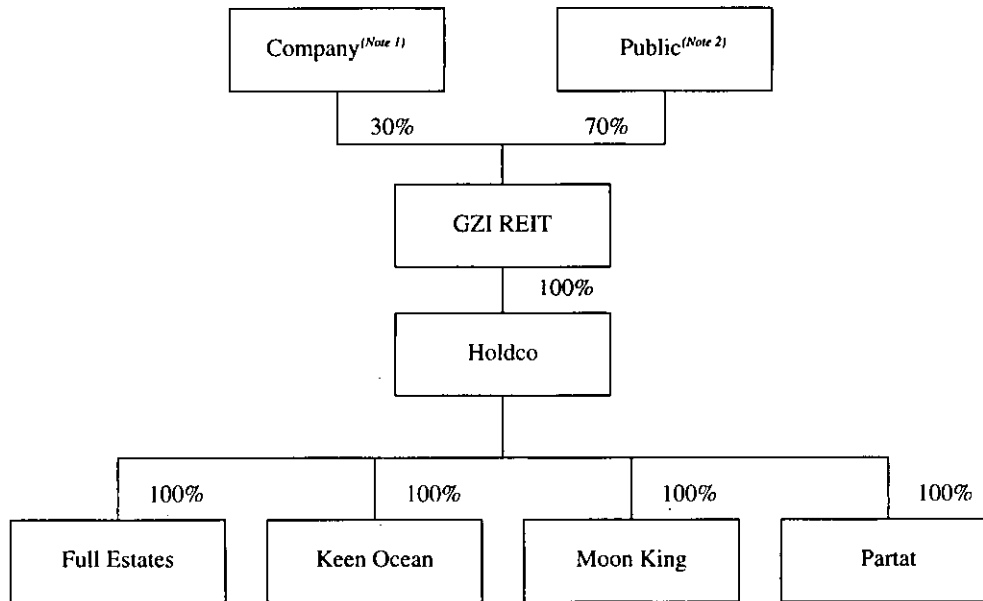
If the foregoing and any other applicable conditions are not fulfilled or waived prior to the dates and times to be specified in the Offering Circular, the Global Offering will lapse and a notice will be published by the Company and/or GZI REIT as soon as practicable following such lapse.

The Separate Listing pursuant to the Proposed Spin-off and the Global Offering are subject to the foregoing conditions and are dependent on a number of factors (including, but without limitation, the entering into of definitive underwriting agreements and other legal documentation in respect of the Global Offering as well as market conditions at the relevant

LETTER FROM THE BOARD

(ii) *Proposed unitholding structure of GZI REIT upon completion of the Separate Listing*

A simplified unitholding structure of GZI REIT immediately following completion of the Separate Listing and after the Distribution (assuming that the Over-allocation Option is exercised in full) will be as follows:



Notes:

1. The Company's interest in GZI REIT will be held via its wholly-owned subsidiary.
2. Public includes Qualifying Shareholders who receive the Units pursuant to the Distribution.

(iii) *Profits tax*

GZI REIT, as a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO, will be exempt from Hong Kong profits tax but the Manager will be subject to Hong Kong profits tax. Distributions made by GZI REIT to Unitholders are not subject to any withholding tax in Hong Kong.

(iv) *Stamp duty*

No Hong Kong stamp duty is payable by GZI REIT on the issue of new Units.

LETTER FROM THE BOARD

5. Intended use of proceeds

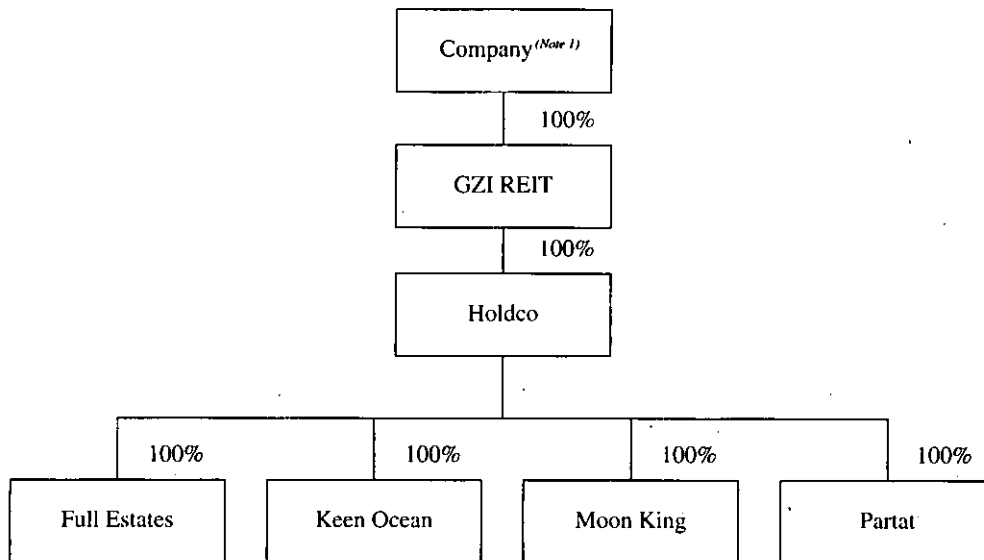
It is the present intention of the Directors to use all the anticipated net cash proceeds (subject to the Offer Price and relevant expenses) to be received by GZI from the Separate Listing for reducing gearing level and interest expenses of the GZI Group, thereby improving the liquidity and financial position of the GZI Group. Based on the estimation of the Directors and with reference to the valuation of the Properties, the net cash proceeds (subject to the Offer Price and relevant expenses) to be received by GZI from the Separate Listing is expected to be approximately HK\$2,400 million to HK\$3,200 million.

Should the final net cash proceeds from the Separate Listing be more than the abovementioned amount, such excess will also be applied for reducing gearing level and interest expense of the GZI Group.

6. Effect of the Separate Listing

(i) Unitholding structure of GZI REIT prior to the Separate Listing

A simplified unitholding structure of GZI REIT immediately after the Reorganisation but prior to the Separate Listing will be as follows:



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The Properties have been valued by the Independent Property Valuer. As at 30 September 2005, the aggregate appraised value of the Properties amounted to approximately HK\$4,005 million. Based on the management accounts of the relevant Properties, the aggregate carrying value of the Properties as at 30 June 2005 amounted to approximately HK\$3,204 million (which amount has been translated into HK\$ at an exchange rate of RMB1.04 = HK\$1 for illustration purpose only).

4. Reasons for and benefits of the Separate Listing

The Directors consider that the Proposed Spin-off will be beneficial for both the Company and GZI REIT based on the following reasons:

- (a) the Separate Listing will increase the operational and financial transparency of GZI REIT and provide the investors, the investment market and rating agencies with greater clarity on the businesses and financial status of the Company and GZI REIT;
- (b) the Separate Listing will substantially reduce the gearing and enhance the financial conditions of the Company;
- (c) the Separate Listing will provide additional and diversified funding sources (and maybe on better terms as a result of the greater clarity referred to above) for GZI REIT to finance its future expansion. The Directors believe this will provide financial resources for GZI REIT's continuing expansion, thereby avoiding the Company having to increase their gearing to fund the expansion;
- (d) the Separate Listing will also allow GZI REIT to establish a higher profile as a separate listed entity with the ability to access the debt and equity capital markets to fund future investments; and
- (e) the Separate Listing will allow GZI REIT to achieve its valuation potential which in turn will be beneficial to the Shareholders as a whole.

Following the Separate Listing and assuming the Over-allocation Option is not exercised, the Company will retain an interest of approximately 40% of the total Units after the Distribution while continuing to receive diversified mix of income flow from its existing business (property development, management and investment, newsprint manufacturing and the operation of toll roads and bridges).

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Name of property	Address	Description	Gross floor area	Appraised value as at 30 September 2005
City Development Plaza Units	Nos. 185, 187 and 189, Ti Yu Xi Road, Tian He District, Guangzhou, the PRC	The City Development Plaza Units comprise 6 strata units in the first three storeys of the podium as well as 159 strata units in the single tower block of a 28- storey Grade A commercial building. The City Development Plaza Units account for approximately 57.3% of the total gross floor area of City Development Plaza.	42,397.4 sq.m.	HK\$385.5 million
Victory Plaza Units	No. 101 Ti Yu Xi Road, Tian He District, Guangzhou, the PRC	The Victory Plaza Units consist of 9 strata units comprising a six-storey podium and part of basement 1 in the first phase of an integrated office and retail complex with a basement car park. Two tower blocks above the podium are currently under construction and are expected to be completed in 2007. The tower blocks and car park are not part of the Victory Plaza Units. The Victory Plaza Units account for 100.0% of the total gross floor area of the Victory Plaza podium (which does not include the car park owned by GCCD), and will account for 19.5% of the total gross floor area of the entire development when the two tower blocks are completed.	27,698.1 sq.m.	HK\$533.0 million
		Total:	160,651 sq.m.	HK\$4,005 million

LETTER FROM THE BOARD

The properties to be transferred to GZI REIT are as follows:

Name of property	Address	Description	Gross floor area	Appraised value as at 30 September 2005
White Horse Units	Nos. 14, 16 and 18 Zhan Nan Road, Yue Xiu District, Guangzhou, the PRC	The White Horse Units consist of 9 strata units in part of the lower ground level as well as the 2nd to 9th storeys of a multi-storey commercial building with 8 storeys above ground, a lower ground level and a basement comprising a car park. The White Horse Units account for approximately 81.4% of the total gross floor area of White Horse Building.	50,199.3 sq.m.	HK\$2,541.5 million
Fortune Plaza Units	Nos. 114, 116 and 118 Ti Yu Dong Road, Tian He District, Guangzhou, the PRC	The Fortune Plaza Units comprise 35 strata units in the West tower, 43 strata units in the East tower and 5 strata units in the 6-storey podium located in a mixed-use Grade A commercial building consisting of a podium and two towers. The Fortune Plaza Units account for approximately 50.2% of the total gross floor area of Fortune Plaza.	40,356.2 sq.m.	HK\$545.0 million

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in the sub-paragraph headed "Conditions of the exercise of the Option". under the paragraph headed "Option" below; and (iii) the conditions for the proposed Global Offering to be set out in the Offering Circular. If such conditions are not fulfilled or the Proposed Spin-off does not proceed, the Distribution and Option will not be implemented.

Accordingly, it is expected that the Company's interest in GZI REIT will be reduced from 100% to approximately 40% immediately following the Global Offering and the Distribution (assuming that the Over-allocation Option is not exercised) and approximately 30% immediately following the Global Offering and the Distribution (assuming that the Over-allocation Option is exercised in full).

2. Separate Listing of the Units

The Shares will continue to be listed on the Main Board after the implementation of the Separate Listing. The listing of the Units on the Main Board is conditional upon the fulfillment of the conditions stated in the sub-paragraph headed "Conditions" below.

An application will be made to the SFC for the Authorisation and a formal application will be made to the Stock Exchange for the listing of, and permission to deal in, the Units to be issued pursuant to the Reorganisation Deed and to be issued in connection with the Global Offering, as set out in the Offering Circular to be issued by GZI REIT in due course (including any Units sold pursuant to the exercise of the Over-allocation Option).

Subject to the Authorisation and the Listing Approval, as well as compliance with the stock admission requirements of HKSCC, the Units will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

3. Businesses of the GZI Group and GZI REIT

The principal businesses of the GZI Group are property development, management and investment, newsprint manufacturing and the operation of toll roads and bridges.

The Manager's investment objective for GZI REIT is to invest in properties in Guangdong Province. In pursuing its investment objective, the Manager will adhere to the following policies:

- unless Unitholders approve otherwise by Special Resolution at a meeting convened by the Manager, investments will initially be in real estate in Guangdong Province;
- investments will be in properties for the long-term; and
- investments will be in a diverse portfolio of sustainable income producing properties which are used primarily for office, retail and other commercial purposes.

LETTER FROM THE BOARD

For any Distribution Period, the Manager may, in its absolute discretion, distribute to the Unitholders more than the percentage of the Total Distributable Income required by the REIT Code (currently 90.0%) if the Manager considers GZI REIT has funds surplus to its business requirements.

Under the Trust Deed, the Manager must, subject to applicable law, ensure that at least one distribution shall be made in respect of each Financial Year and paid no later than the date five calendar months following the end of the relevant Financial Year. The Manager's initial distribution policy is that two distributions will be made in respect of each year, being distributions with respect to the six-month period ending 30 June and 31 December. The Directors anticipate that the interim and final distributions will be paid in November and May in each year, respectively. However, GZI REIT's distribution for the period from the Listing Date to 31 December 2005 will be paid together with the distribution for the period from 1 January 2006 to 30 June 2006 and is intended to be paid on or before 30 November 2006.

Distributions to the Unitholders will be declared and paid in Hong Kong dollars. The Manager may also adopt such rules as it considers appropriate for the reinvestment by the Unitholders of any distributions to be made by GZI REIT in return for new Units but no Unitholder shall be obliged to receive Units in lieu of a cash distribution. Under current Hong Kong tax law, distributions may be made free of withholdings or deductions on account of Hong Kong tax. It is understood that, under the current practice of the Hong Kong Inland Revenue Department, no tax should be payable in Hong Kong in respect of distributions made by GZI REIT. Unitholders should take advice from their own professional advisers as to their particular tax position.

GZI REIT's ability to make distributions is dependent on, among other things, GZI REIT having available and sufficient cash to make the payments required. The REIT Code requires that each company used to hold real estate and other assets for GZI REIT for the time being shall distribute to GZI REIT all of such company's income for each Financial Year insofar as permitted by the laws and regulations of its relevant jurisdiction of incorporation.

SEPARATE LISTING

1. The Proposed Spin-off and Distribution

There is proposed to be a Global Offering of the Units by GZI REIT, comprising an offer for subscription by way of public offer in Hong Kong and an international placement to professional, institutional and other investors. There is also proposed to be a Distribution and, in addition, an Option given to the Qualifying Shareholders.

The Proposed Spin-off, Distribution and Option are conditional upon, among other things, the Authorisation of the SFC under the REIT Code and the approval by the Stock Exchange for the Separate Listing and the Global Offering. These conditions include (i) the conditions of the Distribution as set out in the notice convening the EGM; (ii) the conditions of the Option described

LETTER FROM THE BOARD

3. Investment objective and policy

The Manager's investment objective for GZI REIT is to invest in properties in Guangdong Province. In pursuing its investment objective, the Manager will adopt the following policies:

- unless Unitholders approve otherwise by Special Resolution at a meeting convened by the Manager, investments will initially be in real estate in Guangdong Province;
- investments will be in properties for the long-term; and
- investments will be in a diverse portfolio of sustainable income producing properties which are used primarily for office, retail and other commercial purposes.

4. Distribution policy

The Manager's distribution policy is to distribute to the Unitholders 100.0% of Total Distributable Income for each of Financial Year 2006 to Financial Year 2008 and thereafter at least 90.0% of Total Distributable Income in each Financial Year.

For these purposes, and under the proposed terms of the Trust Deed, "Total Distributable Income" for a Financial Year means the amount calculated by the Manager as representing the consolidated audited profit after tax of GZI REIT and entities controlled by GZI REIT, prepared in accordance with Hong Kong Accounting Standards (HKAS), for that Financial Year, as adjusted for accounting purposes to eliminate the effects of accounting adjustments which are charged or credited to the profit and loss account for the relevant Financial Year, including: (i) the effects of unrealised property valuation gains, including reversals of impairment provisions; (ii) realised gains on the disposal of properties; (iii) fair value gains on financial instruments; (iv) deferred tax charges/credits in respect of property valuation movements; (v) other material non-cash gains; (vi) expenses paid out of the Deposited Property in connection with the issue of new Units; and (vii) any adjustments in accordance with the generally accepted accounting principles in Hong Kong which increase those recorded under generally accepted accounting principles in the PRC on which the accounts of cash available for distribution is based (including reversal of depreciation charge on investment properties).

For the avoidance of doubt, non-cash losses such as property revaluation losses are not reversed from the profit and loss account of GZI REIT when the Manager calculates Total Distributable Income. The Manager may (but will not be obliged to) distribute any excess cash arising from non-cash losses (in which case, for Financial Year 2006 to Financial Year 2008, more than 100.0% of GZI REIT's Total Distributable Income could be distributed) or utilise such cash to replenish GZI REIT's asset base. In addition, GZI REIT does not have to distribute non-cash gains.

For a period determined by the Manager from time to time to be the period in respect of which distributions are to be made ("Distribution Period") that is not a Financial Year, "Total Distributable Income" means the amount determined by the Manager at its discretion.

LETTER FROM THE BOARD

shareholder (as defined in the Listing Rules) of the Company, which (through intermediate holding companies) holds approximately 50.2% of the issued share capital of the Company as at the Latest Practicable Date, has no material interest in the proposed transaction (for the purpose of Rule 2.16 of the Listing Rules) and thus, is entitled to vote on, and has given irrevocable undertaking to vote for, such resolution in connection with the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing.

INFORMATION ON GZI REIT

1. Description of a REIT

A REIT is a collective investment scheme constituted as a unit trust that invests primarily in income producing real estate assets and uses the income to provide returns to its unitholders. Purchasing a unit in a real estate investment trust allows investors to share the benefits, as well as risks, of owning the real estate assets held by the REIT. An investment in the units of a REIT in Hong Kong is governed primarily by the REIT Code and offers the following benefits:

- certainty as to business focus, as a REIT does not have the discretion to diversify outside of the real estate sector or to own significant non-real estate assets;
- a distribution which is required by the REIT Code to be at least 90.0% of the REIT's audited net income after tax for each financial year (subject to adjustments allowed under the REIT Code and the Trust Deed);
- a conservative capital structure with the REIT Code limiting the borrowings of a REIT to 45.0% of the total gross asset value thereof;
- enhanced liquidity in comparison to direct investments in real estate;
- a manager licensed and regulated on an ongoing basis by the SFC; and
- a statutory and regulatory corporate governance framework and an internal corporate governance framework overseen by an independent trustee.

2. Objectives of GZI REIT

The Manager's key objective for GZI REIT is to provide Unitholders with stable distributions per Unit with the potential for sustainable long-term growth of such distributions. The Manager intends to accomplish this objective through investing in income producing real estate which is primarily used for office, retail and other commercial purposes, initially in Guangdong Province in the PRC.

LETTER FROM THE BOARD

recommendations of the Independent Board Committee to the Shareholders; (3) to set out the letter of advice from Yu Ming containing its recommendation to the Independent Board Committee and the Shareholders as regards voting on the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing; (4) to seek Shareholders' approval for the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing by way of poll; and (5) to give notice to the Shareholders of the EGM at which an ordinary resolution will be proposed to approve the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing by way of poll.

The Proposed Spin-off and the Global Offering are subject to, among other things, the Listing Approval being granted by the Listing Committee. Accordingly, Shareholders should note that the Proposed Spin-off and the proposed Global Offering are, inter alia, dependent on a number of factors and subject to a number of conditions, which may or may not be satisfied. Thus, there can be no assurance that such transactions will proceed. Accordingly, Shareholders or other persons contemplating buying or selling Shares are reminded to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisers if they are in any doubt about their positions.

The Directors confirm that the Company complies with all of the requirements set out under PN15.

BACKGROUND

The principal businesses of the GZI Group are property development, management and investment, newsprint manufacturing and the operation of toll roads and bridges. In anticipation of the Separate Listing, the GZI Group is considering the implementation of the Reorganisation under which the Issued Shares will be transferred to Holdco for the Initial Consideration as detailed in the paragraph headed "Reorganisation" below.

It is proposed that new Units will be issued by GZI REIT pursuant to the Global Offering. In connection with the Separate Listing, the Distribution will be made to the Shareholders whose names appear on the register of members of GZI as at the close of business on the Record Date.

As a result of the issue of the new Units and assuming that the Over-allocation Option is exercised in full, the GZI Group's interest in GZI REIT will be reduced from 100% to approximately 30% immediately following completion of the Global Offering and after the Distribution. Such issue of new Units will give rise to a deemed disposal by the Company under Rule 14.29 of the Listing Rules. It is presently estimated that the consideration ratio under Rule 14.32 of the Listing Rules will exceed 25% but will be less than 75% and thus, the transaction will constitute a major transaction for the Company under Rule 14.06 of the Listing Rules, which will be subject to the approval of the Shareholders under Rule 14.40 of the Listing Rules.

As the interests in relation to the Distribution and the Separate Listing and other related matters of all Shareholders (including the controlling shareholder (as defined in the Listing Rules) of the Company) are not different, all Shareholders are entitled to vote on the ordinary resolution at the EGM. In addition, and without limiting the generality of foregoing, Yue Xiu, the controlling

LETTER FROM THE BOARD



越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 123)

Executive Directors:

Ou Bingchang (*Chairman*)

Liang Yi

Chen Guangsong

Liang Ningguang

Li Fei

Registered office:

24th Floor, Yue Xiu Building

160-174 Lockhart Road

Wanchai

Hong Kong

Independent non-executive Directors:

Yu Lup Fat Joseph

Lee Ka Lun

Lau Hon Chuen Ambrose

25 November 2005

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION IN RELATION TO
THE SEPARATE LISTING OF
GZI REAL ESTATE INVESTMENT TRUST
ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

INTRODUCTION

The Board announced on 24 November 2005 that it is currently considering the Proposed Spin-off. An application will be made to the SFC for the Authorisation and a formal application will be made by GZI REIT to the Stock Exchange for the proposed listing of the Units on the Main Board. There is proposed to be a Global Offering of the Units, comprising an offer for subscription by way of public offer in Hong Kong and an international placement to professional, institutional and other investors.

The purposes of this circular are: (1) to provide the Shareholders with information on the reasons for, and the benefits of, the Proposed Spin-off (together with such other information relating to the Separate Listing as is required by the Listing Rules for a major transaction of the Company) and information on the Reorganisation, the Distribution and other related matters; (2) to set out the

PARTIES INVOLVED IN THE PROPOSED SPIN-OFF

Directors

Executive Directors

Ou Bingchang (*Chairman*)
Liang Yi
Chen Guangsong
Liang Ningguang
Li Fei

Independent non-executive Directors

Yu Lup Fat Joseph
Lee Ka Lun
Lau Hon Chuen Ambrose

Financial adviser to the Company

Goldbond Capital (Asia) Limited
3902B, 39th Floor
Tower 1, Lippo Centre
89 Queensway
Hong Kong

Independent financial adviser to the Independent Board Committee and the Shareholders

Yu Ming Investment Management Limited
1001, 10th Floor
AON China Building
29 Queen's Road Central
Hong Kong

Legal advisers to the Company

As to Hong Kong law
Baker & McKenzie
14th Floor, Hutchison House
10 Harcourt Road
Central
Hong Kong

Auditors

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
Central
Hong Kong

Independent property valuer

Colliers International (Hong Kong) Ltd
Suite 5701, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Registrar

Abacus Share Registrars Limited
Ground Floor
Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong

DEFINITIONS

“White Horse Units”	total of 9 strata units in White Horse Building (白馬大廈) (located at Nos. 14, 16 and 18 Zhan Nan Road, Yue Xiu District, Guangzhou, the PRC)
“Yi Cheng”	Guangzhou Yicheng Property Management Ltd. (廣州怡城物業管理有限公司), a company incorporated in the PRC and a subsidiary of GZI
“Yue Xiu”	Yue Xiu Enterprises (Holdings) Limited, a company incorporated in Hong Kong
“Yu Ming”	Yu Ming Investment Management Limited, the independent financial adviser to the Independent Board Committee and the Shareholders, a corporation deemed licensed to conduct types 1, 4, 6 and 9 regulated activities under the SFO
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB” or “Renminbi”	Renminbi, being the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

In this circular, unless otherwise stated, certain amounts denominated in HK\$ have been translated into US\$ at an exchange rate of HK\$7.80 = US\$1.00 and certain amounts relating to periods on or before 30 June 2005 denominated in RMB have been translated into HK\$ at an exchange rate of RMB1.07 = HK\$1 and certain amounts relating to periods after 30 June 2005 denominated in RMB have been translated into HK\$ at an exchange rate of RMB1.04 = HK\$1 for illustration purpose only. Such conversions shall not be construed as representations that amounts in HK\$ were or may have been converted into US\$, or that amounts in RMB were or may have been converted in HK\$, at such rates or any other exchange rates.

In the event of inconsistency between the Chinese name of the PRC entities mentioned in this circular and their English translation, the English version shall prevail.

Unless otherwise stated, the unaudited figures contained in this circular are prepared under accounting principles generally accepted in Hong Kong.

DEFINITIONS

“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified for the time being
“Shares”	shares of HK\$0.10 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Special Resolution”	a resolution of Unitholders passed by a majority consisting of 75.0% or more of the votes of those present and entitled to vote in person or by proxy, but with a quorum of two or more Unitholders holding not less than 25.0% of Units in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed thereto in section 2 of the Companies Ordinance
“Tenancy Services Agreements”	the tenancy services agreements entered into by the Manager and each of Full Estates, Moon King and Keen Ocean with Yi Cheng, and by the Manager and Partat with White Horse Property Management Company, and “Tenancy Services Agreement” means any one of them
“Total Distributable Income”	has the meaning given to it in the sub-paragraph headed “Distribution policy” under the paragraph headed “Information on GZI REIT” in the letter from the Board
“Trust Deed”	the trust deed to be entered into between the Trustee and the Manager constituting GZI REIT (as amended by any supplemental deed)
“Trustee”	HSBC Institutional Trust Services (Asia) Limited, who will act as the trustee of GZI REIT
“Unit(s)”	unit(s) of GZI REIT
“Unitholder(s)”	the registered holder for the time being of a Unit including persons so registered as joint holders
“Victory Plaza Units”	total of 9 strata units in Victory Plaza (維多利廣場) (located at No. 101 Ti Yu Xi Road, Tian He District, Guangzhou, the PRC)
“White Horse Property Management Company”	Guangzhou White Horse Property Management Co., Ltd. (廣州白馬物業管理有限公司), a company incorporated in the PRC and is 96.8% owned by the Company

DEFINITIONS

“PI Issued Share”	the one Partat share in issue, representing the entire issued share capital of Partat
“PN15”	practice note 15 of the Listing Rules
“PRC” or “China”	the People’s Republic of China; except where the context requires, references in this circular to the PRC or China do not apply to Hong Kong, the Macau Special Administrative Region of the PRC or Taiwan
“Properties”	the White Horse Units, the Fortune Plaza Units, the City Development Plaza Units and the Victory Plaza Units, and “Property” means any one of them
“Proposed Spin-off”	the proposed spin-off of GZI REIT and Separate Listing
“Qualifying Shareholders”	holders of the Shares (other than Ineligible Overseas Shareholders), whose names appear on the register of members of GZI as at the close of business on the Record Date
“Record Date”	9 December 2005 (or such other date as the Board may determine), being the record date for determining entitlements of Shareholders to participate in the Distribution
“Registrar”	the share registrar of the Company, Abacus Share Registrars Limited of Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong
“REIT”	real estate investment trust
“REIT Code”	Code on Real Estate Investment Trusts published by the SFC as amended, supplemented or otherwise modified for the time being
“Rental Income”	the rental income derived from leases of the Properties
“Reorganisation”	the internal reorganisation involving the transfer of the Issued Shares from GCCD BVI to Holdco
“Reorganisation Deed”	the reorganisation deed to be entered into between GCCD BVI, GZI, Holdco, the Manager and the Trustee, which is more particularly described in the paragraph headed “Reorganisation” of this circular
“Right of First Refusal”	right of first refusal proposed to be granted by the Company to GZI REIT
“Separate Listing”	the proposed separate listing of the Units on the Main Board

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Facility”	the US\$165.0 million (equivalent to approximately HK\$1,287.0 million) three-year floating rate term loan facility to be granted to the BVI Companies by the Lending Banks
“Loan Proceeds”	the gross amount borrowed under the Loan Facility
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market operated by the Stock Exchange
“Manager”	GZI REIT Asset Management Limited
“MK Issued Share”	the one Moon King share in issue, representing the entire issued share capital of Moon King
“Moon King”	Moon King Limited, a company incorporated in the BVI and is a wholly-owned subsidiary of the Company
“Offer Price”	the final Hong Kong dollar price per Unit (exclusive of brokerage of 1.0%, Hong Kong Stock Exchange trading fee of 0.005%, SFC transaction levy of 0.005% and investor compensation levy of 0.002% (if any)) at which the Units are to be issued and allocated pursuant to the Global Offering to be further described in the Offering Circular
“Offering Circular”	the offering circular proposed to be issued by GZI REIT in relation to the Global Offering
“Option”	an option to be granted to and exercisable by each of the Qualifying Shareholders to elect to receive the Cash Payment in lieu of the whole of (in the case of HKSCC Nominees Limited, the whole or part of) the Units proposed to be transferred to him/her pursuant to the Distribution on and subject to the terms and conditions herein and in the forms of election for exercising the Option which will be despatched to Qualifying Shareholders on or after the date of the EGM
“Over-allocation Option”	the option proposed to be granted by GZI to the Joint Global Coordinators to make available up to a certain number of Units solely to cover over-allocation of Units (if any), to be offered to investors as part of the International Offering
“Partat”	Partat Investment Limited, a company incorporated in the BVI and is a wholly-owned subsidiary of the Company

DEFINITIONS

“International Offering”	the proposed offering of the Units (including the Units proposed to be transferred to the Qualifying Shareholders, who elect to exercise the Option, and the Units which the Ineligible Overseas Shareholders would otherwise have been entitled to receive under the Distribution) outside of Hong Kong Public Offering of Units for cash at the Offer Price to institutional, professional and other investors to be further described in the Offering Circular
“IPO Transaction Costs”	all the costs and expenses incurred by the Manager or the Trustee for the account of GZI REIT in connection with the Global Offering
“Issued Shares”	the FE Issued Share, the KO Issued Share, the MK Issued Share and the PI Issued Share, representing the entire issued share capital of the BVI Companies
“Joint Global Coordinators”	The Hongkong and Shanghai Banking Corporation Limited, Citigroup Global Markets Asia Limited and DBS Bank Ltd., Hong Kong Branch
“Keen Ocean”	Keen Ocean Limited, a company incorporated in the BVI and is a wholly-owned subsidiary of the Company
“KO Issued Share”	the one Keen Ocean share in issue, representing the entire issued share capital of Keen Ocean
“Latest Practicable Date”	21 November 2005, being the latest practicable date for the purposes of ascertaining certain information contained in this circular
“Leasing Agents”	White Horse Property Management Company and Yi Cheng, and “Leasing Agent” means any of them
“Lending Banks”	Citibank, N.A., Hong Kong Branch, The Hongkong and Shanghai Banking Corporation Limited and DBS Bank Ltd., Hong Kong Branch
“Listing Approval”	the approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, all the Units to be issued pursuant to the Reorganisation Deed and to be issued in connection with the Global Offering
“Listing Committee”	listing committee of the Stock Exchange
“Listing Date”	the date on which the Units are first listed and from which dealings are permitted to take place on the Stock Exchange

DEFINITIONS

“HKSCC”	Hong Kong Securities Clearing Company Limited
“Holdco”	GZI REIT (Holding) 2005 Company Limited, a company to be incorporated in Hong Kong and will be wholly-owned by the Trustee in trust for GZI REIT upon completion of the Reorganisation
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Public Offering”	the proposed public offer of the Units in Hong Kong for cash at the Offer Price, on and subject to the terms and conditions to be further described in the Offering Circular and the application forms relating thereto
“Independent Board Committee”	Messrs. Yu Lup Fat, Joseph, Lee Ka Lun and Lau Hon Chuen, Ambrose, all independent non-executive Directors, have been appointed as the members of the independent board committee of the Company to advise the Shareholders on how to vote on the resolution to approve the Distribution, the Option, the Separate Listing and other matters related to the Separate Listing
“Ineligible Overseas Shareholders”	Shareholders whose addresses on the register of members of GZI were outside Hong Kong on the Record Date and have to be excluded from the Distribution and Option on the account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place which the Directors, after reasonable enquiries, consider such exclusion to be necessary or expedient
“Initial Adjustment”	the initial adjustment to the Initial Consideration calculated and made in accordance with terms as stated in the Reorganisation Deed
“Initial Consideration”	the initial consideration payable by Holdco for the Issued Shares under the Reorganisation Deed, as detailed in the sub-paragraph headed “Consideration” in the paragraph headed “Reorganisation” in the letter from the Board
“Interim Report”	the interim report of the Company for the six months ended 30 June 2005 and dated 23 September 2005

DEFINITIONS

“Facility Agreement”	the facility agreement to be entered into between the BVI Companies, Holdco and the Lending Banks in respect of the Loan Facility
“FE Issued Share”	the one Full Estates share in issue, representing the entire issued share capital of Full Estates as at the Latest Practicable Date
“Financial Year”	(i) for the first Financial Year, the period from and including the date of establishment of GZI REIT to 31 December 2005; (ii) for the last Financial Year, the period from and including the most recent 1 January before the date GZI REIT terminates to and including the date GZI REIT terminates; and (iii) in all other circumstances, the 12-month period ending on 31 December in each year
“Fortune Plaza Units”	total of 83 strata units in Fortune Plaza (財富廣場) (located at Nos. 114, 116, 118 Ti Yu Dong Road, Tian He District, Guangzhou, the PRC)
“Full Estates”	Full Estates Investment Limited, a company incorporated in the BVI and is a wholly-owned subsidiary of the Company
“GCCD”	Guangzhou City Construction & Development Co. Ltd. (廣州市城市建設開發有限公司), a company incorporated in the PRC and is 95% indirectly owned by the Company
“GCCD BVI”	Guangzhou Construction & Development Holdings (China) Limited, a company incorporated in the BVI and is the beneficial owner of the entire issued shares of Full Estates, Keen Ocean, Moon King and Partat, which are the respective registered owners of the City Development Plaza Units, the Victory Plaza Units, the Fortune Plaza Units and the White Horse Units. GCCD BVI is a wholly-owned subsidiary of the Company
“Global Offering”	the Hong Kong Public Offering and the International Offering
“GZI Group”	GZI and its subsidiaries
“GZI REIT”	GZI Real Estate Investment Trust, a collective investment scheme which will be constituted as a unit trust and which will be subject to authorisation by the SFC under section 104 of the SFO

DEFINITIONS

“Company” or “GZI”	Guangzhou Investment Company Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board and Singapore Exchange Securities Trading Limited
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified for the time being
“Completion”	the completion of the transfer of the Issued Shares pursuant to the Reorganisation Deed
“Deed of Indemnity”	the deed expected to be entered into between Holdco, the Manager, the Trustee, GCCD BVI and GZI on Completion in respect of the indemnity against (among other things) taxation by GCCD BVI and GZI in favour of Holdco (for itself and as trustee for each of the BVI Companies), the Manager and the Trustee
“Deposited Property”	all the assets of GZI REIT
“Director(s)”	the director(s) of the Company
“Distribution”	<p>the conditional payment of a special dividend by the Company to the Shareholders to be satisfied:</p> <ul style="list-style-type: none">(a) by way of a distribution in specie of the Units to the Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date (other than the Ineligible Overseas Shareholders); and(b) by way of cash payment (after deducting applicable taxes, stamp duty, SFC transaction levy, Stock Exchange trading fee and investor compensation levy (if any)) to the Ineligible Overseas Shareholders, <p>in either case, on the terms and conditions contained herein this circular</p>
“Dragon Yield”	Dragon Yield Holding Limited, a company incorporated in the BVI and is a wholly-owned subsidiary of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong on 10 December 2005 at 9:30 a.m., notice of which is set out on pages 278 to 281 of this circular

DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

“Adjustment”	the Initial Adjustment and the Combined Net Assets Adjustment
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Auditors”	the auditors of the Company, PricewaterhouseCoopers, Certified Public Accountants, of 22nd Floor, Prince’s Building, Central, Hong Kong
“Authorisation”	the authorisation of GZI REIT by the SFC under section 104 of the SFO
“Board”	the board of Directors
“BVI”	British Virgin Islands
“BVI Companies”	Partat, Moon King, Full Estates and Keen Ocean, being the respective owners of the White Horse Units, the Fortune Plaza Units, the City Development Plaza Units and the Victory Plaza Units, and “BVI Company” means any one of them
“Cash Payment”	a cash payment in an amount to be determined by reference to the Offer Price (after deducting applicable taxes, stamp duty, SFC transaction levy, Stock Exchange trading fee and investor compensation levy, if any), which is to be paid to (i) the Qualifying Shareholders who elect to exercise the Option and (ii) the Ineligible Overseas Shareholders
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“City Development Plaza Units”	total of 165 strata units in City Development Plaza (城建大厦) (located at Nos. 185, 187 and 189, Ti Yu Xi Road, Tian He District, Guangzhou, the PRC)
“Colliers” or “Independent Property Valuer”	Colliers International (Hong Kong) Ltd, an independent property valuer
“Combined Net Assets”	the combined net assets of the BVI Companies
“Combined Net Assets Adjustment”	the adjustment to the Initial Consideration due to an increase or reduction (as the case may be) in the Combined Net Assets in the interval from the date of the Reorganisation Deed until the day immediately preceding the Listing Date, calculated and made in accordance with the Reorganisation Deed

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EXPECTED TIMETABLE

2005

Despatch date of this circular	25 November
Last day of dealings in the Shares cum entitlement to the Distribution	6 December
First day of dealings in the Shares ex-entitlement to the Distribution	7 December
Latest time for lodging transfers of the Shares cum entitlement to the Distribution	4:00 p.m. on 8 December
Latest time for return of forms of proxy in respect of the EGM	9:30 a.m. on 8 December
Record Date for determining the entitlement to the Distribution	9 December
Register of members of the Company closes	9 December
EGM	9:30 a.m. on 10 December
Register of members of the Company re-opens	12 December

All times refer to Hong Kong local time.

Please note that the above timetable is subject to change. If there are changes to the above timetable, the Company will publish an announcement as soon as practicable.

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Guangzhou Investment Company Limited ("Company" or "GZI"), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**MAJOR TRANSACTION IN RELATION TO
THE SEPARATE LISTING OF
GZI REAL ESTATE INVESTMENT TRUST
ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

Financial adviser to Guangzhou Investment Company Limited



Goldbond Capital (Asia) Limited

Independent financial adviser to the Independent Board Committee
and the Shareholders in respect of the Separate Listing



Yu Ming Investment Management Limited

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CORPORATE FINANCE

A letter from Yu Ming Investment Management Limited, the independent financial adviser to the independent board committee and shareholders of Guangzhou Investment Company Limited, is set out on pages 50 to 71 of this circular.

A notice convening the extraordinary general meeting of the Company to be held at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong on Saturday, 10 December 2005 at 9:30 a.m. is set out in this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's share registrar, Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding of the meeting (or any adjourned meeting thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

此 乃 要 件 請 即 處 理

閣下對本通函任何方面或應採取的行動如有任何疑問，應諮詢閣下之股票經紀或其他註冊證券商、銀行經理、律師、專業會計師或其他專業顧問。

閣下如已將名下之越秀投資有限公司（「本公司」）股份全部售出或轉讓，應立即將本通函連同隨附之代表委任表格送交買主或承讓人，或經手買賣之銀行、股票經紀或其他代理商，以便轉交買主或承讓人。

香港聯合交易所有限公司對本通函之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示，概不因本通函全部或任何部分內容而產生或因倚賴該等內容而引致的任何損失承擔任何責任。



越 秀 投 資 有 限 公 司

GUANGZHOU INVESTMENT COMPANY LIMITED

(於香港註冊成立之有限公司)

(股份代號：123)

建 議 發 行 新 股 份 及 購 回 股 份 之 一 般 授 權

建 議 修 訂 組 織 章 程 細 則

建 議 重 選 董 事

及

股 東 週 年 大 會 通 告

本公司謹訂於二〇〇六年六月十五日星期四上午十時三十分假座香港灣仔駱克道160號越秀大廈26樓舉行股東週年大會，大會通告載於本通函內。無論閣下能否出席大會，務請根據隨附代表委任表格上印備之指示，填妥該表格及盡快交回本公司股份過戶登記處雅柏勤證券登記有限公司（地址為香港皇后大道東28號金鐘匯中心26樓），惟無論如何最遲須於大會或其任何續會之指定舉行時間四十八小時前交回。

二〇〇六年四月二十九日

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越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(於香港註冊成立之有限公司)

(股份代號：123)

執行董事：

區秉昌(董事長)

梁毅

李飛

陳光松

唐壽春

王洪濤

註冊辦事處：

香港

灣仔

駱克道160號

越秀大廈26樓

獨立非執行董事：

余立發

李家麟

劉漢銓

敬啟者：

建議發行新股份及購回股份之一般授權

建議修訂組織章程細則

建議重選董事

及

股東週年大會通告

發行股份之一般授權

在越秀投資有限公司(「本公司」)上一次於二〇〇五年五月二十六日舉行之股東週年大會(「二〇〇五年股東週年大會」)上，本公司董事(「董事」)獲授一般授權，以配發、發行及處理本公司股本每股面值0.10港元之股份(「股份」)。此項授權將於在二〇〇六年六月十五日上午十時三十分假座香港灣仔駱克道160號越秀大廈26樓舉行之應屆股東週年大會(「二〇〇六年股東週年大會」)結束時作廢。為了確保給予董事靈活性及酌情權於適當時機發行任何股份，本公司於二〇〇六年股東週年大會上尋求本公司股東(「股東」)批准無條件授予董事一般授權，以配發或發行新股份，合共最多達相當於通過建議普通決議案當日本公司已

董事會函件

發行股本之20%（「一般授權」）。取得一般授權是根據香港聯合交易所有限公司證券上市規則（「上市規則」）規定。建議決議案（「一般授權決議案」）載於日期為二〇〇六年四月二十九日之二〇〇六年股東週年大會通告（「二〇〇六年股東週年大會通告」）內之5B項普通決議案，該通告載於本通函附錄二。

在一般授權決議案方面，董事謹此聲明彼等目前並無計劃發行任何新股份。本公司將就香港法例第32章公司條例（「公司條例」）第57B條及上市規則，向股東尋求批准一項一般授權。

購回股份之一般授權

上市規則容許以香港聯合交易所有限公司（「聯交所」）為第一上市之公司，於聯交所購回其本身之證券，惟受若干限制。於二〇〇五年股東週年大會上，董事獲授予一項一般授權以購回股份。此項授權將於二〇〇六年股東週年大會結束時作廢。因此，本公司將會建議提呈一項普通決議案（載於本通函附錄二之二〇〇六年股東週年大會通告內之5A項決議案（「購回授權決議案」）），以無條件授予董事一般授權，包括購回最多達於通過購回授權決議案當日本公司已發行股本總面值之10%（「購回授權」）。按上市規則有關規管證券購回及公司條例第49BA(3)條之規定，本公司須向股東寄發一項說明函件，載有一切合理所需資料，讓彼等就應否投票贊成或反對購回授權，達致知情決定。這些資料載於本通函附錄一。

在購回授權決議案方面，董事謹此聲明彼等目前並無計劃購回任何現有股份。

建議修訂本公司之組織章程細則（「章程細則」）

根據於二〇〇五年一月一日生效之上市規則之修訂，本公司預期（其中包括）遵照上市規則新附錄十四之公司管治常規守則之守則條文（「守則條文」）。

鑑於引入上市規則新附錄十四，就遵守守則條文而言，董事向股東提呈批准對章程細則作出下列各項：

- (a) 清楚表明每名董事須至少每三年輪席告退一次；及

董事會函件

(b) 清楚表明所有獲委任填補臨時空缺之董事應在彼等獲委任後之首次股東大會上由股東選任。

修訂章程細則之建議載於二〇〇六年股東週年大會通告內之特別決議案，該通告載於本通函附錄二。

建議重選董事

遵照章程細則第91條，於二〇〇六年股東週年大會上輪席告退之董事為區秉昌先生、梁毅先生及李飛先生。遵照章程細則第97條，於二〇〇六年股東週年大會上，唐壽春先生及王洪濤先生依章告退。遵照上市規則而須予披露之上述董事詳細資料載於本通函附錄四。

股東週年大會

二〇〇六年股東週年大會通告載於本通函附錄二。

無論閣下能否出席二〇〇六年股東週年大會，務請根據隨附二〇〇六年股東週年大會之代表委任表格上印備之指示，填妥該表格及盡快交回本公司股份過戶登記處雅柏勤證券登記有限公司（地址為香港皇后大道東28號金鐘匯中心26樓），惟無論如何最遲須於二〇〇六年股東週年大會或其任何續會之指定舉行時間四十八小時前交回。填妥及交回代表委任表格後，閣下仍可出席二〇〇六年股東週年大會或其任何續會，並於會上投票。

閣下就二〇〇六年股東週年大會提呈之決議案要求投票表決之權利，載於本通函附錄三。

推薦意見

董事認為，於二〇〇六年股東週年大會提呈之一般授權、購回授權、建議修訂章程細則及建議重選董事，全部均符合本公司及股東之利益。因此，董事建議股東贊成即將在二〇〇六年股東週年大會上提呈之普通決議案及特別決議案。

此致

列位股東 台照

代表董事會
越秀投資有限公司
董事長
區秉昌
謹啟

二〇〇六年四月二十九日

此說明函件亦構成公司條例第49BA(3)條規定之組織章程大綱。

股本

儘管董事現時無意購回任何股份，惟彼等相信建議進行之購回授權所帶來之靈活性將對本公司有利。

現建議董事獲授權可購回本公司股份之數目，最多可達於批准一般授權決議案通過當日本公司已發行股份總額之10%。於二〇〇六年四月二十六日，即確定該等數目之最後實際可行日期（「最後實際可行日期」），本公司已發行6,672,011,914股股份。按於二〇〇六年股東週年大會日期前概無再發行股份之情況下，董事將獲授權於截至二〇〇七年本公司下屆股東週年大會或法律規定舉行下次本公司股東週年大會之期限屆滿或本公司股東在本公司股東大會上以通過普通決議案之方式撤銷或修改購回授權（以最早發生者為準）前之期間內，可購回最多約達667,201,191股股份。

購回股份之理由

本公司僅會在董事認為購回股份將有利於本公司及其股東之情況下進行購回事宜。視乎當時之市況及資金安排，該等購回事宜可能導致增加本公司及其資產之淨值及／或每股盈利。

用以購回股份之資金

根據購回授權而購回股份之資金將會全部由本公司之可動用流動現金或營運資金中撥付。根據其公司組織章程大綱及章程細則與香港法律，任何購回股份所需之資金將由本公司於法律上許可用作有關用途之資金中撥付，包括可供分派之溢利。根據公司條例，可供分派之公司溢利為之前尚未用作分派或資本化之累積已變現溢利，減去之前尚未因削減或重整資本而撤銷之累積已變現虧損。

任何購回股份之影響

若購回授權全數行使，將可能會對本公司之營運資金或資本負債狀況（與本公司最近期公佈截至二〇〇五年十二月三十一日止年度經審核之賬目內披露之財政狀況比較而言）造成重大不利影響。然而，在董事認為對本公司之營運資金需求，或董事不時認為適合本公司之資本負債水平會造成任何重大不利影響情況下，董事並不擬行使該購回授權。

權益之披露

目前並無任何董事或(就彼等作出一切合理查詢後所知)彼等之聯繫人,倘行使該項購回授權時,擬將任何股份售予本公司。

目前並無任何本公司之關連人士(按上市規則之定義)曾知會本公司,倘獲授該項購回授權時,彼等擬將股份售予本公司,或已承諾不會將其持有之股份售予本公司。

董事之承諾

董事已向聯交所作出承諾,在適用之情況下,彼等將按上市規則及適用之香港法例行使購回授權。

本公司進行之股份購回

於過去六個月內,本公司概無購回任何股份(不論是否於聯交所或其他證券交易所進行)。

收購守則之後果

倘購回股份後,某位股東所佔本公司投票權之權益比例有所增加,該項增加將按香港公司收購及合併守則(「收購守則」)被視為一項收購事項。為此,一名股東或一組一致行動之股東可能取得或鞏固其於本公司之控制權(視乎股東權益增加之幅度而定),因而須根據收購守則第26條作出強制性收購行動。於最後實際可行日期,越秀企業(集團)有限公司擁有本公司現有已發行股本約48%。倘董事全面行使根據將提呈授予董事購回授權之權力購回股份,假設有關之情況不變,越秀企業(集團)有限公司持有本公司已發行股本將增至約54%。根據收購守則第26及32條,該等增幅可能導致須予作出強制性收購。董事現無意行使購回授權至導致產生收購責任。

市價

股份於本文件付印前之十二個月內每月在聯交所進行買賣之最高及最低價格如下：

	股份之交易市價	
	最高 港元	最低 港元
二〇〇五年		
四月	0.72	0.62
五月	0.68	0.58
六月	0.70	0.60
七月	0.70	0.62
八月	0.76	0.64
九月	0.82	0.72
十月	0.85	0.69
十一月	0.96	0.73
十二月	0.98	0.77
二〇〇六年		
一月	1.20	0.78
二月	1.35	1.10
三月	1.62	1.23

股東週年大會通告

茲通告越秀投資有限公司(「本公司」)謹訂於二〇〇六年六月十五日星期四上午十時三十分正假座香港灣仔駱克道160號越秀大廈26樓舉行股東週年大會(「二〇〇六年股東週年大會」)，藉以處理下列事項：

1. 省覽截至二〇〇五年十二月三十一日止年度之經審核賬目、董事會及核數師之報告。
2. 宣派末期股息及特別股息。
3. 選舉董事並授權董事會釐定董事酬金。
4. 重聘核數師並授權董事會釐定其酬金。
5. 作為特別事項，考慮及酌情通過下列決議案為普通決議案：

普通決議案

A. 「動議

- (a) 在下文(b)分段之規限下，一般性及無條件批准本公司董事會於有關期間內行使本公司一切權力，於香港聯合交易所有限公司(「聯交所」)或本公司之證券上市所在並經由證券及期貨事務監察委員會及聯交所就此確認之其他證券交易所，按照所有適用法例及不時予以修訂之聯交所證券上市規則(「上市規則」)或任何其他證券交易所之規定並在其規限下，購回其股份；
- (b) 根據上文(a)分段之批准，本公司可購回之本公司股份面值總額不得超過於本決議案通過日期本公司已發行股本面值總額之10%，而該項批准亦須受此限制；及
- (c) 就本決議案而言，「有關期間」指由本決議案通過之日期至下列三者中之最早日期止之期間：
 - (i) 本公司下屆股東週年大會結束；

- (ii) 按本公司之章程細則或香港任何適用法例規定本公司須召開下屆股東週年大會之期限屆滿時；及
- (iii) 本決議案所授予之權力經本公司股東於股東大會上以普通決議案予以撤銷或更改。」

B. 「動議

- (a) 在下文(c)分段之規限下及根據公司條例第57B條，一般性及無條件批准本公司董事於有關期間內行使本公司一切權力以配發、發行及處理本公司股本中之額外股份，並在或需行使此等權力之情況下作出或授出售股建議、協議及購股權；
- (b) 上文(a)分段之批准將授權本公司董事於有關期間內作出或授出將須要或可能須要在有關期間結束後行使該權力之售股建議、協議及購股權；
- (c) 本公司董事根據(a)分段之批准而配發或同意有條件或無條件配發（不論是否根據購股權或其他原因而配發者）之股本面值總額，除根據(i)供股；(ii)現時已採納之任何購股權計劃或類似安排以授出或發行予該計劃合資格參與者，及本公司及／或其任何附屬公司安排之股份或可購買本公司股份之權利；或(iii)根據本公司之章程細則以任何以股代息或類似安排藉配發股份以代替本公司股份之全部或部分股息外，不得超過本決議案通過日期本公司已發行股本面值總額20%，及該項批准亦須受此限制；及
- (d) 就本決議案而言，「有關期間」指由本決議案通過之日期至下列三者中之最早日期止之期間：
 - (i) 本公司下屆股東週年大會結束；
 - (ii) 按本公司之章程細則或香港任何適用法例規定本公司須召開下屆股東週年大會之期限屆滿時；及
 - (iii) 本決議案所授予之權力經本公司股東於股東大會上以普通決議案予以撤銷或更改；及

「供股」乃指本公司董事於訂定之期間向於指定記錄日期名列股東名冊之股份持有人按彼等當時之持股比例提呈發售本公司股份之建議（惟本公司董事有權就零碎股權或根據任何香港以外地區之法律限制或責任或任何認可監管機關或任何證券交易所之規定而作出其認為必要或權宜之豁免或其他安排）。

C. 「動議

待上文A及B分段之各項決議案獲通過後，本公司根據上文A分段購回本公司股本中之股份面值總額，應加入本公司董事根據及按照上文B分段批准行使之一般授權而可配發或同意有條件或無條件配發之本公司股本面值總額之內。」

6. 作為特別事項，考慮及酌情通過下列決議案為特別決議案：

特別決議案

「動議本公司章程細則修訂如下：

(a) 緊隨細則第91條後加入下列細則：

91A. 每名董事應每三年輪席告退一次。

(b) 於細則第97條第4行至第6行緊隨「任何。」之字眼後，刪除「所委任董事須於下一屆股東週年大會退任，且於釐定將於會上輪席退任之董事人數時不得計算在內」，並以「董事如此委任之任何董事之任期僅至本公司下一屆股東大會（就填補臨時空缺而言）或至本公司下一屆股東週年大會（就增加董事人數而言），且屆時將符合資格重新委任。在釐定須於該大會上輪席告退之董事人數時，如此於股東週年大會上獲委任之董事將不會被計算在內」之字眼取代。

(c) 於細則第98條第1行緊隨「按上文所述」之字眼後，刪除「於股東週年大會上退任之董事可重新委任。倘彼」之字眼，並以「如董事」之字眼取代；

- (d) 於細則第102條第6行緊隨「董事及本公司」之字眼後，刪除「常務董事及持有任何其他行政職位之董事無須輪席告退。」。

承董事會命
公司秘書
余達峯

香港，二〇〇六年四月二十九日

附註：

1. 本公司將由二〇〇六年六月七日星期三至二〇〇六年六月十五日星期四(首尾兩天包括在內)期間暫停辦理股份過戶登記手續。如欲符合獲派末期股息及特別股息的資格，所有股份過戶文件連同有關股票，必須於二〇〇六年六月六日星期二下午四時三十分前，交回香港皇后大道東28號金鐘匯中心26樓本公司之香港股份過戶登記處雅柏勤證券登記有限公司，辦理過戶登記手續。
2. 凡有權出席根據上述通告而召開之大會及於大會上投票之股東，均有權委派一位或多位代表出席，並代其投票。受委代表毋須為本公司股東。
3. 代表委任表格連同經簽署之授權書或其他授權文件(如有)或經由公證人簽署證明之該等授權書或授權文件副本，必須於大會或其續會之指定舉行時間48小時前送達香港皇后大道東28號金鐘匯中心26樓本公司之股份過戶登記處雅柏勤證券登記有限公司，方為有效。
4. 在本公司二〇〇五年股東週年大會上，通過普通決議案分別授予董事一般授權以便於聯交所購回股份，以及配發、發行及以其他方式處理本公司股本中之額外股份。根據公司條例及上市規則之條文，該等一般授權除非於二〇〇六年股東週年大會上獲重新授予，否則將於該大會結束時失效。上述通告第5A及5B項之普通決議案旨在重新授予該等授權。
5. 有關上述通告第5A及5B項之普通決議案，董事謹此聲明彼等並無計劃即時購回任何現有股份或發行任何新股份。現正根據公司條例及上市規則之條文向股東尋求批准一般授權。

章程細則之細則第58條有關股東可要求投票表決之程序：

於每次股東大會提呈會議表決之決議案將以舉手表決方式表決，除非（在宣佈舉手表決結果前或當時）經正式要求進行投票方式表決或根據上市規則規定之投票表決。有關要求可由下述任何一方提出：

- (i) 大會主席；或
- (ii) 不少於五名有權在會上投票之股東；或
- (iii) 一名或多名佔總數不少於全體有權於會上投票之股東之總投票權十分一之股東；
或
- (iv) 一名或多名持有獲賦予權利於會上就該決議案投票之股份之股東，而該等股份之實繳股款總額須為不少於全部獲賦予該項權利之股份實繳股款總額十分一。

除非要求投票表決，否則大會主席宣佈決議案經舉手表決通過或一致通過或以某一大多數通過或不予通過，並將實情記錄於會議記錄之記錄冊中，即為該項實情不可推翻之證據，而毋須證明就投票贊成或反對該決議案所記錄之票數或比例。

1. 區秉昌先生，59歲，自二〇〇三年起出任為本公司執行董事、董事長兼總經理，亦為本公司之控股股東越秀企業(集團)有限公司(「越秀企業」)董事長兼總經理及越秀交通有限公司(「越秀交通」)董事長。區先生畢業於中國藥科大學。於二〇〇二年十一月加入越秀企業前，先後在廣州製藥廠、廣州市經濟協作辦公室、廣州市人民政府辦公廳擔任領導職務，在擔任廣州市交通委員會主任職務期間，曾為廣州市的交通規劃、建設、發展和管理工作做出過突出貢獻，在工業技術、交通網絡、企業及經濟管理方面積逾30年的經驗。除上文披露外，區先生與本公司之任何董事、高級管理人員、主要股東或控股股東概無任何關係。區先生持有按證券及期貨條例(「證券及期貨條例」)第XV部的定義所指之本公司相關股份9,000,000股之個人權益。除上文披露外，彼於過去三年並無在任何其他上市公眾公司擔任任何董事職位。

本公司與區先生並無訂立服務合約，但彼須按本公司章程細則規定於本公司股東週年大會上輪席告退及競選連任。截至二〇〇五年十二月三十一日止年度，區先生出任本公司董事之酬金為4,870,517.6港元，乃由董事會經參考其於本公司之職責、本集團表現及盈利狀況基準而釐定。

區先生概無任何事項需知會本公司之股東或根據香港聯合交易所有限公司證券上市規則(「上市規則」)第13.51(2)條所規定任何資料需要披露。

2. 梁毅先生，53歲，自二〇〇三年二月起出任為本公司執行董事，亦為本公司副董事長、越秀企業及越秀交通董事。梁先生於中國人民解放軍工程兵大學行政管理專業本科畢業。於二〇〇一年六月加入越秀企業前，先後在廣州市化工局和廣州市委機關擔任領導職務，曾為建立廣州市的行政監察系統做出較大貢獻，在行政管理方面有20多年的實際工作經驗。除上文披露外，梁先生與本公司之任何董事、高級管理人員、主要股東或控股股東概無任何關係。梁先生持有按證券及期貨條例第XV部的定義所指之本公司相關股份7,000,000股之個人權益。除上文披露外，彼於過去三年並無在任何其他上市公眾公司擔任任何董事職位。

本公司與梁先生並無訂立服務合約，但彼須按本公司章程細則規定於本公司股東週年大會上輪席告退及競選連任。截至二〇〇五年十二月三十一日止年度，梁先生出任本公司董事之酬金為4,201,116.0港元，乃由董事會經參考其於本公司之職責、本集團表現及盈利狀況基準而釐定。

梁先生概無任何事項需知會本公司之股東或根據上市規則第13.51(2)條所規定任何資料需要披露。

3. **李飛先生**，53歲，自二〇〇二年一月起出任為本公司執行董事，亦為本公司副董事長及越秀企業董事。李先生畢業於中國華南師範大學中文系，負責本公司地產集團的策略性策劃、業務發展及營運。除上文披露外，李先生與本公司之任何董事、高級管理人員、主要股東或控股股東概無任何關係。李先生持有按證券及期貨條例第XV部的定義所指之本公司相關股份7,000,000股之個人權益。彼於過去三年並無在任何其他上市公眾公司擔任任何董事職位。

本公司與李先生並無訂立服務合約，但彼須按本公司章程細則規定於本公司股東週年大會上輪席告退及競選連任。截至二〇〇五年十二月三十一日止年度，李先生出任本公司董事之酬金為3,693,810.0港元，乃由董事會經參考其於本公司之職責、本集團表現及盈利狀況基準而釐定。

李先生概無任何事項需知會本公司之股東或根據上市規則第13.51(2)條所規定任何資料需要披露。

4. **唐壽春先生**，43歲，自二〇〇六年二月起出任為本公司執行董事。唐先生畢業於南京農業大學，具有中國高級會計師、中國高級經濟師和中國註冊資產評估師資格，農業經濟與管理博士學位。二〇〇二年加入越秀企業前，曾執教於成都西南財經大學，並任廣州華南師範大學副教授。曾經擔任廣州市城市建設開發集團有限公司董事兼總會計師，負責組織公司的會計核算、財務管理和資金運作，參與多項大型房地產項目的策劃及運營管理。加入越秀企業後先後任職集團財務總監和副總經理，協助負責集團的金融、財務等工作，積累了豐富的大型企業財務管理及資本運作經驗。彼為本公司之控股股東Bosworth International Limited之董事。除上文披露外，唐先生與本公司之任何董事、高級管理人員、主要股東或控股股東概無任何關係。彼持有按證券及期貨條例第XV部的定義所指之本公司相關股份3,900,000股之個人權益。彼於過去三年並無在任何其他上市公眾公司擔任任何董事職位。

本公司與唐先生並無訂立服務合約，但彼須按本公司章程細則規定於本公司股東週年大會上輪席告退及競選連任。唐先生可收取每月港幣33,459.0元之酬金，另可獲取視乎唐先生於本公司之職責、本集團表現及盈利狀況基準而發放之酌情花紅。

唐先生概無任何事項需知會本公司之股東或根據上市規則第13.51(2)條所規定任何資料需要披露。

5. 王洪濤先生，56歲，自二〇〇六年二月起出任為本公司執行董事兼副總經理。王先生畢業於華東水利學院港口工程專業。一九八五年加入廣州市城市建設開發集團有限公司，先後在計劃開發部、宏城發展股份有限公司、越秀投資地產集團有限公司等擔任領導職務，在基礎建設、房地產開發業務累積近三十年經驗，專注於房地產投資、項目策劃、開發建設及物業經營管理。

王先生參加和主持過廣州江南新村、二沙島、天河建設區等大型房地產開發項目以及廣州名雅苑、星匯園、江南新苑、城建大廈、市長大廈等十多個住宅小區及商廈的建設，其中，城建大廈、市長大廈曾榮獲中國國家建設部頒發最高獎項魯班獎，嶺南花園榮獲詹天佑土木工程大獎，其個人曾榮獲中國國家建設部部級獎。

王先生擁有中國高級經濟師、中國工程師和中國註冊土地估價師資格，亦是廣州市房地產業協會專家委員會委員，並擔任及廣州市房地產業協會、廣州市建築聯合會、廣州市租賃協會副會長。王先生為本公司若干主要股東之董事。除上文披露外，王先生與本公司之任何董事、高級管理人員、主要股東或控股股東概無任何關係。彼持有按證券及期貨條例第XV部的定義所指之本公司相關股份320,000股之個人權益。彼於過去三年並無在任何其他上市公眾公司擔任任何董事職位。

本公司與王先生並無訂立服務合約，但彼須按本公司章程細則規定於本公司股東週年大會上輪席告退及競選連任。王先生可收取每月港幣22,500.0元之酬金，另可獲取視乎王先生於本公司之職責、本集團表現及盈利狀況基準而發放之酌情花紅。

王先生概無任何事項需知會本公司之股東或根據上市規則第13.51(2)條所規定任何資料需要披露。

There is no matters concerning Mr Tang that need to be brought to the attention of the shareholders of the Company and there is no information that is required to be disclosed herein pursuant to Rule 13.51(2) of the Listing Rules.

5. **Mr Wang Hongtao**, aged 56, has been an executive director and Deputy General Manager of the Company since February 2006. Mr Wang graduated from the Huadong Institute of Hydraulic with a major in port engineering. He joined Guangzhou City Construction & Development Group Co. Ltd. in 1985, and had taken up various leading positions in the planning and development department, Guangzhou Grandcity Development Ltd. and Guangzhou Investment Property Holdings Limited. He has nearly 30 years' experience in infrastructure and real estate development, specializing in real estate investment, project planning, development and construction as well as property operation and management.

Mr Wang has participated in and has been in charge of various large real estate development projects such as Guangzhou Jiang Nan Estate, Er Sha Island and Tianhe Construction Zone, and more than ten residential districts and commercial buildings such as Guangzhou Ming Ya Mansion, Galaxy City, Jiang Nan New Mansion, City Development Plaza and China Mayors Plaza. Among them, City Development Plaza and China Mayors Plaza were awarded the Luban Prize, the highest accolade awarded by the Ministry of Construction of China, while Lingnan Garden won the Zhan Tian You Civil Engineering Award. Mr Wang himself was awarded the Ministerial Award from the Ministry of Construction of China.

Mr Wang is a senior economist, engineer and registered land valuer in China, and is a member of the Expert Committee of the Guangzhou Real Estate Industry Association. He is also the vice chairman of the Guangzhou Real Estate Industry Association, the Guangzhou Construction Industry Association and the Leasing Association of Guangzhou. Mr Wang is a director of certain substantial shareholders of the Company. Save as disclosed, Mr Wang does not have any other relationships with any other directors, senior management or substantial or controlling shareholders of the Company. He has a personal interest of 320,000 underlying shares of the Company within the meaning of Part XV of the SFO. He did not hold any directorship in any other listed public companies in the last three years.

There is no service contract between the Company and Mr Wang and he will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. Mr Wang is entitled to a current monthly salary of HK\$22,500.0 from the Group. In addition, Mr Wang is entitled to a discretionary bonus to be determined with reference to job responsibilities and the Group's performance and profitability.

There is no matters concerning Mr Wang that need to be brought to the attention of the shareholders of the Company and there is no information that is required to be disclosed herein pursuant to Rule 13.51(2) of the Listing Rules.

There is no matters concerning Mr Liang that need to be brought to the attention of the shareholders of the Company and there is no information that is required to be disclosed herein pursuant to Rule 13.51(2) of the Listing Rules.

3. **Mr Li Fei**, aged 53, has been an executive director of the Company since January 2002. He is also a Vice Chairman of the Company and a director of Yue Xiu. Mr. Li graduated from South China Normal University in China majoring in Chinese studies. He is responsible for the strategic planning, business development and operations of the property group of the Company. Save as disclosed, Mr Li does not have any other relationships with any directors, senior management or substantial or controlling shareholders of the Company. Mr Li has a personal interest of 7,000,000 underlying shares of the Company within the meaning of Part XV of the SFO. He did not hold any directorship in any other listed public companies in the last three years.

There is no service contract between the Company and Mr Li and he will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. Mr Li's total emoluments as a director of the Company were HK\$3,693,810.0 for the year ended 31st December 2005 which were determined with reference to job responsibilities and the Group's performance and profitability.

There is no matters concerning Mr Li that need to be brought to the attention of the shareholders of the Company and there is no information that is required to be disclosed herein pursuant to Rule 13.51(2) of the Listing Rules.

4. **Mr Tang Shouchun**, aged 43, has been an executive director of the Company since February 2006. Mr Tang graduated from Nanjing Agricultural University and is a senior accountant, senior economist and registered asset appraiser in China, and has a Doctor degree in Agricultural Economics and Management. Prior to joining Yue Xiu in 2002, he taught at Southwestern University of Finance and Economics in Chengdu and was a vice professor of South China Normal University in Guangzhou. He had been a director and chief accountant of Guangzhou City Construction & Development Group Co. Ltd., responsible for overseeing financial accounting, financial management and capital operation of the company. He also participated in the planning and operation management of various large real estate projects. After joining Yue Xiu, Mr Tang has held the positions of Group financial controller and deputy general manager, overseeing the Group's financial and treasury affairs. He has extensive experience in the financial management and capital operation of large enterprises. He is a director of Bosworth International Limited, a controlling shareholder of the Company. Save as disclosed, Mr Tang does not have any other relationships with any other directors, senior management or substantial or controlling shareholders of the Company. He has a personal interest of 3,900,000 underlying shares of the Company within the meaning of Part XV of the SFO. He did not hold any directorship in any other listed public companies in the last three years.

There is no service contract between the Company and Mr Tang and he will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. Mr Tang is entitled to a current monthly salary of HK\$33,459.0 from the Group. In addition, Mr Tang is entitled to a discretionary bonus to be determined with reference to job responsibilities and the Group's performance and profitability.

1. **Mr Ou Bingchang**, aged 59, has been an executive director, Chairman and the General Manager of the Company since 2003. He is also the Chairman and the general manager of Yue Xiu Enterprises (Holdings) Limited ("Yue Xiu"), a controlling shareholder of the Company, and the Chairman of GZI Transport Limited ("GZT"). Mr Ou graduated from China Pharmaceutical University in China. Prior to joining Yue Xiu in November 2002, he assumed leading roles in Guangzhou Pharmaceutical Factory, Economic Coordinating Office of Guangzhou Municipality and General Office of Guangzhou Municipal People's Government. During the period of serving as the director of the Guangzhou Municipal Transport Commission, Mr Ou had made distinguished contributions to Guangzhou Municipality in relation to transport planning, construction, development and management. He has over 30 years of experience in industrial technology, transportation network, enterprise and economic management. Save as disclosed, Mr Ou does not have any other relationships with any directors, senior management or substantial or controlling shareholders of the Company. Mr Ou has a personal interest of 9,000,000 underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"). Save as disclosed, he did not hold any directorship in any other listed public companies in the last three years.

There is no service contract between the Company and Mr Ou and he will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. Mr Ou's total emoluments as a director of the Company were HK\$4,870,517.6 for the year ended 31st December 2005 which were determined with reference to job responsibilities and the Group's performance and profitability.

There is no matters concerning Mr Ou that need to be brought to the attention of the shareholders of the Company and there is no information that is required to be disclosed herein pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited.

2. **Mr Liang Yi**, aged 53, has been an executive director of the Company since February 2003. He is also a Vice Chairman of the Company, a director of Yue Xiu and GZT. Mr Liang graduated from the Chinese People's Liberation Army Engineering Soldier's University majoring in public administration. Prior to joining Yue Xiu in June 2001, he assumed leading roles in Guangzhou Chemical Industry Bureau and organizations under Committee of Guangzhou. Mr Liang had made outstanding contribution in establishing the administrative supervisory system of Guangzhou Municipality. He has over 20 years of experience in public administration. Save as disclosed, Mr Liang does not have any other relationships with any directors, senior management or substantial or controlling shareholders of the Company. Mr Liang has a personal interest of 7,000,000 underlying shares of the Company within the meaning of Part XV of the SFO. Save as disclosed, he did not hold any directorship in any other listed public companies in the last three years.

There is no service contract between the Company and Mr Liang and he will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. Mr Liang's total emoluments as a director of the Company were HK\$4,201,116.0 for the year ended 31st December 2005 which were determined with reference to job responsibilities and the Group's performance and profitability.

Article 58 of the Articles of Association sets out the procedure by which Shareholders may demand a poll:

At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of a show of hands) a poll is duly demanded or a poll is required under the Listing Rules. A poll may be demanded by:

- (i) the chairman of the meeting; or
- (ii) not less than 5 members having the right to vote at the meeting; or
- (iii) a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) a member or members holding Shares conferring a right to vote on the resolution on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

Unless a poll be so demanded, a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously, or by a particular majority, or lost; or not carried by a particular majority, and an entry to that effect in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

- (d) deleting in the 6th line of Article 102 the words "A managing director and a Director holding any other executive office shall not be subject to retirement by rotation." immediately after the words "Director and the Company."

By order of the Board
Yu Tat Fung
Company Secretary

Hong Kong, 29th April, 2006

Notes:

1. The register of members of the Company will be closed from Wednesday, 7th June, 2006 to Thursday, 15th June, 2006, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the final dividend and special dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Abacus Share Registrars Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 6th June, 2006.
2. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such authority, must be deposited with the Company's share registrar, Abacus Share Registrars Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding of the meeting or adjourned meeting thereof.
4. At the 2005 annual general meeting of the Company, Ordinary Resolutions were passed giving general mandates to Directors to repurchase Shares on the Stock Exchange and to allot, issue and otherwise deal with additional Shares in the capital of the Company respectively. Under the provisions of the Companies Ordinance and the Listing Rules these general mandates lapse at the conclusion of the 2006 AGM, unless renewed at that meeting. The Ordinary Resolutions sought in items 5A and 5B of the above notice renew these mandates.
5. With reference to the Ordinary Resolutions sought in items 5A and 5B of the above notice, the Directors wish to state that they have no immediate plans to repurchase any existing Shares or to issue any new Shares. Approval is being sought from members of the Company as a general mandate pursuant to the Companies Ordinance and the Listing Rules.

“Rights Issue” means an offer of shares of the Company open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

C. **“THAT**

conditional upon the passing of Resolutions under sub-paragraphs A and B above, the aggregate nominal amount of the number of shares in the capital of the Company which shall have been repurchased by the Company pursuant to and in accordance with sub-paragraph A above shall be added to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the exercise of the general mandate approved in sub-paragraph B above.”

6. As special business to consider and, if thought fit, to pass the following resolution as a Special Resolution:

SPECIAL RESOLUTION

“THAT the Articles of Association of the Company be and are hereby amended by:

- (a) adding the following Article immediately after Article 91:

91A. Every Director should be subject to retirement by rotation once every three years.

- (b) deleting in the 4th to 6th lines of Article 97 the words “A Director so appointed shall retire at the next following annual general meeting and shall not be taken into account in determining the Directors who are to retire by rotation at the meeting.” immediately after the word “any).” and substituting therefor the words “Any Director so appointed by the Directors shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number), and shall then be eligible for reappointment. Such a Director so appointed at an annual general meeting shall not be taken into account in determining the Directors who are to retire by rotation at that meeting”.
- (c) deleting in the 1st line of Article 98 the words “a Director who retires at an annual general meeting may be reappointed. If he” immediately after the words “Subject as aforesaid,” and substituting therefor the words “if a Director”;

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of Hong Kong to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting."

B. "THAT

- (a) subject to sub-paragraph (c) below and pursuant to Section 57B of the Companies Ordinance, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in sub-paragraph (a), otherwise than pursuant to (i) a Rights Issue, (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to eligible participants under such scheme and arrangement of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of Hong Kong to be held; and
 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("2006 AGM") of the Guangzhou Investment Company Limited ("Company") will be held at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong on Thursday, 15th June, 2006 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited accounts and the reports of the directors and auditors for the year ended 31st December, 2005.
2. To declare a final dividend and a special dividend.
3. To elect directors and to authorise the board to fix directors' remuneration.
4. To re-appoint auditors and to authorise the board to fix their remuneration.
5. As special business to consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

A. "THAT

- (a) subject to sub-paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited ("Stock Exchange") or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be purchased by the Company pursuant to the approval in sub-paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;

MARKET PRICES

The highest and lowest traded prices for the Shares on the Stock Exchange during each of the previous twelve months before the printing of this document were as follows:

	Traded Market Price for Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2005		
April	0.72	0.62
May	0.68	0.58
June	0.70	0.60
July	0.70	0.62
August	0.76	0.64
September	0.82	0.72
October	0.85	0.69
November	0.96	0.73
December	0.98	0.77
2006		
January	1.20	0.78
February	1.35	1.10
March	1.62	1.23

DISCLOSURE OF INTERESTS

None of the Directors, and to the best of their knowledge, having made all reasonable enquiries, none of their associates, have any present intention, if the Repurchase Mandate is exercised, to sell any Shares to the Company.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, if the Repurchase Mandate is granted.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the last six months (whether on the Stock Exchange or otherwise).

TAKEOVERS CODE CONSEQUENCES

If as a result of a repurchase of Shares a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers ("Takeovers Code"). As a result, a shareholder, or group of shareholders acting in concert, depending on the level of increase of the shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. As at the Latest Practicable Date, Yue Xiu Enterprises (Holdings) Limited owned approximately 48 per cent of the existing issued share capital of the Company. In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted to the Directors pursuant to the Repurchase Mandate, the shareholding of Yue Xiu Enterprises (Holdings) Limited would (assuming that there is no change in relevant circumstances) be increased to approximately 54 per cent of the issued share capital of the Company. Such increase may give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate to such an extent as would result in takeover obligations.

This explanatory statement also constitutes the memorandum as required under section 49BA(3) of the Companies Ordinance.

SHARE CAPITAL

Whilst the Directors do not presently intend to repurchase any Shares, they believe that the flexibility afforded by the proposed Repurchase Mandate would be beneficial to the Company.

It is proposed that the Directors be authorised to repurchase up to 10 per cent of the aggregate Shares in issue at the date of the passing of the resolution to approve the general mandate. As at 26th April, 2006, the latest practicable date for determining such figures ("Latest Practicable Date"), 6,672,011,914 Shares were in issue. On the basis that no further Shares are issued prior to the date of the 2006 AGM, the Directors would be authorised to repurchase up to approximately 667,201,191 Shares during the period up to the next annual general meeting of the Company in 2007 or the expiration of the period within which the next annual general meeting of the Company is required by law to be held or the revocation or variation of the Repurchase Mandate by an ordinary resolution of the shareholders of the Company in general meeting of the Company, whichever occurs first.

REASONS FOR REPURCHASES

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share.

FUNDING OF REPURCHASES

Repurchases pursuant to the Repurchase Mandate would be financed entirely from the Company's available cash flow or working capital facilities. Any repurchases will be made out of funds of the Company legally permitted to be utilised in this connection in accordance with its memorandum and articles of association and the laws of Hong Kong, including profits otherwise available for distribution. Under the Companies Ordinance, a company's profits available for distribution are its accumulated, realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated, realised losses, so far as not previously written off in a reduction or reorganisation of capital duly made.

EFFECT OF ANY REPURCHASES

There might be a material adverse impact on the working capital, or gearing position of the Company (as compared with the position disclosed in its most recent published audited accounts for the year ended 31st December, 2005) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

LETTER FROM THE BOARD

- (b) to make it clear that all Directors appointed to fill a casual vacancy should be subject to election by Shareholders at the first general meeting after their appointment.

The proposed amendments to the Articles of Association are set out in the special resolution as set out in the 2006 AGM Notice, which is set out in Appendix II to this circular.

PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 91 of the Articles of Association, the Directors retiring by rotation at the 2006 AGM are Messrs. Ou Bingchang, Liang Yi and Li Fei. In accordance with Article 97 of the Articles of Association, Messrs. Tang Shouchun and Wang Hongtao shall also be retiring at the 2006 AGM. Details of the above Directors, which are required to be disclosed by the Listing Rules, are set out in Appendix IV to this circular.

ANNUAL GENERAL MEETING

The 2006 AGM Notice is set out in Appendix II to this circular.

Whether or not you are able to attend the 2006 AGM, you are requested to complete and return the enclosed form of proxy for the 2006 AGM in accordance with the instructions printed thereon to the Company's share registrar, Abacus Share Registrars Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the 2006 AGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the 2006 AGM or any adjournment thereof should you so wish.

Your right to demand a poll on the resolutions proposed at the 2006 AGM is set out in Appendix III to this circular.

RECOMMENDATION

The Directors consider the General Mandate, the Repurchase Mandate, the proposed amendments to the Articles of Association and the proposed re-election of Directors at the 2006 AGM to be in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that you vote in favour of the ordinary resolutions and the special resolution to be proposed at the 2006 AGM.

Yours faithfully,
For and on behalf of the board of directors of
Guangzhou Investment Company Limited
Ou Bingchang
Chairman

LETTER FROM THE BOARD

Directors in the event that it becomes desirable to issue any Shares, approval is being sought from the shareholders of the Company ("Shareholders") at the 2006 AGM to grant a general mandate unconditionally to the Directors to allot or issue new Shares equal in aggregate up to 20 per cent of the issued share capital of the Company at the date of passing the proposed ordinary resolution ("General Mandate"). The obtaining of the General Mandate is in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). The proposed resolution ("General Mandate Resolution") is set out as Ordinary Resolution 5B in the Notice of the 2006 AGM dated 29th April, 2006 ("2006 AGM Notice"), which is set out in Appendix II to this circular.

Concerning the General Mandate Resolution, the Directors wish to state that they have no immediate plans to issue any new Shares. Approval is being sought from the Shareholders as a general mandate for the purposes of Section 57B of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) ("Companies Ordinance") and the Listing Rules.

GENERAL MANDATE TO REPURCHASE OF SHARES

The Listing Rules permit companies with a primary listing on The Stock Exchange of Hong Kong Limited ("Stock Exchange") to repurchase their own securities on the Stock Exchange, subject to certain restrictions. At the 2005 AGM, a general mandate was given to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the 2006 AGM. Therefore, an ordinary resolution (as set out in Resolution 5A ("Repurchase Mandate Resolution") in the 2006 AGM Notice, which is set out in Appendix II to this circular) will be proposed to grant to the Directors an unconditional general mandate to, inter alia, repurchase up to 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the Repurchase Mandate Resolution ("Repurchase Mandate"). The Company is required, by the provisions of the Listing Rules regulating such securities repurchases and by Section 49BA(3) of the Companies Ordinance, to send to its Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the Repurchase Mandate. Such information is set out in Appendix I to this circular.

Concerning the Repurchase Mandate Resolution, the Directors wish to state that they have no immediate plans to repurchase any existing Shares.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY (THE "ARTICLES OF ASSOCIATION")

According to the amendments to the Listing Rules which came into effect in 1st January, 2005, the Company is, inter alia, expected to comply with the code provisions of the new Appendix 14 (Code on Corporate Governance Practices) of the Listing Rule ("Code Provisions").

In view of the introduction of the new Appendix 14 of the Listing Rules, the Directors propose, for the purposes of complying with the Code Provisions, to the Shareholders for approval of the following to the Articles of Association:

- (a) to make it clear that every Director shall be subject to retirement by rotation at least once every three years; and

LETTER FROM THE BOARD



越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 123)

Executive Directors:

Ou Bingchang (*Chairman*)
Liang Yi
Li Fei
Chen Guangsong
Tang Shouchun
Wang Hongtao

Registered office:

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

Independent non-executive Directors:

Yu Lup Fat Joseph
Lee Ka Lun
Lau Hon Chuen Ambrose

29th April, 2006

To the shareholder(s)

Dear Shareholder(s),

**PROPOSED GENERAL MANDATES
TO ISSUE NEW SHARES AND REPURCHASE SHARES
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

GENERAL MANDATE TO ISSUE SHARES

At the last annual general meeting of Guangzhou Investment Company Limited ("Company") held on 26th May, 2005 ("2005 AGM"), a general mandate was given to the directors of the Company ("Directors") to allot, issue and otherwise deal with shares of HK\$0.10 each in the capital of the Company ("Share(s)"). Such mandate will lapse at the conclusion of the forthcoming annual general meeting to be held on 15th June, 2006 at 10:30 a.m. at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong ("2006 AGM"). In order to ensure flexibility and discretion to the

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THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Guangzhou Investment Company Limited ("Company"), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 123)

PROPOSED GENERAL MANDATES

TO ISSUE NEW SHARES AND REPURCHASE SHARES

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

PROPOSED RE-ELECTION OF DIRECTORS

AND

NOTICE OF ANNUAL GENERAL MEETING

RECEIVED
2006 APR 19 P 1:49
OFFICE OF INTERNATIONAL
CORPORATE FINANCE

A notice convening an annual general meeting of the Company to be held at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong on Thursday, 15th June, 2006 at 10:30 a.m. is set out in this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's share registrar, Abacus Share Registrars Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting (or any adjourned meeting thereof).

29th April, 2006

此 乃 要 件 請 即 處 理

閣下對本通函任何內容如有任何疑問，應尋求獨立專業意見。

閣下如已售出或轉讓全部名下的越秀投資有限公司股份，應立即將本通函交予買主或承讓人，或經手買賣或轉讓的銀行、持牌證券交易商或其他代理商，以便轉交買主或承讓人。

香港聯合交易所有限公司對本通函的內容概不負責，對其準確性或完備性亦不發表任何聲明，並表明不會就本通函全部或任何部分內容而產生或因倚賴該等內容而引致的任何損失承擔任何責任。



越 秀 投 資 有 限 公 司

GUANGZHOU INVESTMENT COMPANY LIMITED

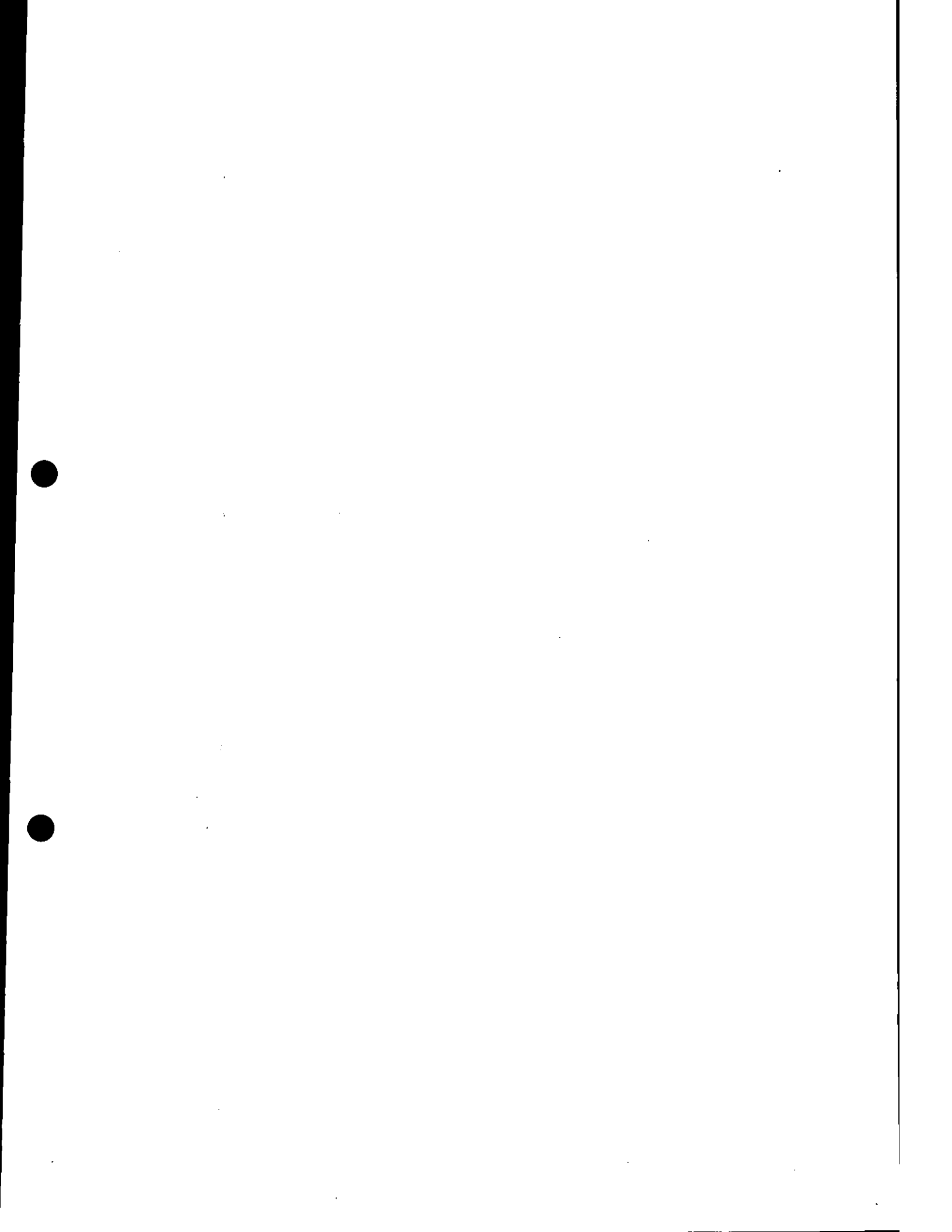
(在香港註冊成立的有限公司)

(股份代號：123)

須 予 披 露 交 易

出 售 物 業

二〇〇六年一月三日



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釋 義

於本通函內，除文義另有所指外，下列詞彙具有下列涵義：

「董事會」	指	本公司的董事會
「本公司」	指	越秀投資有限公司，一間於香港註冊成立的有限公司，其股份在聯交所上市
「董事」	指	本公司的董事
「出售事項」	指	根據荃灣國際中心協議及龍華國際貨運中心協議出售的荃灣物業及龍華物業
「拓富」	指	拓富有限公司，本公司的全資附屬公司
「本集團」	指	本公司及其附屬公司
「香港」	指	中華人民共和國香港特別行政區
「獨立第三方」	指	獨立於本公司及本公司關連人士的一方及其最終實益擁有人(均為第三方)
「最後實際可行日期」	指	二〇〇五年十二月二十九日
「上市規則」	指	聯交所證券上市規則
「龍華國際貨運中心協議」	指	拓富有限公司(作為賣方)與MG Tsuen Wan B(作為買方)於二〇〇五年十二月九日就出售龍華物業訂立的臨時買賣協議
「龍華物業」	指	作為龍華國際貨運中心協議主體內容的物業，詳情載於本通函「該等協議—II.龍華國際貨運中心協議—資產」一段
「志登」	指	志登投資有限公司，本公司的全資附屬公司
「股東」	指	本公司的股東
「聯交所」	指	香港聯合交易所有限公司

釋 義

「荃灣國際中心協議」	指	志登投資有限公司(作為賣方)與MG Tsuen Wan A(作為買方)於二〇〇五年十二月九日就出售荃灣物業訂立的臨時買賣協議
「荃灣物業」	指	作為荃灣國際中心協議主體內容的物業，詳情載於本通函「該等協議—I.荃灣國際中心協議—資產」一段
「港元」	指	香港的法定貨幣港元



越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(在香港註冊成立的有限公司)

(股份代號：123)

董事：

執行董事：

區秉昌(董事長)

梁毅

陳光松

李飛

法定地址：

註冊辦事處：

香港

灣仔

駱克道160-174號

越秀大廈24樓

獨立非執行董事：

余立發

李家麟

劉漢銓

敬啟者：

須予披露交易

1. 緒言

誠如本公司於二〇〇五年十二月九日刊發的公佈所披露，志登投資有限公司及拓富有限公司(均為本公司的全資附屬公司)已就出售荃灣物業及龍華物業予獨立第三方而分別訂立荃灣國際中心協議及龍華國際貨運中心協議，總代價為545,000,000港元。

根據上市規則，根據荃灣國際中心協議及龍華國際貨運中心協議計劃進行的出售事項，構成本公司的須予披露交易。本通函旨在遵照上市規則向本公司股東提供有關荃灣國際中心協議及龍華國際貨運中心協議的資料。

董事會函件

2. 該等協議

1. 荃灣國際中心協議

- 訂立日期： 二〇〇五年十二月九日
- 賣方： 志登投資有限公司，一間投資控股公司，亦為本公司的全資附屬公司。
- 買方： MG Tsuen Wan A，董事確認據彼等所知、所得資料及所信，並經作出一切合理查詢後，為及其最終實益擁有人為一名獨立第三方。
- 資產： 荃灣物業，即荃灣國際中心地下單位、3樓A室；4、6、7、8、10及11樓A、B、C及D室；11樓E室；12、13、17、18、23、25、26、27、28及30樓A、B、C、D及E室；19樓A及B室；全部天台、1樓C1、C2、C3、C4、C5、C6及C7號貨櫃車位；1樓P2、P3、P4、P5、P6、P7、P8、P9、P10、P11、P12、P13、P14、P15、P16、P17及P18號私家車位；1樓L1、L3、L4及L5號貨車車位；2樓P19、P20、P21、P22及P23私家車位；以及2樓L7、L8、L9、L10、L11、L12、L13、L14、L15及L16號貨車車位。
- 荃灣物業現正出租予多名租戶。荃灣物業的總面積為394,251平方呎。
- 代價： 由志登與MG Tsuen Wan A經參考同類物業的一般市值後按公平原則磋商協定為365,000,000港元，須以現金支付，詳情如下：
- (i) 於簽署荃灣國際中心協議時支付36,500,000港元；及
 - (ii) 於完成時(預期為簽署荃灣國際中心協議日期起計兩個月)或志登與MG Tsuen Wan A以書面協定支付328,500,000港元。

董事會函件

根據志登於二〇〇四年十二月三十一日的經審核資產負債表，荃灣物業的賬面值為260,000,000港元。荃灣物業於二〇〇五年六月三十日進行估值及荃灣物業的價值仍維持於260,000,000港元。荃灣物業於二〇〇五年十一月三十日的賬面值為260,000,000港元。經參考將收取的代價及荃灣物業的賬面值後，預期本集團來自出售事項的收益約為105,000,000港元。

截至二〇〇三年及二〇〇四年十二月三十一日止兩個財政年度，荃灣物業的除稅前純利／(虧損淨額)分別為8,645,211港元及7,970,907港元。

條款：

- 志登須顯示並給予一個妥善及可轉售的荃灣物業業權，而於簽署荃灣國際中心協議後，MG Tsuen Wan A須被視作已接納志登的荃灣物業業權。
- 荃灣物業已按「現況」基準以現況及條件出售予MG Tsuen Wan A，而MG Tsuen Wan A聲明並確認其已檢查，並接納及購買且完全知悉荃灣物業的現有用戶、實際情況、環境及內部裝修。
- 荃灣物業以現有出租、租約及特許權的利益出售。
- 荃灣國際中心協議須待龍華國際貨運中心協議同時完成時，方可作實。
- 志登與MG Tsuen Wan A須於二〇〇六年一月八日或該日之前訂立正式買賣協議，倘雙方因任何原因並無訂立正式買賣協議，則荃灣國際中心協議會成為正式買賣協議，並在各方面完全及有效地對各方具約束力。

II. 龍華國際貨運中心協議

訂立日期： 二〇〇五年十二月九日

賣方： 拓富有限公司，一間投資控股公司，亦為本公司的全資附屬公司。

董事會函件

買方： MG Tsuen Wan B，董事確認據彼等所知、所得資料及所信，經作出一切合理查詢後，為及其最終實益擁有人為一名獨立第三方。

資產： 龍華物業，即在土地註冊處登記作為荃灣地段第135號餘下部分的所有地塊，連同建於該地塊上的院宅建築及建築物，現稱作香港新界荃灣橫龍街72-76號，以及在土地註冊處登記作為荃灣地段第135號A段的所有該地塊。

龍華物業現正出租予多名租戶。龍華物業的總面積為235,599平方呎。

代價： 由拓富與MG Tsuen Wan B經參考同類物業的一般市值後按公平原則磋商協定為180,000,000港元，須以現金支付，詳請如下：

- (i) 於簽署龍華國際貨運中心協議時支付18,000,000港元；及
- (ii) 於完成時（預期為簽署龍華國際貨運中心協議日期起計兩個月）或拓富與MG Tsuen Wan B以書面協定支付162,000,000港元。

根據拓富於二〇〇四年十二月三十一日的經審核資產負債表，龍華物業的賬面值為125,000,000港元。龍華物業於二〇〇五年六月三十日進行估值及龍華物業的價值仍維持於125,000,000港元。龍華物業於二〇〇五年十一月三十日的賬面值亦為125,000,000港元。經參考將收取的代價及龍華物業的賬面值後，預期本集團來自出售事項的收益約為55,000,000港元。

截至二〇〇三年及二〇〇四年十二月三十一日止兩個財政年度，龍華物業的除稅前純利／（虧損淨額）分別為3,403,558港元及3,366,887港元。

條款：

- 拓富須向龍華物業顯示並給予一個妥善及可轉售的龍華物業業權，而於簽署龍華國際貨運中心協議後，MG Tsuen Wan B須被視作已接納拓富的龍華物業業權。

董事會函件

- 龍華物業已按「現況」基準以現況及條件出售予MG Tsuen Wan B，而MG Tsuen Wan B聲明並確認其已檢查，並接納及購買且完全知悉龍華物業現有用戶、實際情況、環境及內部裝修。
- 龍華物業以現有出租、租約及特許權的利益出售。
- 龍華國際貨運中心協議須待荃灣國際中心協議同時完成時，方可作實。
- 拓富與MG Tsuen Wan B須於二〇〇六年一月八日或該日之前訂立正式買賣協議，倘雙方因任何原因並無訂立正式買賣協議，則龍華國際貨運中心協議會成為正式買賣協議，並在各方面完全及有效地對各方具約束力。

3. 本集團的業務

本集團的主要業務為物業發展、管理及投資、製造新聞用紙及經營收費道路及橋樑。

4. 進行出售事項的原因及好處

董事會認為，出售事項將有助為本集團提供經營業務，以及負擔日後可能出現的任何潛在新商機的資金，並改善本集團的資產負債比率。本集團目前並無物色到任何即時投資目標。為數約205,000,000港元的所得款項將預留供本集團經營業務及負擔任何潛在新商機，而340,000,000港元將用作償還銀行貸款。荃灣物業及龍華物業的尚未償還按揭貸款金額分別為160,000,000港元及180,000,000港元。

董事會(包括本公司的獨立非執行董事)認為，出售事項將按正常商業條款進行，而該等條款屬公平合理，且出售事項符合本公司及股東的整體利益。

5. 該項交易的財務影響

出售事項完成後，預期本集團可錄得出售事項約160,000,000港元的收益。出售事項將為本集團帶來545,000,000港元的現金流入，當中，340,000,000港元將用作償還於二零零五年六月三十日合共360,000,000港元的荃灣物業及龍華物業未償還銀行貸款。

董事會函件

出售事項的結果為上述出售事項的收益及償還未償還銀行貸款，本集團的資產將會減少淨額180,000,000港元，佔本集團合併資產總值約0.69%。由於償還荃灣物業及龍華物業的未償還貸款，本集團的負債亦將減少340,000,000港元，佔本集團的負債總額約1.83%。

6. 一般資料

MG Tsuen Wan A及MG Tsuen Wan B均為Macquarie Goodman Group旗下的投資控股公司，董事確認據彼等所知、所得資料及所信，並經作出一切合理查詢後，Macquarie Goodman Group為獨立第三方。Macquarie Goodman Group從事物業投資、基金管理、物業發展及物業服務。

附加資料

此外，務請注意本通函附錄所載的附加資料。

此致

本公司列位股東 台照

承董事會命
越秀投資有限公司
董事長
區秉昌

二〇〇六年一月三日

1. 責任聲明

本通函的資料乃遵照上市規則而刊載，旨在提供有關本公司的資料。各董事願就本通函所載資料的準確性共同及個別地承擔全部責任，並於作出一切合理查詢後，確認就其所知及所信，本通函所表達的意見乃經審慎周詳的考慮後方作出，並無遺漏任何事項，足以令致本通函所載任何陳述產生誤導。

2. 本公司之股本

於最後實際可行日期，本公司的法定股本為1,000,000,000港元，分成10,000,000,000股股份，其中6,517,613,914股為已發行並繳足股份。

3. 本公司董事權益披露

除下文所披露者外，於最後實際可行日期，本公司董事或主要行政人員(如有)概無在本公司或其任何相聯法團(定義見證券及期貨條例第XV部)擁有或被視作擁有須根據證券及期貨條例第XV部第7及8分部通知本公司及聯交所的股份、相關股份及債券的任何權益或淡倉，包括根據證券及期貨條例相關條文被當作或視作擁有的權益或淡倉；或根據證券及期貨條例第352條須載於登記冊的權益或淡倉；或根據《上市公司董事進行證券交易的標準守則》規定須通知本公司及聯交所的權益或淡倉。

(a) 於本公司及其相聯法團的股份中的好倉

董事	於本公司 或其相聯 法團的權益	持有 權益的身份	於相同類別的 證券中的股權 概約百分比	證券數目 及類別
李家麟先生	本公司	實益擁有人	0.02	1,050,000股股份

(b) 於本公司及其相聯法團股本衍生工具的相關股份中的好倉

董事	於本公司 或其相聯 法團的權益	持有 權益的身份	授出日期 (附註)	每股 行使價 港元	尚未行使 的購股權 數目
區秉昌先生	本公司	實益擁有人	02/06/2003	0.5400	9,000,000
梁毅先生	本公司	實益擁有人	02/06/2003	0.5400	7,000,000
陳光松先生	本公司	實益擁有人	02/06/2003	0.5400	8,000,000
李飛先生	本公司	實益擁有人	02/06/2003	0.5400	7,000,000
余立發先生	本公司	實益擁有人	02/06/2003	0.5400	3,500,000
李家麟先生	本公司	實益擁有人	02/06/2003	0.5400	2,450,000

附註：購股權可由二〇〇三年六月二日起至二〇一三年六月一日止期間內行使，惟限於(i)直至購股權授出日期首週年的期間內，行使最多達所授予購股權的30%；及(ii)直至購股權授出日期第二週年的期間內，行使最多達所授予購股權的60% (包括根據第(i)項已行使的任何購股權)。

於最後實際可行日期，各董事於任何本集團成員公司訂立的任何有效並與本集團業務有重大關連的合約或安排中概無擁有重大權益。

於最後實際可行日期，概無董事及其各自的聯繫人擁有任何與本集團競爭的業務權益。

4. 本公司的主要股東

除下文所披露者外，於最後實際可行日期，就任何本公司董事或主要行政人員（如有）所知，概無任何人士（除本公司或本集團任何成員公司的董事或主要行政人員（如有）以外）於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須予披露的權益或淡倉（包括根據證券及期貨條例的該等條文被當作或視作擁有的權益或淡倉），或直接或間接擁有任何類別附有權利可於任何情況下在本公司的股東大會上投票的股份面值10%或以上權益。

名稱	持有 權益的身份	好倉/ 淡倉	於相同 類別的證券 的股權 概約百分比	所持證券 數目及類別
越秀(附註1)	實益擁有人及 受控法團的權益	好倉	49.6	3,229,435,248股股份
JPMorgan Chase & Co. (附註2)	投資經理及核准 借出代理人	好倉	5.0	327,863,000股股份

附註：

1. 越秀直接持有10,928,184股股份；根據證券及期貨條例，由於透過其全資附屬公司間接持有股份，故被視為擁有本公司3,218,507,064股股份的權益，有關的詳情如下：

名稱	持有 權益的身份	好倉/ 淡倉	所持證券 數目及類別
Excellence Enterprises Co., Ltd. (「Excellence」) (附註i)	受控法團的權益	好倉	3,174,015,064股股份
Bosworth International Limited	實益擁有人	好倉	2,279,312,904股股份
Sun Peak Enterprises Ltd. (「Sun Peak」) (附註ii)	受控法團的權益	好倉	565,683,000股股份
Novena Pacific Limited (「Novena」)	實益擁有人	好倉	565,683,000股股份
Shine Wah Worldwide Limited (「Shine Wah」) (附註iii)	受控法團的權益	好倉	158,049,000股股份
Morrison Pacific Limited (「Morrison」)	實益擁有人	好倉	158,049,000股股份

名稱	持有 權益的身份	好倉/ 淡倉	所持證券 數目及類別
Perfect Goal Development Co., Ltd. (「Perfect Goal」) (附註iv)	受控法團的權益	好倉	135,737,000股股份
Greenwood Pacific Limited (「Greenwood」)	實益擁有人	好倉	135,737,000股股份
越秀財務有限公司	實益擁有人	好倉	44,492,000股股份
Seaport Development Limited (「Seaport」) (附註v)	受控法團的權益	好倉	35,233,160股股份
Goldstock International Limited (「Goldstock」)	實益擁有人	好倉	35,233,160股股份

- i. 根據證券及期貨條例，由於Excellence(越秀的全資附屬公司)透過其全資附屬公司間接持有股份，故被視為擁有3,174,015,064股股份的權益。
 - ii. 根據證券及期貨條例，由於Sun Peak透過其全資附屬公司Novena間接持有股份，故被視為擁有565,683,000股股份的權益。
 - iii. 根據證券及期貨條例，由於Shine Wah透過其全資附屬公司Morrison間接持有股份，故被視為擁有158,049,000股股份的權益。
 - iv. 根據證券及期貨條例，由於Perfect Goal透過其全資附屬公司Greenwood間接持有股份，故被視為擁有135,737,000股股份的權益。
 - v. 根據證券及期貨條例，由於Seaport透過其全資附屬公司Goldstock間接持有股份，故被視為擁有35,233,160股股份的權益。
2. JPMorgan Chase & Co.持有327,863,000股股份權益的身份包括273,644,000股為投資經理，54,219,000股為核准借出代理人。

5. 服務合約

於最後實際可行日期，越秀交通有限公司董事區秉昌先生及梁毅先生各自己與本公司的附屬公司越秀交通有限公司訂立服務協議，於分別由二〇〇三年一月八日及二〇〇三年二月二十八日起計的最初固定年期一年屆滿後，已再續約兩年至二〇〇六年，除非由越秀交通有限公司向有關董事提出三個月的事先書面通知而提早終止，或有關董事向越秀交通有限公司提出六個月的事先書面通知而提早終止。

除以上所披露外，於最後實際可行日期，概無董事與本集團任何成員公司訂立或擬訂立在一年內不得由僱主終止而毋須作出賠償(法定賠償除外)的服務合約，而本公司目前概無任何候任董事。

6. 法律訴訟

於最後實際可行日期，本集團概無任何成員公司涉及任何重大訴訟、仲裁或索償，且據董事所知，概無尚未了結或對本公司或其任何附屬公司構成威脅的重大訴訟或索償。

7. 一般事項

- (a) 本公司的註冊辦事處於香港灣仔駱克道160-174號越秀大廈24樓。
- (b) 本公司的公司秘書為余達峯先生，余先生為香港高等法院律師。
- (c) 本公司的合資格會計師為周偉傑先生。彼為特許公認會計師公會資深會員及香港會計師公會資深會員。周先生亦為特許秘書及行政人員公會及香港特許秘書公會會員。
- (d) 本通函中英文本如有歧義，概以英文本為準。

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

7. GENERAL

- (a) The registered office of the Company is situated at 24th Floor, Yue Xiu Building, 160-174 Lockhart Road, Wanchai, Hong Kong.
- (b) The company secretary of the Company is Mr. Yu Tat Fung, solicitor of the High Court of Hong Kong.
- (c) The qualified accountant of the Company is Mr. Chow Wai Kit. He is a fellow member of the Association of Chartered Certified Accountants and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Chow is also an associate member of The Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries.
- (d) The English text of this circular shall prevail over the Chinese text.

Name	Capacity in holding interest	Long/short position	Number and class of securities held
Perfect Goal Development Co., Ltd. ("Perfect Goal") (Note iv)	Interest of controlled corporation	Long position	135,737,000 Shares
Greenwood Pacific Limited ("Greenwood")	Beneficial owner	Long position	135,737,000 Shares
Yue Xiu Finance Company Limited	Beneficial owner	Long position	44,492,000 Shares
Seaport Development Limited ("Seaport") (Note v)	Interest of controlled corporation	Long position	35,233,160 Shares
Goldstock International Limited ("Goldstock")	Beneficial owner	Long position	35,233,160 Shares

- i. Excellence, a wholly-owned subsidiary of Yue Xiu, is deemed by the SFO to be interested in 3,174,015,064 Shares as a result of its indirect holding of such Shares through its wholly-owned subsidiaries.
 - ii. Sun Peak is deemed by the SFO to be interested in 565,683,000 Shares as a result of its indirect holding of such Shares through its wholly-owned subsidiary, Novena.
 - iii. Shine Wah is deemed by the SFO to be interested in 158,049,000 Shares as a result of its indirect holding of such Shares through its wholly-owned subsidiary, Morrison.
 - iv. Perfect Goal is deemed by the SFO to be interested in 135,737,000 Shares as a result of its indirect holding of such Shares through its wholly-owned subsidiary, Greenwood.
 - v. Seaport is deemed by the SFO to be interested in 35,233,160 Shares as a result of its indirect holding of such Shares through its wholly-owned subsidiary, Goldstock.
2. The capacity of JPMorgan Chase & Co. in holding the 327,863,000 Shares is as to 273,644,000 Shares as investment manager and as to 54,219,000 Shares as approved lending agent.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, each of Messrs. Ou Bingchang and Liang Yi, Directors of GZI Transport Limited, had entered into a service agreement with GZI Transport Limited, a subsidiary of the Company which, after an initial fixed term of one year commencing on 8 January 2003 and 28 February 2003 respectively, had been extended for a further term of two years up to 2006 unless terminated sooner by GZI Transport Limited giving to the relevant Director three months' prior written notice or by the relevant Director giving to GZI Transport Limited six months' prior written notice.

Save as disclosed above, none of the Directors had, as at the Latest Practicable Date, a service contract or a proposed service contract with any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation), and there are currently no proposed directors by the Company.

4. SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

Save as disclosed below, as at the Latest Practicable Date, so far as is known to any Director or chief executive (if any) of the Company, no person (not being a Director or chief executive (if any) of the Company nor any member of the Group), has an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provision of the SFO) or who is directly or indirectly interested in 10 per cent. or more of the nominal value of any class of shares carrying rights to vote in all circumstances at general meetings of the Company.

Name	Capacity in holding interest	Long/short position	Approximate % of shareholding in the same class of securities	Number and class of securities held
Yue Xiu (<i>Note 1</i>)	Beneficial owner and interest of controlled corporation	Long position	49.6	3,229,435,248 Shares
JPMorgan Chase & Co. (<i>Note 2</i>)	Investment manager and approved lending agent	Long position	5.0	327,863,000 Shares

Notes:

- Yue Xiu has direct holding of 10,928,184 Shares and is deemed by the SFO to be interested in 3,218,507,064 Shares as a result of its indirect holding of such shares through its wholly-owned subsidiaries, details of which are as follows:

Name	Capacity in holding interest	Long/short position	Number and class of securities held
Excellence Enterprises Co., Ltd. (" Excellence ") (<i>Note i</i>)	Interest of controlled corporation	Long position	3,174,015,064 Shares
Bosworth International Limited	Beneficial owner	Long position	2,279,312,904 Shares
Sun Peak Enterprises Ltd. (" Sun Peak ") (<i>Note ii</i>)	Interest of controlled corporation	Long position	565,683,000 Shares
Novena Pacific Limited (" Novena ")	Beneficial owner	Long position	565,683,000 Shares
Shine Wah Worldwide Limited (" Shine Wah ") (<i>Note iii</i>)	Interest of controlled corporation	Long position	158,049,000 Shares
Morrison Pacific Limited (" Morrison ")	Beneficial owner	Long position	158,049,000 Shares

(b) Long positions in underlying shares of equity derivatives of the Company and its associated corporations

Directors	Interests in the Company or its associated corporation	Capacity in holding interest	Date of grant (Note)	Exercise price per share HK\$	Number of outstanding share options
Mr. Ou Bingchang	The Company	Beneficial owner	02/06/2003	0.5400	9,000,000
Mr. Liang Yi	The Company	Beneficial owner	02/06/2003	0.5400	7,000,000
Mr. Chen Guangsong	The Company	Beneficial owner	02/06/2003	0.5400	8,000,000
Mr. Li Fei	The Company	Beneficial owner	02/06/2003	0.5400	7,000,000
Mr. Yu Lup Fat Joseph	The Company	Beneficial owner	02/06/2003	0.5400	3,500,000
Mr. Lee Ka Lun	The Company	Beneficial owner	02/06/2003	0.5400	2,450,000

Note: The share options are exercisable from 2nd June, 2003 to 1st June, 2013, of which a maximum of up to (i) 30 per cent.; and (ii) 60 per cent. (inclusive of any options exercised under (i)) thereof are exercisable during the period (i) up to the first anniversary; and (ii) up to the second anniversary of the date of grant, respectively.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, which was subsisting and was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors and their respective associates had any competing interest with the Group.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts the omission of which would make any statement herein misleading.

2. SHARE CAPITAL OF THE COMPANY

As at Latest Practicable Date, the authorised share capital of the Company was HK\$1,000,000,000 divided into 10,000,000,000 Shares, of which 6,517,613,914 Shares were issued and fully paid.

3. DISCLOSURE OF DIRECTORS' INTERESTS IN THE COMPANY

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executives (if any) of the Company had, or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO including interests and short positions which they were taken or deemed to have under such provisions of the SFO or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

(a) Long positions in shares of the Company and its associated corporations

Directors	Interests in the Company or its associated corporation	Capacity in holding interest	Approximate % of shareholding in the same class of securities	Number and class of securities
Mr. Lee Ka Lun	The Company	Beneficial owner	0.02	1,050,000 Shares

LETTER FROM THE BOARD OF DIRECTORS

As a result of the Disposal, the gain on the Disposal and the repayment of the outstanding bank loans as mentioned above, the assets of the Group will have a net decrease of HK\$180 million, which is approximately 0.69% of the total consolidated assets of the Group. Due to the repayment on the outstanding loans on the Tsuen wan Property and the Lung Wah Property, the liabilities of the Group will also decrease by HK\$340 million, which is approximately 1.83% of the total liabilities of the Group.

6. General information

MG Tsuen Wan A and MG Tsuen Wan B are both investment holding companies under the Macquarie Goodman Group, which the Directors confirm that to the best of their knowledge, information and belief, after having made all reasonable enquiry, is an Independent Third Party. The Macquarie Goodman Group is involved in property investment, funds management, property development and property services.

Additional information

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
By order of the Board
Guangzhou Investment Company Limited
Ou Bingchang
Chairman

LETTER FROM THE BOARD OF DIRECTORS

- The Lung Wah Property is sold to MG Tsuen Wan B on an "as is" basis in its present state and condition and MG Tsuen Wan B declares and confirms that it has inspected and accepts and purchase with full knowledge of the existing user, physical state, condition and finishes of the Lung Wah Property.
- The Lung Wah Property is sold to and with the benefit of the existing lettings, tenancies and licences.
- Completion of this Lung Wah International Godown Agreement is conditional upon the Tsuen Wan International Centre Agreement being completed simultaneously.
- Front Riches and MG Tsuen Wan B shall enter into a formal sale and purchase agreement on or before 8 January 2006, if for any reason a formal sale and purchase agreement shall not be signed by the parties, the Lung Wah International Godown Agreement shall become the formal sale and purchase agreement and shall be binding on the parties in all respects fully and effectively.

3. Business of the Group

The principal businesses of the Group are property development, management and investment, newsprint manufacturing and operation of toll roads and bridges.

4. Reasons for and benefits of the Disposal

The Board considers that the Disposals will enable the Group to free up capital for the Group's operations, any potential new investment opportunities that might arise in the future, and improve the Group's gearing. The Group currently has not identified any immediate investment targets. Approximately HK\$205 million of the proceeds will be reserved for the Group's operations and any potential new investment opportunities, and HK\$340 million will be used to repay bank loans. The amount of outstanding mortgage loans for the Tsuen Wan Property and Lung Wah Property are HK\$160 million and HK\$180 million respectively.

The Board, including the Independent Non-executive Directors of the Company, consider the Disposals to be on normal commercial terms, and that the terms are fair and reasonable and the Disposals are in the interests of the Company and the Shareholders as a whole.

5. Financial impact of the transaction

Upon completion of the Disposal, the Group is expected to record a gain on the Disposal of approximately HK\$160 million. The Disposal will generate HK\$545 million cash inflow to the Group, of which HK\$340 million will be used to repay outstanding bank loans on the Tsuen Wan Property and the Lung Wah Property which total HK\$360 million as at 30 June 2005.

LETTER FROM THE BOARD OF DIRECTORS

Purchaser: MG Tsuen Wan B, a corporation which, the Directors confirm that to the best of their knowledge, information and belief, after having made all reasonable enquiry, is and its ultimate beneficial owner is an Independent Third Party.

Assets: Lung Wah Property, being, all that piece or parcel of ground registered in the Land Registry as The Remaining Portion of Tsuen Wan Town Lot No.135 together with the messuages erections and buildings thereon now known as Nos. 72-76 Wang Lung Street, Tsuen Wan, New Territories, Hong Kong and All That piece or parcel of land registered in the Land Registry as Section A of Tsuen Wan Town lot No.135.

The Lung Wah Property is currently leased out to various tenants. Total area of the Lung Wah Property is 235,599 sq. feet.

Consideration: HK\$180 million which was agreed after arm's length negotiations between Front Riches and MG Tsuen Wan B by reference to the general market value of similar properties and shall be payable in cash as follows:

- (i) HK\$18 million on the signing of the Lung Wah International Godown Agreement; and
- (ii) HK\$162 million on completion, which is expected to be two months from the date of the Lung Wah International Godown Agreement, or as agreed between Front Riches and MG Tsuen Wan B in writing.

According to the audited balance sheet of Front Riches, as at 31 December 2004, the book value of the Lung Wah Property was HK\$125 million. A valuation of the Lung Wah Property was carried out on 30 June 2005 and the value of the Lung Wah Property remained at HK\$125 million. The carrying value of the Lung Wah Property as at 30 November 2005 was also HK\$125 million. The expected gain to the Group from the Disposal with reference to the consideration to be received and the book value of the Lung Wah Property is approximately HK\$55 million.

For the two financial years ended 31 December 2003 and 2004, the net profit/(loss) before taxation in relation to the Lung Wah Property was HK\$3,403,558 and HK\$3,366,887 respectively.

Terms:

- Front Riches shall show and give a good and marketable title to the Lung Wah Property and MG Tsuen Wan B shall be deemed to have accepted Front Riches' title to the Lung Wah Property upon the signing of the Lung Wah International Godown Agreement.

LETTER FROM THE BOARD OF DIRECTORS

According to the audited balance sheet of Raybeach as at 31 December 2004, the book value of the Tsuen Wan Property was HK\$260 million. A valuation of the Tsuen Wan Property was carried out on 30 June 2005 and the value of the Tsuen Wan Property remained at HK\$260 million. The carrying value of the Tsuen Wan Property as at 30 November 2005 is HK\$260 million. The expected gain to the Group from the Disposal with reference to the consideration to be received and the book value of the Tsuen Wan Property is approximately HK\$105 million.

For the two financial years ended 31 December 2003 and 2004, the net profit/(loss) before taxation in relation to the Tsuen Wan Property was HK\$8,645,211 and HK\$7,970,907 respectively.

Terms:

- Raybeach shall show and give a good and marketable title to the Tsuen Wan Property and MG Tsuen Wan A shall be deemed to have accepted Raybeach's title to the Tsuen Wan Property upon the signing of the Tsuen Wan International Centre Agreement.
- The Tsuen Wan Property is sold to MG Tsuen Wan A on an "as is" basis in its present state and condition and MG Tsuen Wan A declares and confirms that it has inspected and accepts and purchase with full knowledge of the existing user, physical state, condition and finishes of the Tsuen Wan Property.
- The Tsuen Wan Property is sold to and with the benefit of the existing lettings, tenancies and licences.
- Completion of the Tsuen Wan International Centre Agreement is conditional upon the Lung Wah International Godown Agreement being completed simultaneously.
- Raybeach and MG Tsuen Wan A shall enter into a formal sale and purchase agreement on or before 8 January 2006, if for any reason a formal sale and purchase agreement shall not be signed by the parties, the Tsuen Wan International Centre Agreement shall become the formal sale and purchase agreement and shall be binding on the parties in all respects fully and effectively.

II. Lung Wah International Godown Agreement

Date: 9 December 2005

Vendor: Front Riches Limited, an investment holding company, and a wholly-owned subsidiary of the Company.

LETTER FROM THE BOARD OF DIRECTORS

2. The Agreements

I. Tsuen Wan International Centre Agreement

- Date:** 9 December 2005
- Vendor:** Raybeach Investment Limited, an investment holding company, and a wholly-owned subsidiary of the Company.
- Purchaser:** MG Tsuen Wan A, a corporation which, the Directors confirm that to the best of their knowledge, information and belief, after having made all reasonable enquiry, is and its ultimate beneficial owner is an Independent Third Party.
- Asset:** Tsuen Wan Property, being Unit on G/F, Unit A on 3/F, Unit A, B, C & D on 4/F, 6/F, 7/F, 8/F, 10/F and 11/F, Unit E on 11/F, Units A, B, C, D and E on 12/F, 13/F, 17/F, 18/F, 23/F, 25/F, 26/F, 27/F, 28/F and 30/F, Units A and B on 19/F, all roofs, container parking spaces Nos. C1, C2, C3, C4, C5, C6 and C7 on 1/F, private parking spaces Nos. P2, P3, P4, P5, P6, P7, P8, P9, P10, P11, P12, P13, P14, P15, P16, P17 and P18 on 1/F, lorry parking spaces Nos. L1, L3, L4 and L5 on 1/F, private parking spaces P19, P20, P21, P22, and P23 on 2/F, and lorry parking spaces Nos. L7, L8, L9, L10, L11, L12, L13, L14, L15 and L16 on 2/F of Tsuen Wan International Centre.
- The Tsuen Wan Property is currently leased out to various tenants. Total area of the Tsuen Wan Property is 394,251 sq. feet.
- Consideration:** HK\$365 million which was agreed after arm's length negotiations between the Raybeach and MG Tsuen Wan A by reference to the general market value of similar properties and shall be payable in cash as follows:
- (i) HK\$36.5 million upon the signing of the Tsuen Wan International Centre Agreement; and
 - (ii) HK\$328.5 million on completion, which is expected to be two months from the date of the Tsuen Wan International Centre Agreement, or as agreed between Raybeach and MG Tsuen Wan A in writing.

LETTER FROM THE BOARD OF DIRECTORS



越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 123)

Directors:

Executive Directors:

Ou Bingchang (*Chairman*)

Liang Yi

Chen Guangsong

Li Fei

Legal address:

Registered office:

24th Floor, Yue Xiu Building

160-174 Lockhart Road

Wanchai

Hong Kong

Independent non-executive Directors:

Yu Lup Fat Joseph

Lee Ka Lun

Lau Hon Chuen Ambrose

3 January 2006

To the shareholders of the Company

Dear Sir or Madam,

DISCLOSEABLE TRANSACTIONS

1. Introduction

As disclosed in the announcement issued by the Company dated 9 December 2005, Raybeach Investment Limited and Front Riches Limited, both being wholly-owned subsidiaries of the Company, separately entered into the Tsuen Wan International Centre Agreement and the Lung Wah International Godown Agreement for the sale of the Tsuen Wan Property and the Lung Wah Property to Independent Third Parties for a total consideration of HK\$545 million.

The Disposals contemplated under the Tsuen Wan International Centre Agreement and the Lung Wah International Godown Agreement together constitute a discloseable transaction of the Company under the Listing Rules. The purpose of this circular is to provide the shareholders of the Company with information in relation to the Tsuen Wan International Centre Agreement and the Lung Wah International Godown Agreement in compliance with the Listing Rules.

DEFINITIONS

**“Tsuen Wan International
Centre Agreement”**

the provisional sale and purchase agreement dated 9 December 2005, entered into between Raybeach Investment Limited as the vendor, and MG Tsuen Wan A as the purchaser for the disposal of the Tsuen Wan Property

“Tsuen Wan Property”

the property being the subject matter of the Tsuen Wan International Centre Agreement, which is more particularly set out in the paragraph headed “The Agreements — I. Tsuen Wan International Centre Agreement — Assets” in this circular

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

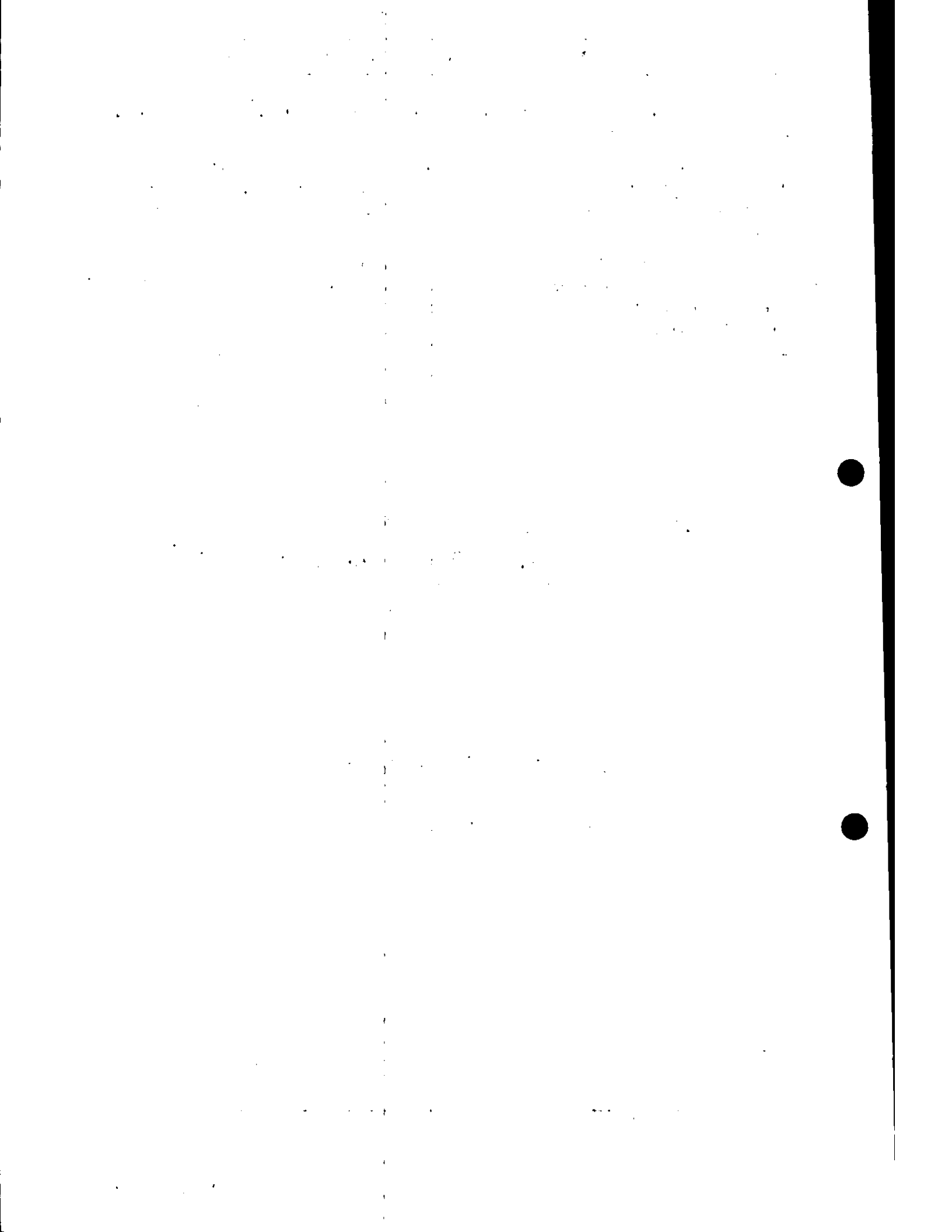
DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	Guangzhou Investment Company Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange
“Directors”	the directors of the Company
“Disposal”	the disposal of the Tsuen Wan Property and the Lung Wah Property pursuant to the Tsuen Wan International Centre Agreement and Lung Wah International Godown Agreement
“Front Riches”	Front Riches Limited, a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a party and its ultimate beneficial owner are third parties which are independent of the Company and connected persons of the Company
“Latest Practicable Date”	29 December 2005
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lung Wah International Godown Agreement”	the provisional sale and purchase agreement dated 9 December 2005, entered into between Front Riches Limited as the vendor, and MG Tsuen Wan B as the purchaser for the disposal of the Lung Wah Property
“Lung Wah Property”	the property being the subject matter of the Lung Wah International Godown Agreement, which is more particularly set out in the paragraph headed “The Agreements — II. Lung Wah International Godown Agreement — Assets” in this circular
“Raybeach”	Raybeach Investment Limited, a wholly owned subsidiary of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any of the contents of this circular, you should obtain independent professional advice.

If you have sold or transferred all your shares in Guangzhou Investment Company Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 123)

DISCLOSEABLE TRANSACTIONS

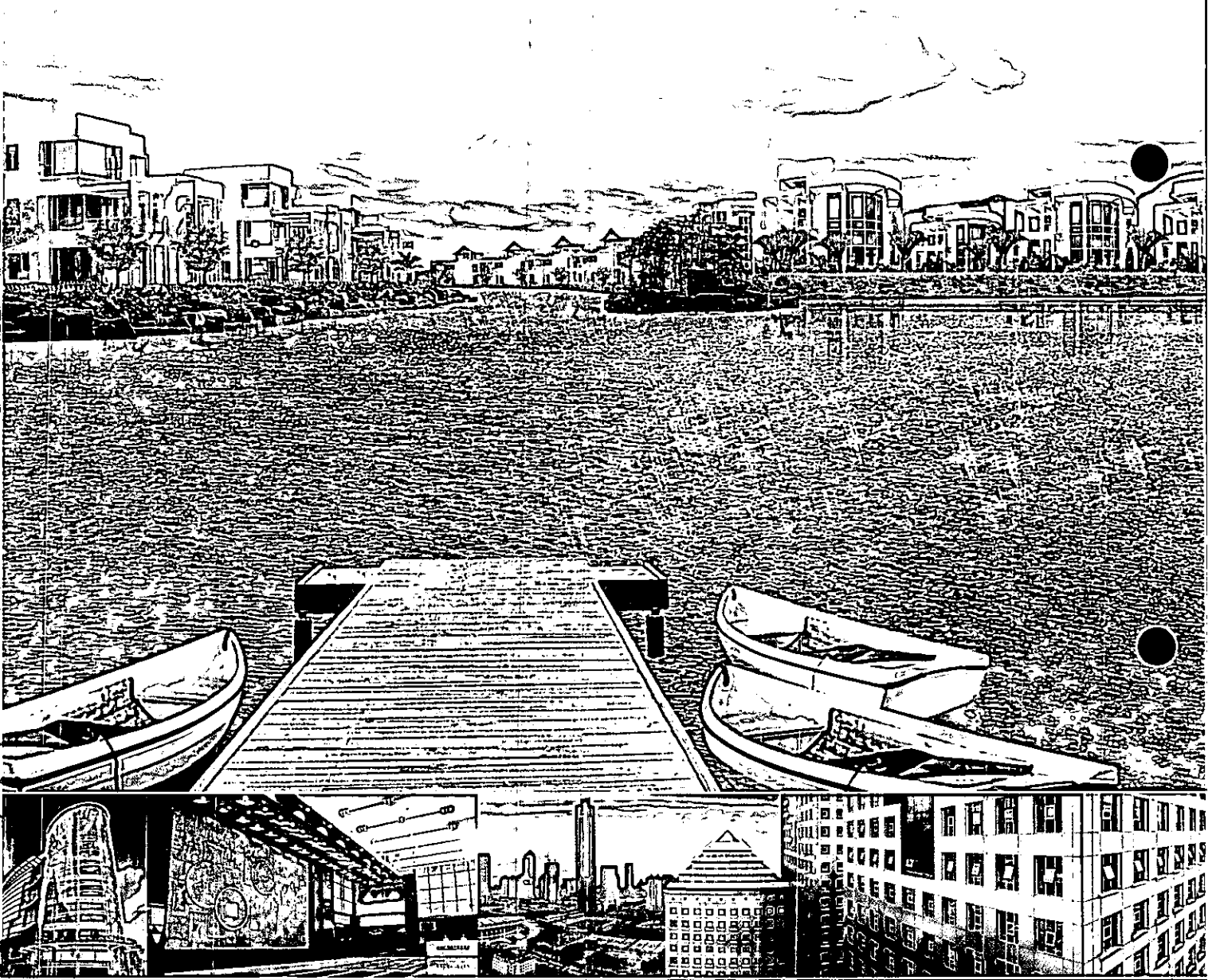
DISPOSAL OF PROPERTIES

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CORPORATE FINANCE



GUANGZHOU INVESTMENT COMPANY LIMITED

越秀投資有限公司



2005 中期報告



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	未經審計	
	截至六月三十日止六個月	
	二〇〇五年 千港元	二〇〇四年 經重列 千港元
營業額	1,588,191	2,274,010
經營盈利	685,780	283,885
應佔盈利		
共同控制實體	14,534	252
聯營公司	103,008	91,343
股東應佔盈利	132,434	111,506
每股基本盈利	2.08港仙	1.77港仙
每股全面攤薄盈利	2.05港仙	1.73港仙

	二〇〇五年 六月三十日	二〇〇四年 十二月三十一日
	千港元	經重列 千港元
總資產	26,304,706	24,476,520
總負債(包括少數股東權益)	18,565,909	17,486,152
股東權益	7,738,797	6,990,368
每股淨資產	1.21港元	1.10港元
總資本負債比率	41%	43%

業務回顧

受惠於出租物業評估升值，收費公路及新聞紙業務持續上升，截至二〇〇五年六月三十日止六個月，本集團股東應佔盈利增長19%至1.32億港元。但受地產業務會計政策改變的影響，期內本集團營業額下降至15.88億港元，較二〇〇四年同期減少30%。

地產業務

受發展中物業銷售收入確認會計政策變化的影響，本期賬面確認物業銷售收入大幅下降，但出租物業受惠於廣州市商業環境的日益改善，在租金水平及出租率不斷上升的同時，令出租物業估值整體上升。

期內，本集團物業銷售收入確認由完工進度法改為按項目竣工後方可入賬的方法，令本期賬面反映物業銷售樓面面積跌至2.5萬平方米，營業額為2.77億港元，與去年同期相比分別下降了83%及75%。

從去年開始，本集團對地產業務實施「住宅開發與商業地產經營並重」的策略，通過適當把商業地產做大，借助商業地產的輻射能力，使本集團出租物業收益穩步上升。本集團新推出的商業物業財富廣場及維多利廣場，定位明確，吸引了眾多跨國公司及優質商戶租用。如財富廣場的主要租戶中就有兩家全球十大銀行，而一家廣州市著名的本地百貨公司進駐了維多利廣場經營分店。截至二〇〇五年六月三十日止六個月，本集團穗港兩地物業租金總收入為2.44億港元，較二〇〇四年同期上升21%。基於租金收入的增加，本集團物業評估升值6.63億港元。

其它業務：收費公路業務盈利顯著增長，造紙業務利潤穩步上升

期內，本集團收費公路業務實現營業額2.04億港元，較去年同期上升7%。期內，本集團在聯營公司應佔盈利1.03億港元，較去年同期增長了13%。尤其是共同控制實體北二環高速公路表現突出，受惠於周邊路網完善，令本集團二〇〇五年上半年應佔共同控制實體盈利1,453萬港元，較去年同期大幅上升57倍。

二〇〇五年上半年，國內新聞紙市場出現需求旺盛的景象，市場銷售價格節節上升，本集團造紙業務充分抓住有利時機，期內實現除稅後盈利4,902萬港元，較去年同期增長了36%。此外，本集團加強企業自身內部管理，對生產工藝進行改造，大力壓縮人力成本及管理費用，進而增加企業利潤。

未來策略及前景

二〇〇五年上半年，廣州市國內生產總值上升約11%，達2,103億元人民幣，經濟增長仍保持良好勢頭，高於全國平均9.5%的增長速度。於二〇〇四年下半年開始，中央政府實施了一系列經濟調控政策，以防止房地產業過熱。本集團相信中國的宏觀調控政策將令廣州市的房地產市場更加健康發展，而本集團在廣州市二十多年的豐富經驗將有助於本集團充分規避潛在政策風險，本集團將在執行既定年度策略的基礎之上，通過保持合理的開發及銷售節奏，加強對市場短期走勢的把握，以突現競爭優勢，謀求出眾的市場表現。期內，本集團在建中樓面面積約120萬平方米。在建的住宅項目主要有江南新苑、濱江怡苑、翠城花園、星匯雅苑及星匯晴軒，都是地處交通便利區域，加之新穎的設計風格，將為本集團帶來良好收益。主要的商業項目有以下幾項：越秀城市廣場，該廣場地處廣州市東風中路，總建築面積約10萬平方米，裙樓聚合金融機構、特色商業區和多功能高級商務會所、餐飲等商業設施。亞太世紀廣場緊臨廣州市標誌性建築中信廣場，總建築面積約22萬平方米，是超五星級酒店、甲級寫字樓、購物廣場及文化休閒中心相結合的大型綜合物業，預料將會是未來天河中心區的超級商業航母。維多利廣場上蓋塔樓，為兩棟寫字樓，寫字樓部分建築面積約9萬平方米，此項目配備了先進的智能化設施，預期領航廣州市未來頂級寫字樓市場。而地處廣州市傳統黃金商圈的越秀新都會廣場，總建築面積約8萬平方米，為地鐵口上蓋綜合商業物業。

展望未來，廣州市將加快發展物流、會展、金融、中介服務、文化等現代服務業，提升廣州市作為華南地區經濟中心的地位和作用。今年上半年廣州市實行了行政區域調整，為廣州市經濟的發展提供了有效空間，通過調整，各區的空間分割更為合理，有利於產業多樣化發展，從整體優化了廣州市的經濟佈局。特別是南沙單獨成立新區後，作為廣州市真正的臨海區域，以發展港口經濟、重化工業和機械工業為主，近期南沙人口發展目標為100萬人左右，其作為廣州市南部新經濟帶的作用隨著新區成立，將日益凸顯。本集團在南沙擁有大量的土地儲備，南沙的快速發展將使得本集團受益良多，目前本集團已經開發的南沙濱海花園一期、二期銷售勢頭良好就是其表現。收費公路及新聞紙業務也將獲得向上發展的空間。整體而言，本集團的業務與廣州市經濟的發展息息相關，也將成為上述發展的主要受惠者。本集團將持續加強自身競爭能力，繼續為股東帶來更佳回報。

董事會欣然宣佈，由本公司、本集團擁有95%權益之廣州市城市建設開發有限公司（「GCCD」）及擁有GCCD餘下5%權益之廣州市城市建設開發集團有限公司組成之聯合體已成功投得興建廣州市珠江新城雙塔之西塔（「該項目」）之權利，該項目擬結合酒店、會議設施、觀光、旅遊及商業等各功能。預期該項目將成為全廣州市最高之建築物。該項目之建築工程預期於本年度開展，並將於二〇〇九年竣工。本公司將於適當時候就該項目另行刊發公告。

財務回顧

業績分析

本集團截至二〇〇五年六月三十日止六個月的營業額為1,588,191,000港元，較二〇〇四年同期減少30%，營業額減少主要是由於確認銷售發展中物業所得收益之會計政策變化所致。交通業務及造紙業務則受惠於國內經濟持續增長，營業額較去年同期分別增長7%和10%。

根據香港會計師公會頒佈的香港一詮釋第3號：收入—開發中物業預售合約，本集團地產業務不再採用完工百分比法來確認預售物業的收入，收入確認調整為按項目竣工後方可入帳。由於二〇〇五年上半年地產業務銷售的重點項目大部分為預售項目，竣工項目較少，所以確認為二〇〇五年上半年的物業銷售收入為276,530,000港元，而二〇〇四年同期根據完工百分比法確認物業銷售收入為1,108,000,000港元。物業租金收入較二〇〇四年同期增加21%至244,480,000港元，主要是本集團位於廣州市中心區的商用物業的租金水平及出租率上升所致。交通業務受惠於公路網絡的逐步完善及車流量的自然增長，二〇〇五年上半年營業額為204,006,000港元，較二〇〇四年同期增長7%。至於造紙業務，受國內龐大需求的帶動，銷售單價上升，二〇〇五年上半年營業額為616,670,000港元，較二〇〇四年同期增長10%。

同樣由於受銷售物業收入確認會計政策變化的影響，本集團二〇〇五年上半年毛利較去年同期下降35%至350,573,000港元。

由於本集團採取加強控制費用支出的措施，二〇〇五年上半年銷售及分銷開支下降13%至55,125,000港元；而一般及行政開支則受股權支付會計處理方法之新會計準則及對部分應收款項進行壞帳撥備的影響，二〇〇五年上半年本集團一般及行政開支上升38%至279,046,000港元。由於採納香港會計準則第40號，二〇〇五年上半年本集團投資物業評估升值662,539,000港元。

由於需攤銷完舊銀團五年期的貸款費用及二〇〇五年上半年息率較去年同期增加，令本集團二〇〇五年上半年財務成本增加51%至114,092,000港元。

本集團應佔聯營公司盈利於二〇〇五年上半年上升13%至103,008,000港元，主要是本集團交通業務旗下的虎門大橋和北環高速公路受惠於珠江三角洲地區經濟的持續增長，應佔稅後盈利和利息收入分別錄得24.1%和15%的增長。至於應佔共同控制實體盈利，由於北二環高速公路受京珠高速公路、廣惠高速公路和廣州新機場開通的影響，令本集團二〇〇五年上半年應佔共同控制實體盈利14,534,000港元，較去年同期大幅上升57倍。

截至二〇〇五年六月三十日止六個月，受物業評估升值的影響，本集團除稅前盈利689,230,000港元，較去年同期上升130%。

截至二〇〇五年六月三十日止六個月，本集團稅項包括計提遞延稅項為327,893,000港元，較去年同期上升465%。

截至二〇〇五年六月三十日止六個月，受惠於物業評估升值，本集團除稅後盈利為361,337,000港元，較去年同期上升49%。

截至二〇〇五年六月三十日止六個月，由於除稅後盈利大幅增加令少數股東權益增加75%至228,903,000港元。

截至二〇〇五年六月三十日止六個月，本集團的股東應佔盈利增長19%至132,434,000港元。每股基本盈利為2.08港仙，較二〇〇四年同期上升18%。

中期股息

本公司董事會已議決宣派二〇〇五年中期股息每股0.01港元(二〇〇四年：0.0083港元)，並定於二〇〇五年十一月八日派發予於二〇〇五年十月二十八日名列股東名冊的股東。中期股息的派息率為48%。

每股盈利

	截至六月三十日止六個月	
	二〇〇五年	二〇〇四年 經重列
已發行股份加權平均數	6,362,643,190	6,300,120,794
股東應佔盈利(港元)	132,434,000	111,506,000
每股基本盈利(港仙)	2.08	1.77
每股全面攤薄盈利(港仙)	2.05	1.73

於二〇〇五年六月三十日，發行在外之已發行股份總數為6,379,125,914股。

流動資金及資金來源

於二〇〇五年六月三十日，本集團之銀行存款及現金(包括有押記銀行存款)達1,270,000,000港元(二〇〇四年：902,000,000港元)，其中大多數是人民幣。

於二〇〇五年六月三十日，本集團之未償還銀行借款(不包括銀行透支)(「銀行借款」)約5,341,000,000港元(二〇〇四年：5,170,000,000港元)，其中銀行借款約44%是以人民幣為單位，而其餘是以港元為單位。

下表顯示銀行借款之還款時間表：

於下列期間內償還：

	千港元
一年	1,597,302
一至二年	768,277
二至五年	2,975,098
總計	<u>5,340,677</u>

銀行借款約30%須於一年內償還，其中84%為人民幣貸款。

財務政策

本集團繼續確保其業務自多個具競爭力之途徑獲取資金，擁有已承諾融資額供進行再融資及業務發展。此外，本集團採取穩健方法積極管理貨幣及利率風險。

於二〇〇五年五月三十日，本集團獲得一筆為數38億港元之五年期貸款融資，用作為現有銀行借款再融資，並為業務發展提供適當之營運資金水平。

本集團之融資活動繼續獲得銀行接受及全面支持。由於預計出現新投資項目或銀行貸款到期，本集團將會考慮新融資，同時維持適當之資本負債水平。

本集團之財務政策是不會從事投機交易。本集團將會按照財務指引，動用遠期合約及利率與貨幣掉期來處理外幣交易風險。

本集團之借款大部分以港元為單位，因此，須面對與人民幣收入之市場變動有關之匯率風險。由於借款現時按浮動倫敦銀行同業拆息率計息，利率波動亦可能會增加借款成本。本集團採用利率及貨幣掉期工具以減低利率及匯率風險，如於利率與匯率不確定或波動時，本集團將考慮動用標準對沖工具，以將相關風險減至最低。

資本性開支及投資

二〇〇五年上半年，本集團之資本性開支及投資約為52,600,000港元，該等開支為對共同控制實體廣州市西二環高速公路有限公司（「廣州市西二環高速公路公司」）之股本注資。購買固定資產及生產設施之資本性開支約為187,000,000港元。

資本及其他承擔

於二〇〇五年六月三十日，本集團向廣州市西二環高速公路作出人民幣206,500,000元（相等於約193,900,000港元）之股本結餘承擔。此項結餘將會於獲廣州市西二環高速公路公司之董事會進一步通過後分期支付。

或然負債

於二〇〇五年六月三十日，本集團已為購置若干物業單位之買家安排銀行融資，以及提供擔保以保證償還貸款之責任達126,000,000港元（二〇〇四年：250,000,000港元）。

資本結構

下表概述本集團資本架構成分：

	二〇〇五年 六月三十日		二〇〇四年 十二月三十一日 (經重列)	
	千港元	%	千港元	%
銀行借款(浮息)				
以人民幣結算	2,360,677	18	2,382,496	20
以美元結算	—	—	117,000	1
以港元結算	2,980,000	23	2,670,231	22
總銀行借款	5,340,677	41	5,169,727	43
股東權益	7,738,797	59	6,990,368	57
資本總值	13,079,474	100	12,160,095	100
總資本負債比率	41%		43%	

利息保障倍數

二〇〇五年上半年之利息保障倍數為3.7倍(二〇〇四年經重列：7.4倍)，乃按計入應佔聯營公司及共同控制實體的盈利減虧損後的經營盈利，並就非現金項目作出調整後計算得出。利息保障倍數下跌主要由於期內利息開支增加所致。

僱員

於二〇〇五年六月三十日，本集團聘用約7,250名僱員，其中約7,120名僱員主要參與地產、收費公路及造紙的業務。

本集團給予員工的薪酬主要根據行內慣例，提供包括供款之公積金及其他員工福利。本集團亦已採納購股權計劃，根據本集團的業績及個別員工之表現而授出購股權。

簡明綜合損益表

截至二〇〇五年六月三十日止六個月

未經審核

截至六月三十日止六個月

	附註	二〇〇五年 千港元	二〇〇四年 經重列 千港元
營業額	6	1,588,191	2,274,010
銷售成本	7	(1,237,618)	(1,734,213)
毛利		350,573	539,797
其他收益		6,839	9,795
銷售及分銷開支	7	(55,125)	(63,168)
一般及行政開支	7	(279,046)	(202,539)
投資物業的重估盈餘		662,539	—
經營盈利		685,780	283,885
財務費用		(114,092)	(75,463)
應佔下列公司的盈利減虧損			
共同控制實體		14,534	252
聯營公司		103,008	91,343
除稅前盈利		689,230	300,017
稅項	8	(327,893)	(58,057)
期內盈利		361,337	241,960
應佔：			
本公司股權持有人		132,434	111,506
少數股東權益		228,903	130,454
		361,337	241,960
按期內本公司股權持有人應佔 盈利計算的每股盈利	9		
— 基本		2.08港仙	1.77港仙
— 攤薄		2.05港仙	1.73港仙
中期股息	10	64,028	52,531

簡明綜合資產負債表

於二〇〇五年六月三十日及二〇〇四年十二月三十一日

	附註	於	
		二〇〇五年 六月三十日 未經審核 千港元	二〇〇四年 十二月三十一日 經重列 千港元
資產			
非流動資產			
於收費公路及橋樑之權益	11	1,951,634	2,001,376
其他無形資產	11	45,365	(489,960)
固定資產	11	1,375,794	1,351,358
投資物業	11	5,458,801	4,775,305
租賃土地及土地使用權	11	3,124,223	3,291,022
於共同控制實體之權益		739,254	643,437
於聯營公司之權益		1,775,477	1,760,348
遞延稅項資產	20	56,538	56,199
其他應收款項－非即期部分		104,900	104,900
可供出售之金融資產	12	387,380	—
其他投資		—	261,347
		15,019,366	13,755,332
流動資產			
持作發展／發展中物業		4,090,234	3,567,636
待售物業		1,079,953	1,235,566
租賃土地及土地使用權	11	3,738,029	3,766,295
存貨		208,816	195,288
應收關連公司款項		1,219	3,234
應收賬款	13	427,637	457,868
其他應收款項、預付款項及按金		469,692	593,644
已押記銀行存款		91,586	70,747
銀行結餘及現金		1,178,174	830,910
		11,285,340	10,721,188

簡明綜合資產負債表

於二〇〇五年六月三十日及二〇〇四年十二月三十一日

	附註	於	
		二〇〇五年 六月三十日 未經審核 千港元	二〇〇四年 十二月三十一日 經重列 千港元
負債			
流動負債			
應付賬款	14	358,974	414,493
應付地價		785,685	729,410
其他應付款項及應計費用		3,657,210	3,054,229
應付共同控制實體款項		120,661	123,442
應付聯營公司款項		112,150	112,150
應付少數股東款項		149,092	186,831
借款	15	1,607,449	2,046,850
金融衍生工具	16	33,228	29,021
應付稅項		96,479	133,798
		<u>6,920,928</u>	<u>6,830,224</u>
流動資產淨值		<u>4,364,412</u>	<u>3,890,964</u>
總資產減流動負債		<u>19,383,778</u>	<u>17,646,296</u>
非流動負債			
借款	15	4,590,722	4,038,412
遞延稅項負債	20	3,469,419	3,159,380
		<u>8,060,141</u>	<u>7,197,792</u>
淨資產		<u>11,323,637</u>	<u>10,448,504</u>
權益			
本公司股權持有人應佔股本及儲備			
股本	17	637,913	635,160
其他儲備	19	5,918,499	5,770,281
保留盈利	19		
— 擬派股息		64,028	57,266
— 其他		1,118,357	527,661
		<u>7,738,797</u>	<u>6,990,368</u>
少數股東權益		3,584,840	3,458,136
權益總額		<u>11,323,637</u>	<u>10,448,504</u>

簡明綜合現金流量表

截至二〇〇五年六月三十日止六個月

未經審核
截至六月三十日止六個月

	二〇〇五年 千港元	二〇〇四年 經重列 千港元
經營業務產生之現金流入淨額	546,185	743,708
投資業務之現金流出淨額	(167,292)	(128,625)
理財項目之現金流出淨額	(15,799)	(684,277)
	<hr/>	<hr/>
現金及現金等價物之增加／(減少)	363,094	(69,194)
於一月一日之現金及現金等價物	806,147	1,035,808
	<hr/>	<hr/>
於六月三十日之現金及現金等價物	<u>1,169,241</u>	<u>966,614</u>
現金及現金等價物結餘分析：		
銀行結餘及現金	1,178,174	991,992
銀行透支	(8,933)	(25,378)
	<hr/>	<hr/>
	<u>1,169,241</u>	<u>966,614</u>

簡明綜合權益變動表

截至二〇〇五年六月三十日止六個月

		未經審核			
		本公司股權 持有人應佔		少數 股東權益	總額
附註	股本 千港元	儲備 千港元	千港元	千港元	
於二〇〇五年一月一日之結餘 (如前所述為權益)	635,160	6,599,141	—	7,234,301	
於二〇〇五年一月一日之結餘 (如前所述單列為少數股東權益)	—	—	3,467,807	3,467,807	
租賃土地及土地使用權攤銷	19	(459,085)	(18,904)	(477,989)	
就投資物業重估所產生 遞延稅項作出之調整	19	215,152	9,233	224,385	
於二〇〇五年一月一日之結餘(經重列)	635,160	6,355,208	3,458,136	10,448,504	
採納香港會計準則第39號作出之期初調整	19	134,387	6,066	140,453	
採納香港財務報告準則 第3號作出之期初調整	19	529,685	5,640	535,325	
作出期初調整後於二〇〇五年一月一日 之結餘(經重列)	635,160	7,019,280	3,469,842	11,124,282	
匯兌差額	19	2,695	1,062	3,757	
可供出售之金融資產公允值減少	19	(21,673)	(43,964)	(65,637)	
直接在權益中確認之開支淨額	—	(18,978)	(42,902)	(61,880)	
期內盈利	—	132,434	228,903	361,337	
截至二〇〇五年六月三十日止六個月 之確認收入總額	—	113,456	186,001	299,457	
僱員購股權計劃 — 僱員服務價值	19	15,126	—	15,126	
發行股本	17及19	2,753	—	13,103	
二〇〇四年股息	19	(57,328)	(71,003)	(128,331)	
		2,753	(31,852)	(71,003)	
於二〇〇五年六月三十日之結餘	637,913	7,100,884	3,584,840	11,323,637	

簡明綜合權益變動表

截至二〇〇五年六月三十日止六個月

未經審核

	附註	本公司股權 持有人應佔		少數	總額 千港元
		股本 千港元	儲備 千港元	股東權益 千港元	
於二〇〇四年一月一日之結餘 (如前所述為權益)		624,872	6,344,488	—	6,969,360
於二〇〇四年一月一日之結餘 (如前所述單列為少數股東權益)		—	—	3,374,822	3,374,822
租賃土地及土地使用權攤銷	19	—	(421,230)	(16,209)	(437,439)
就投資物業重估所產生遞延 稅項作出之調整	19	—	216,413	9,220	225,633
於二〇〇四年一月一日之結餘(經重列)		624,872	6,139,671	3,367,833	10,132,376
匯兌差額	19	—	(496)	(170)	(666)
出售待售物業時撥回儲備	19	—	(8,933)	—	(8,933)
直接在權益中確認之開支淨額		—	(9,429)	(170)	(9,599)
期內盈利		—	111,506	130,454	241,960
截至二〇〇四年六月三十日止六個月 之確認收入總額		—	102,077	130,284	232,361
僱員購股權計劃 — 僱員服務價值	19	—	6,223	—	6,223
發行股本	17及19	7,369	22,536	—	29,905
被視作收購附屬公司		—	—	27,822	27,822
二〇〇三年股息	19	—	(68,123)	(179,034)	(247,157)
		7,369	(39,364)	(151,212)	(183,207)
於二〇〇四年六月三十日之結餘		632,241	6,202,384	3,346,905	10,181,530

1 編製基準及會計政策

本未經審核簡明綜合中期賬目已根據香港會計師公會發出之香港會計準則(「香港會計準則」)第34號「中期財務報告」而編製。

該等簡明綜合中期賬目應與二〇〇四年財務報表一併閱讀。

除了本集團已於其採納新／經修訂香港財務報告準則及香港會計準則(「新香港財務報告準則」)(由二〇〇五年一月一日或該日之後之會計期間生效)後更改其若干會計政策外，編製該等簡明綜合財務資料所採用之會計政策及計算方法，均與編製截至二〇〇四年十二月三十一日止年度之年度財務報表所採用者一致。

該等中期賬目已根據於編製該等賬目時已發出及生效之該等香港財務報告準則及詮釋而編製。於二〇〇五年十二月三十一日將適用之香港財務報告準則及詮釋(包括將會按選擇性適用者)，於編製該等中期財務資料時並未確定得悉。

本集團之會計政策之變動及採納該等新政策之影響載於下文附註2。

2 會計政策之變動

(a) 採納新香港財務報告準則之影響

於二〇〇五年，本集團已採納以下與其業務有關之新／經修訂香港財務報告準則。二〇〇四年之比較數字已根據有關規定在有需要時予以修訂。

香港會計準則第1號	財務報表之呈列
香港會計準則第8號	會計政策、會計估計之變動及差錯
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租賃
香港會計準則第21號	匯率變動之影響
香港會計準則第24號	關連人士之披露
香港會計準則第32號	財務工具：披露及呈列
香港會計準則第36號	資產減值
香港會計準則第38號	無形資產
香港會計準則第39號	財務工具：確認及計量
香港會計準則第40號	投資物業
香港會計準則－詮釋第15號	經營租約－獎勵
香港會計準則－詮釋第21號	所得稅－收回經重估非折舊資產
香港財務報告準則第2號	以股份為基礎之付款
香港財務報告準則第3號	企業合併
香港－詮釋第3號	收入－開發中物業預售合約
香港－詮釋第4號	租約－釐定香港土地租約租賃期之長短

2 會計政策之變動(續)

(a) 採納新香港財務報告準則之影響(續)

採納新／經修訂香港會計準則第1、8、16、21及24號及香港會計準則－詮釋第15號及香港－詮釋第4號並無導致本集團之會計政策出現重大變動。總括而言：

- 香港會計準則第1號已影響少數股東權益、應佔聯營公司及共同控制實體之除稅後業績淨額及其他披露事宜之列報。
- 香港會計準則第8、第16號及香港會計準則－詮釋第15號及香港－詮釋第4號對本集團之政策並無任何重大影響。
- 香港會計準則第21號對本集團之政策並無重大影響。各合併實體之功能貨幣已按照經修訂準則之指引作重新評估。本集團實體全部以同一功能貨幣作為各項實體財務報表之報告貨幣。
- 香港會計準則第24號已影響識別有關連人士之身份及若干其他有關連人士之披露。

採納香港會計準則第17號已導致會計政策變更，租賃土地須由物業、廠房及設備重新歸類為經營租賃。就租賃土地作出之一次性預付款項，於租賃期內按照直線法在損益表中列作支出。若有減值，則減值部分會在損益表中列作支出。於以往年度，租賃土地是按照成本減去累計折舊及累計減值入賬。

採納香港會計準則第32號及39號導致有關對以公允價值計量並計入損益之金融資產及可供出售之金融資產之分類之會計政策變更。此外，亦導致按公允價值確認衍生財務工具，而對沖活動之確認及計量變更。

採納香港會計準則第40號已導致投資物業之會計政策有所轉變，當中公平值之變動於損益表內列作其他收入之一部分。於過往年度，公平值之增加乃計入投資物業重估儲備內。公平值之減少首先按投資組合基準抵銷較早時估值之增加，餘額則記入損益表。

採納香港會計準則－詮釋第21號已導致有關計算因重估投資物業產生之遞延稅項負債之會計政策出現變動。該等遞延稅項負債是根據將會隨著收回透過使用或透過使用及其後出售資產之賬面值出現之稅務後果計算。於過往年度，該項資產之賬面值預期會透過出售而收回。

採納香港財務報告準則第2號已導致對有關以股份為基礎之付款之會計政策之變更。直至二〇〇四年十二月三十一日，向僱員提供購股權並無導致損益表出現開支。由二〇〇五年一月一日，本集團於損益表列支購股權成本。作為一項過渡性條文，於二〇〇二年十一月七日後授出但於二〇〇五年一月一日尚未歸屬之購股權成本於各個期間之損益表內追溯列支。

採納香港財務報告準則第3號、香港會計準則第36及第38號已導致商譽之會計政策有所轉變。二〇〇四年十二月三十一日止，商譽是於最長二十年之期間以直線法攤銷及於每個結算日評估有否減值跡象。

2 會計政策之變動(續)

(a) 採納新香港財務報告準則之影響(續)

按照香港財務報告準則第3號之條文，自二〇〇五年一月一日起，本集團停止對商譽進行攤銷，於二〇〇四年十二月三十一日之累計攤銷已經從商譽成本相應減少而沖銷；自截至二〇〇五年十二月三十一日止年度起，於每年及於減值跡象出現時對商譽進行減值測試。負商譽於二〇〇五年一月一日之賬面值已於二〇〇五年一月一日被取消確認，並對保留盈利之期初結餘作出相應調整。

本集團已根據香港會計準則第38號之條文，重估其無形資產之可使用年期。本項重估並無導致作出任何調整。

採納香港一詮釋第3號已導致有關因出售待售發展中物業之完成前合約產生之收益確認之會計政策變更。該等收益只會於銷售協議完成後確認，而銷售協議完成是指物業完成交付予買家之時候。於過往年度，乃採用完工進度法確認出售待售發展中物業之完成前合約產生之收益。

調整會計政策已依據各準則之過渡性條文作出一切變更。除下列所載外，本集團採納之所有準則均需追溯應用：

- 香港會計準則第16號：於資產交易之交換中收購一項物業、廠房及設備之初步計量按公允價值入賬，只會於日後交易中追溯計算；
- 香港會計準則第21號：規定商譽之會計處理須作追溯計算及公允值調整作為外國業務之一部分；
- 香港會計準則第39號不允許根據此準則對金融資產與負債作出追溯確認、終止確認及計量。本集團已對其他投資於二〇〇四年之比較資料採用先前之會計實務準則(「會計實務準則」)第24號「證券投資之會計處理」處理。會計實務準則第24號及香港會計準則第39號之間之會計差異(如有)，均於二〇〇五年一月一日進行確定及確認；
- 經修訂香港會計準則第40號，自本集團採納公允值模式以來，本集團毋須重列比較資料。應就二〇〇五年一月一日之保留盈利作出任何調整，包括將投資物業重估盈餘中持有之任何金額重新分類；
- 香港會計準則一詮釋第15號並無規定於二〇〇五年一月一日前開始確認租約獎勵；
- 香港財務報告準則第2號只會追溯應用於二〇〇二年十一月七日後授出但於二〇〇五年一月一日歸屬之所有股本工具；及
- 香港財務報告準則第3號在採納日期以後採用，不須追溯。

2 會計政策之變動(續)

(b) 會計政策變更對本集團之影響

以下是上述有關於二〇〇五年一月一日股本及截至二〇〇四年六月三十日止六個月之業績及每股盈利之會計政策變更影響之概要：

	增加／(減少)
	於二〇〇五年 一月一日 千港元
權益	
租賃土地及土地使用權攤銷(附註i)	(477,989)
金融資產之重估盈餘(附註ii)	140,453
收回重估資產基準變更導致遞延稅項減少(附註iii)	224,385
取消確認負商譽(附註v)	535,325
	<u>422,174</u>
	截至 二〇〇四年 六月三十日 止六個月 千港元
業績	
租賃土地及土地使用權攤銷(附註i)	(15,682)
購股權計劃相關開支(附註iv)	(6,223)
	<u>(21,905)</u>
應佔：	
本公司股權持有人	(19,699)
少數股東權益	(2,206)
	<u>(21,905)</u>
	截至 二〇〇四年 六月三十日 止六個月 港仙
每股盈利	
基本及攤薄	
租賃土地及土地使用權攤銷(附註i)	(0.21)
購股權計劃相關開支(附註iv)	(0.10)
	<u>(0.31)</u>

2 會計政策之變動(續)

(b) 會計政策變更對本集團之影響(續)

以下是上述會計政策變更對個別會計項目影響之概要：

增加/(減少)	(附註i) 採納 香港會計準則 第17號之影響 千港元	(附註ii) 採納 香港會計準則 第39號之影響 千港元	(附註iii) 採納香港會計 準則—詮釋 第21號之影響 千港元	(附註iv) 採納香港 財務報告準則 第2號之影響 千港元	(附註v) 採納香港 財務報告準則 第3號之影響 千港元	總計 千港元
截至二〇〇四年六月三十日						
止六個月之損益表						
銷售成本	23,901	—	—	—	—	23,901
行政開支	3,527	—	—	6,223	—	9,750
稅項	(11,746)	—	—	—	—	(11,746)
少數股東權益	(2,206)	—	—	—	—	(2,206)
每股盈利						
—基本(港仙)	(0.21)	—	—	(0.10)	—	(0.31)
—攤薄(港仙)	(0.21)	—	—	(0.10)	—	(0.31)
於二〇〇五年一月一日之資產負債表項目						
固定資產	(89,967)	—	—	—	—	(89,967)
租賃土地及土地使用權—非即期部分	3,291,022	—	—	—	—	3,291,022
其他無形資產	—	—	—	—	535,325	535,325
共同控制實體之權益	(3,280)	—	—	—	—	(3,280)
可供出售之金融資產	—	456,231	—	—	—	456,231
其他投資	—	(261,347)	—	—	—	(261,347)
持作發展/發展中物業	(6,734,381)	—	—	—	—	(6,734,381)
待售物業	(954,192)	—	—	—	—	(954,192)
租賃土地及土地使用權—即期部分	3,766,295	—	—	—	—	3,766,295
其他應收款項、預付款項及按金	—	15,008	—	—	—	15,008
總資產	(724,503)	209,892	—	—	535,325	20,714
遞延稅項負債	(246,514)	69,439	(224,385)	—	—	(401,460)
總負債	(246,514)	69,439	(224,385)	—	—	(401,460)
淨資產	(477,989)	140,453	224,385	—	535,325	422,174
儲備	(459,085)	134,387	215,152	—	529,685	420,139
少數股東權益	(18,904)	6,066	9,233	—	5,640	2,035
權益總額	(477,989)	140,453	224,385	—	535,325	422,174

2 會計政策之變動(續)

(b) 會計政策變更對本集團之影響(續)

採納香港一詮釋第3號已導致有關因出售待售發展中物業之完成前合約產生之收益確認之會計政策變更。截至二零零五年六月三十日止六個月的綜合資產負債表及綜合損益表之影響如下：

	於二〇〇五年 六月三十日 千港元
發展中物業增加	394,476
	截至 二〇〇五年 六月三十日 止六個月 千港元
銷售減少	543,030
銷售成本減少	394,476
稅項減少	49,023
每股盈利(港仙)減少	1.52
每股攤薄盈利(港仙)減少	1.50

3 新會計政策

截至二〇〇五年六月三十日止六個月之簡明綜合賬目所採用之會計政策與二〇〇四年賬目附註1所載者相同，惟下列各項除外：

3.1 外幣折算

(a) 功能貨幣和報告貨幣

本集團各實體財務報表之項目以該實體經營之主要經濟環境下的貨幣(「功能貨幣」)計量。本公司及其香港附屬公司以港元入賬及記錄，而所有其他主要集團成員公司則以人民幣入賬及記錄。綜合財務報表以本公司之功能貨幣和報告貨幣，即港幣，進行列報。

3 新會計政策(續)

3.1 外幣折算(續)

(b) 交易和餘額

外幣交易以交易日之滙率轉換為功能貨幣。由於外幣交易的結算和對以外幣顯示之貨幣性資產和負債按年末滙率折算所產生之收益和損失均在損益表確認，惟於股權遞延時列作符合資格之現金流量對沖或符合資格之投資淨額對沖。

非貨幣項目(如按公允值誌入損益賬內持有之股本工具)之匯兌差額列報作損益公允值之一部分。非貨幣項目(列作可供出售金融資產之股權)之匯兌差額列作股本儲備之公允值。

(c) 集團公司

對其功能貨幣(均未使用惡性通貨膨脹的貨幣)和本集團的報告貨幣不一致之所有集團公司，其業績和財務狀況按下列方法折算為報告貨幣：

- (i) 各資產負債表之資產負債項目按照資產負債表日之滙率折算；
- (ii) 各損益表之收入和費用項目按照期內平均滙率折算。若平均滙率不能合理反映於交易日的滙率之累計影響，則需按照收入及費用發生時的滙率折算；及
- (iii) 外幣折算產生之差額，作為權益的單獨項目確認。

於綜合時，對國外實體投資、借款及專用作對沖該等投資之其他貨幣工具之折算產生之滙兌差額計入股東權益。處置國外業務時，相應的外幣折算差額作為處置損益的一部分於損益表中確認。

取得國外實體形成之商譽和公允價值之調整作為該國外實體之資產和負債，並按照資產負債表日滙率進行折算。

3 新會計政策(續)

3.2 投資物業

持作長期出租或資本增值或以上兩項目的，而並非由綜合集團內各公司佔用之物業，均列作投資物業。

投資物業包括根據經營租賃持有之土地及根據融資租賃持有之樓宇。

當符合投資物業之其餘定義時，根據經營租賃持有之土地列作投資物業入賬。經營租賃會按如融資租賃般入賬。

投資物業初步按其成本(包括關連交易成本)計算。

於初步確認後，投資物業按公平值入賬。公平值是按交投活躍市場之價格計算，並在有需要時就指定資產之性質、地點或狀況之任何差異調整有關市價。

投資物業之公平值表示包括來自現有租約之租金收入，以及現時市況下對來自日後租約之租金收入之假設。

當該項目相關之日後經濟利益將會流入本集團，以及項目成本可被可靠計量時，方會從資產之賬面額中扣除其後開支。所有其他維修及保養成本於產生的財務期間內在損益報表內列支。

公平值之變動於損益表內確認。

倘一項投資物業由所有人佔用，則被重新分類為物業、廠房及設備，而其於重新分類日期之公允值就會計處理而言成為其成本。興建或發展作日後用作投資物業的物業被列作物業、廠房及設備，並於有關興建或發展工程完成前，按成本列賬，而於興建或發展工程完成時，會作重新分類，其後並列作投資物業入賬。

倘物業、廠房及設備之項目因其用途改變而成為一項投資物業，該項目於轉讓日期之賬面值與公允值之間所產生之任何差額，根據香港會計原則第16號於股本內被確認作物業、廠房及設備之重估。然而，倘公允值收益撥回先前之減值虧損，則收益會於損益報表內確認。

3.3 商譽／負商譽

商譽指收購成本超出於收購日本集團應佔所收購附屬公司／聯營公司／共同控制實體之可分辨淨資產公允值之數額。收購附屬公司之商譽計入無形資產。收購聯營公司及共同控制實體之商譽計入各自之投資。商譽每年經減值測試，並按成本減累計減值虧損入賬。

商譽獲分配予產生現金單位，以進行減值測試。

倘本集團於已確認之可分辨資產、負債及或然負債之公允淨值之權益超過業務合併之成本，本集團將會：

- 重新評估被收購人之可分辨資產、負債及或然負債之分辨及計量方法，並計算合併之成本；及
- 於進行該項重新評估後，即時將任何多出之餘額在損益表內確認。

3 新會計政策(續)

3.4 資產減值

對使用年期不確定的資產不予以攤銷，但在出現顯示賬面金額不可收回之事件或變動之情況下，該資產需至少每年作減值測試。需計提攤銷的資產，於事件或環境變化顯示其賬面金額不能回收時進行減值復核。減值損失按資產賬面金額超過其可收回金額部分確認。可收回金額是指扣除銷售成本後之資產公允價值與資產使用價值中之較高者。在作減值評估時，對產生獨立可辨認的現金流量的資產按最小化組合為評估單位(現金產出單元)。

3.5 投資

由二〇〇四年一月一日至二〇〇四年十二月三十一日：

本集團將其證券投資(附屬公司、聯營公司及共同控制實體除外)列作其他投資。

持作長期投資之其他投資按成本減累積減值虧損入賬。個別投資之賬面金額於各個結算日作檢討，以評估公允值是否下降至低於賬面金額。當出現暫時下降以外之下降，該等投資之賬面金額將減少至其公允值。減值虧損已於發生導致撤減或撤銷不再存在之情況及事件，以及有具說服力之證據顯示該等新情況及事件將於可見未來持續出現時，減值虧損獲撥回至損益表內。

倘本集團將於有關連合營期間終止時交出投資之權利及權益，將會就攤銷作出撥備，以直線法於合營期間內撤銷其成本。其他投資之結果按已收取及應收取之股息之基準列賬。

自二〇〇五年一月一日起：

本集團將其投資分以下類別：以公允價值計量並計入損益之金融資產、借款和應收款項，持有至到期日之投資及可供出售之金融資產。該等分類以取得該等投資之目的為依據。管理層在初始投資時確定其分類，並於每個報告日對該等認定進行重估。

(a) 按公允值計入損益賬內之財務資產

此類別共有兩個分類：持作買賣之財務資產，以及於開始時指定按公允值計入損益賬內之財務資產。倘主要用作短期出售或由管理層指定而收購之財務資產屬於此類別。除非衍生工具專門用作進行對沖，否則彼等會列作持作買賣之衍生工具。倘此類資產是持作買賣或預期於結算日起計之十二個月內變現，則會被列作流動資產。

3 新會計政策(續)

3.5 投資(續)

(b) 貸款及應收款項

貸款及應收款項乃非衍生工具財務資產，連同並無於活躍市場上報價之固定或可予釐定之付款。貸款及應收款項於本集團向一名無意買賣應收款項之債務人直接提供金錢、貨物或服務時產生。貸款及應收款項計入流動資產內，惟到期日超過結算日後十二個月者除外。該等貸款及應收款項被列作非流動資產。貸款及應收款項於資產負債表內列作貿易及其他應收款項。

(c) 持有至到期投資

持有至到期投資是非衍生財務資產，連同固定或可予釐定之付款，以及本集團管理層有意積極及有能力持有至到期之固定到期項目。期內，本集團並無持有該類別之任何投資。

(d) 可供出售財務資產

可供出售財務資產乃此類別所指定或並無列作任何其他類別之非衍生工具。除非管理層有意於結算日起計之十二個月內出售投資，否則可供出售財務資產列作非流動資產。

本集團於各個結算日評估是否有客觀證據顯示一項財務資產或一組財務資產已減值。倘股本證券被列作可供出售，則於釐定證券是否減值時會考慮證券之公允值是否大幅或持續下降至低於其成本。倘可供出售財務資產出現該等證據，則累積虧損(計算作收購成本與現行公允值之間之差額減先前於損益表內確認之財務資產之任何減值虧損)會從股本中剔除，並於損益表內確認。在損益表確認的股本工具減值虧損不會在損益表內撥回。

3.6 以股本為基礎之補償

本集團負責推行以股本結算、以股本為基礎之補償計劃。為換取授出購股權而已接受僱員服務之公允值確認作一項開支。於歸屬期間內將予列支之總額乃經參考所授出購股權之公允值後釐定，當中不包括任何非市場歸屬條件之影響(例如盈利能力及銷售增長目標)。有關預期可予行使之購股權數目之假設包括非市場歸屬條件。於各個結算日，實體修改其對預期可予行使之購股權數目作出之假設。本集團於損益表內確認修改原有估計之影響(如有)，以及於餘下歸屬期間內對股本相應作出之調整。

已收取之所得款項已扣減於購股權獲行使時撥入股本之任何直接應佔交易成本(面值)及股份溢價。

4 財務風險管理

4.1 財務風險因素

本集團之經營活動令其面臨各種財務風險：外滙風險、信貸風險、流動性風險和現金流量之利率風險。

(a) 外滙風險

本集團某部份於中國內地經營之附屬公司進行之大部分交易以人民幣為單位。本集團須承受來自人民幣兌港元之滙兌風險。本集團並無對沖其匯率風險。

此外，對人民幣轉換為外幣受中國政府頒佈之外滙管制條例監管。

(b) 信貸風險

本集團之信貸風險並無高度集中。綜合資產負債表內貿易應收款項之賬面金額指本集團有關其財務資產之最高信貸風險。

(c) 流動資金風險

本集團確保其擁有充裕現金及信貸額以應付其流動資金需要。

(d) 現金流量及公允價值之利率風險

本集團無重大計息之資產，故本集團之收入及經營現金流量與市場利率的變動保持較大的獨立性。

本集團之利率風險源自長期貸款。浮動利率的貸款令本集團承擔現金流量利率風險，而固定利率的貸款令本集團承擔公允價值之利率風險。本集團並無對沖其現金流量及公允價值利率風險。

4.2 公允價值之估計

名義價值減去應收賬款及應付賬款之信貸調整被假設與其公允價值相約。作為披露目的，金融負債之公允價值是根據類似金融工具之現時市場利率對未來約定之現金流量折現而估計。

5 重要會計估計及假設

估計及判斷會根據過往經驗及其他因素不斷復核，包括對於有關情況下被認為合理之未來事件之期望。

5.1 重要會計估計及假設

本集團對未來作出估計及假設。此會計估計，就其定義而言，甚少會與有關實際結果相符。凡會導致對資產及負債的賬面價值作重大調整的重大風險的估計及假設討論如下。

(a) 收費公路及橋樑權益之定義

本集團及受投資公司收費公路及橋樑之權益包括有形基本建設及無形經營權。有形基本建設之折舊乃根據於指定期間之車流量除以預測總流量為基準，按單位使用基準撇銷彼等之成本計算。

本集團會定期審閱於各資產年期內之預測總流量及(如適用)考慮所取得之獨立專業交通調查。倘出現重大變動，則會作出適當調整。

現時，預測個別收費公路及橋樑每年之流量增長率介乎百分之二至百分之五左右。

(b) 估計商譽減值

本集團每年測試商譽是否根據附註3.3所述之會計政策蒙受任何減值。現金產出單元之可收回金額已根據使用中價值計算方法釐定。該等計算須使用估計。

(c) 物業及設備、投資物業、租賃土地及土地使用權及用作長期投資之發展中物業之估計減值

無論發生任何有跡象顯示賬面金額可能不獲收回之事件或情況變動，物業及設備、投資物業、租賃土地及土地使用權及用作長期投資之發展中物業均須就減值作出檢討。物業及設備、租賃土地及土地使用權及用作長期投資之發展中物業之可收回金額已根據使用中價值計算方法釐定；而投資物業之可收回金額已於參考獨立估值後釐定。該等計算及估值規定須採用判斷及估計。

(d) 估計待售發展中物業及已完成出售物業之撇減

本集團將待售發展中物業及已完成出售物業撇減至根據評估待售發展中物業及已完成出售物業之可變現能力計算之可變現淨值。倘發生有跡象顯示結餘可能不獲變現之事件或情況變動，便會記錄撇減。辨別撇減規定須採用判斷及估計。倘預期與原有估計出現差異，則有關差異將會影響該等估計變更之期間內，待售發展中物業及已完成出售物業之賬面值及撇減。

5 重要會計估計及假設(續)

5.1 重要會計估計及假設(續)

(e) 投資物業公允值之估計

公允值之最佳憑證是類似租約及其他合約之活躍市場之現行價格。本集團聘請一間獨立專業測量師行漢華評值有限公司釐定本集團投資物業之公開市值。

在無獲得任何該等資料之情況下，本集團將金額釐定於合理公允值估計之範圍內。在作出其判斷時，本集團認為來自多項來源之資料包括：

- i) 不同性質、狀況或地點(或視乎不同租約或其他合約而定)之物業活躍市場之現行價格，經作出調整以反映該等差異。
- ii) 活躍程度較低市場內類似物業之最近價格，以及為反映自按該等價格進行交易當日起任何經濟狀況變動而作出之調整；及
- iii) 根據來自任何現有租約及其他合約之條款之日後現金流量可靠估計，以及如同一地點及條件類似物業之現行市場租金等外界證據，採用反映現行市場評估現金流量之金額及時間等不明朗因素所計算之貼現現金流量預測。

倘若未獲提供投資物業之現行或近期價格資料，投資物業之公允值將會按照貼現現金流量估值技巧釐定。本集團所採用之假設主要以結算日之現存市況為基準。

管理層估計公允值時所採用之主要假設乃與下列各項有關：收取合約訂明租金；預期未來市場租金；作廢期間；維修需求；及適當貼現率。該等估值會定期與實際市場收益數據，及本集團進行之實際交易以及市場所匯的交易進行比較。

預期未來市場租金乃以同一地點及狀況之類似物業之現行市場租金為基準釐定。

(f) 以股份為基礎之購股權公允值之估計

本集團已受惠於香港財務報告準則第2號之過渡性條文，就二〇〇二年十一月七日後授出但於二〇〇五年一月一日尚未既得之購股權應用相關準則。於二〇〇五年一月一日前既得的購股權合共有230,790,200份，並無計入已授購股權公允值之計算內。

已授購股權之公允值乃採用獨立估值師漢華評值有限公司進行之Black-Scholes估值模式釐定。此方法之主要輸入數據為於授出日期當日之股價、行使價、預期股價回報之標準差異、購股權之預計年期、預期派息率及年度無風險比率。根據預期股價回報之標準差異計算之波幅，乃以購股權授出日期前一年內之每日股價之統計數字分析為準。

5 重要會計估計及假設 (續)

5.1 重要會計估計及假設 (續)

(g) 現行稅項及遞延稅項

本集團須繳納中國內地及香港之稅項。於釐定稅項撥備金額及支付相關稅項之時間時，本集團須作出重大決定。日常業務過程中會出現許多最終稅項釐定並不明朗之交易及計算。倘若該等事宜之最後稅項結果有別於初步記錄之金額，差額將會對期間內與作出釐定有關之所得稅及遞延稅項撥備造成影響。

與若干暫時性差異及稅項虧損有關之遞延稅項資產會予以確認，是由於管理層認為有可能將未來應課稅溢利與可動用之暫時性差異或稅項虧損抵銷。倘若預期與原有估計有出入，該等差額將會影響期間內與估計有變有關之遞延稅項資產及稅項之確認。

5.2 採用實體之會計政策時之重要決定

投資物業與擁有人用佔物業之分別

本集團負責決定一項物業是否合資格成為投資物業。在作出其決定時，本集團會考慮該物業是否可在毋須依靠實體所持有之其他資產之情況下產生大量現金流量。擁有人佔用物業產生物業以及生產或供應過程中採用之其他資產應佔之現金流量。

某些物業會包括持有以賺取租金或供資本增值之部分及持有供生產或提供貨品或服務或作行政用途之另一部分。倘若該等部分可個別出售(或根據融資租約個別出租)，本集團會將有關部分獨立列賬處理。倘若該等部分不可個別出售，只要一小部分乃持有供生產或提供貨品或服務或作行政用途，物業一律會列作投資物業處理。須判斷配套服務是否決定物業並不符合資格成為投資物業之重要因素。本集團在作出判斷時會個別考慮每項物業。

6 分部資料

本集團主要從事發展、經營及管理收費公路及橋樑；發展、出售及管理物業及持有投資物業；製造及銷售新聞紙。期內營業額及分部業績如下：

主要分部報告－業務分部資料

本集團主要在香港及中國內地(「中國」)經營三項主要業務：

- － 房地產－發展、出售及管理物業及持有投資物業
- － 收費公路業務－發展、經營及管理收費公路及橋樑
- － 造紙－製造及出售新聞紙

各項業務之間並無進行重大買賣活動。

6 分部資料(續)

從屬分部報告－地區分部資料

本集團的三項業務範疇主要在香港及中國管理：

香港－房地產

中國－房地產、造紙和收費公路

其他－房地產

地區分部之間並無進行重大買賣活動。

主要分部報告－業務分部資料

截至六月三十日止六個月

	收費公路		房地產		造紙		本集團	
	二〇〇五年 千港元	二〇〇四年 經重列 千港元	二〇〇五年 千港元	二〇〇四年 經重列 千港元	二〇〇五年 千港元	二〇〇四年 經重列 千港元	二〇〇五年 千港元	二〇〇四年 經重列 千港元
營業額	204,006	191,002	767,512	1,520,151	616,673	562,857	1,588,191	2,274,010
分部業績	87,926	70,925	551,399	181,094	68,505	52,493	707,830	304,512
利息收入							3,789	3,077
未分配經營成本							(25,839)	(23,704)
財務費用							(114,092)	(75,463)
應佔下列公司的 盈利減虧損：								
－共同控制實體	20,008	252	(5,474)	—	—	—	14,534	252
－聯營公司	103,008	91,035	—	308	—	—	103,008	91,343
除稅前盈利							689,230	300,017
稅項							(327,893)	(58,057)
期內盈利							361,337	241,960
資本開支	1,309	4,404	84,350	542	101,569	30,558	187,228	35,504
折舊及攤銷	52,057	56,883	79,094	66,807	57,964	61,332	189,115	185,022

6 分部資料(續)

主要分部報告－業務分部資料(續)

於二〇〇五年六月三十日及二〇〇四年十二月三十一日

	收費公路		房地產		造紙		本集團	
	二〇〇五年 六月 三十日	二〇〇四年 十二月 三十一日	二〇〇五年 六月 三十日	二〇〇四年 十二月 三十一日	二〇〇五年 六月 三十日	二〇〇四年 十二月 三十一日	二〇〇五年 六月 三十日	二〇〇四年 十二月 三十一日
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
分部資產	2,120,203	2,229,404	18,684,566	17,331,255	1,592,434	1,495,642	22,397,203	21,056,301
於共同控制實體權益	495,482	422,892	243,772	220,545	—	—	739,254	643,437
於聯營公司權益	1,686,656	1,671,842	88,821	88,506	—	—	1,775,477	1,760,348
未分配資產							1,392,772	1,016,434
總資產							26,304,706	24,476,520
分部負債	722,574	768,172	10,401,586	9,430,464	589,427	506,246	11,713,587	10,704,882
未分配負債							3,267,482	3,323,134
總負債							14,981,069	14,028,016

從屬分部報告－地區分部資料

截至六月三十日止六個月

於二〇〇五年六月三十日及
二〇〇四年十二月三十一日

	營業額		資本性開支		資產總值	
	二〇〇五年 千港元	二〇〇四年 經重列 千港元	二〇〇五年 千港元	二〇〇四年 經重列 千港元	於二〇〇五年 六月三十日 千港元	於二〇〇四年 十二月三十一日 經重列 千港元
香港	82,853	392,883	1,686	925	1,319,396	1,362,281
中國	1,504,457	1,856,258	185,533	34,579	23,558,495	22,051,223
海外	881	24,869	9	—	34,043	46,582
未分配資產	1,588,191	2,274,010	187,228	35,504	24,911,934	23,460,086
資產總值					1,392,772	1,016,434
					26,304,706	24,476,520

7 按性質分類之開支

計入銷售成本、銷售及分銷開支以及一般及行政開支之開支分析如下：

	截至六月三十日止六個月	
	二〇〇五年 千港元	二〇〇四年 經重列 千港元
已扣除		
廣告開支	43,275	43,630
已出售存貨之成本	966,073	1,520,737
帶來租金收入之投資物業產生之直接營運開支	73,338	44,573
折舊：		
— 自置固定資產	79,659	68,474
— 租賃固定資產	13	13
收費公路及橋樑權益之攤銷／折舊	50,779	50,696
租賃土地及土地使用權之攤銷		
— 計入銷售成本	54,775	61,820
— 計入行政開支	3,889	4,019
衍生工具 — 未符合資格對沖之利率互換	4,206	7,173
固定資產減值撥備	10,418	—
將持作發展／發展中物業撇減至其可變現淨值	31,850	—
員工成本		
— 薪金及薪酬(包括董事酬金)	98,195	93,198
— 退休金成本 — 定額供款計劃	8,475	7,545
— 醫療福利成本	2,050	3,501
— 社會保障成本	11,472	8,093
— 解僱成本	874	6,349
— 員工福利	7,071	9,051
— 授予董事及僱員之購股權	15,126	6,223
經營租賃		
— 租賃廠房及工作坊	8,107	8,184
— 土地及樓宇	37,336	25,643
呆賬準備	49,272	2,891
滙兌虧損淨額	1,517	—

8 稅項

- (a) 年內的香港利得稅已按17.5%稅率(二〇〇四年：17.5%)及按估計應課稅溢利計提撥備。
- (b) 本集團根據中國外商投資企業所得稅法(「中國稅法」)，按18%至33%稅率，就中國內地附屬公司、聯營公司及共同控制實體的盈利作出中國企業所得稅準備。根據中國稅法，本集團的若干附屬公司、聯營公司及共同控制實體由首個獲利年度起的兩年至五年獲享免繳所得稅，在免稅期後三年至五年享有所得稅減半的優惠。
- (c) 中國土地增值稅按介乎30%至60%的累進稅率及按土地增值價值(即出售物業所得款項減可扣減的開支，包括土地的成本，以及發展及建設開支)徵收。
- (d) 在簡明綜合損益表內扣除的稅項金額為：

	截至六月三十日止六個月	
	二〇〇五年 千港元	二〇〇四年 經重列 千港元
本期稅項		
— 香港利得稅	809	1,086
— 以往年度撥備不足	5,545	—
— 中國企業所得稅	33,821	48,785
— 中國土地增值稅	2,210	8,695
與產生及撥回暫時性差額有關的遞延稅項	285,508	(509)
	327,893	58,057

下列各項應佔中國企業所得稅乃於損益表內列作聯營公司及共同控制實體所佔業績：

	截至六月三十日止六個月	
	二〇〇五年 千港元	二〇〇四年 經重列 千港元
聯營公司		
— 本期稅項	8,521	7,138
— 遞延稅項	5,648	5,794
共同控制實體		
— 本期稅項	602	—
— 遞延稅項	1,668	1,748

9 每股盈利

基本

每股基本盈利乃按本公司股權持有人應佔盈利除以期內已發行普通股加權平均數計算。

截至六月三十日止六個月

	二〇〇五年	二〇〇四年 經重列
本公司股權持有人應佔盈利(千港元)	132,434	111,506
已發行普通股加權平均數(千股)	6,362,643	6,300,121
每股基本盈利(港仙)	2.08	1.77

攤薄

每股攤薄盈利乃按調整未行使普通股加權平均數至假設全數兌換具潛在攤薄影響之普通股計算。本公司於期內尚未行使之購股權可發行具潛在攤薄影響之普通股，並根據尚未行使購股權所附認購權之貨幣價值計算，以釐定原可按公允值(按本公司股份每日平均市價釐定)收購之股份數目。按上文所計算之股份數目與假設購股權獲行使原已發行股份數目相若。

截至六月三十日止六個月

	二〇〇五年	二〇〇四年 經重列
本公司股權持有人應佔盈利(千港元)	132,434	111,506
已發行普通股加權平均數(千股)	6,362,643	6,300,121
購股權調整(千股)	96,957	131,390
每股攤薄盈利之普通股加權平均數(千股)	6,459,600	6,431,511
每股攤薄盈利(港仙)	2.05	1.73

10 股息

截至六月三十日止六個月

擬派發二〇〇五年中期股息每股0.01港元(二〇〇四年：0.0083港元)

二〇〇五年
千港元
64,028

二〇〇四年
千港元
52,531

11 資本性開支

	其他無形資產			收費公路及橋樑之權益					
	收購 附屬公司 之商譽 千港元	收購 附屬公司 之負商譽 千港元	總計 千港元	無形經營權 千港元	有形基建 千港元	總計 千港元	固定資產 千港元	投資物業 千港元	租賃土地及 土地使用權 千港元
於二〇〇五年一月一日之 期初賬面淨值，如前報告	45,365	(535,325)	(489,960)	1,665,040	336,336	2,001,376	1,441,325	4,775,305	—
會計政策變更之影響	—	—	—	—	—	—	(89,967)	—	7,057,317
於二〇〇五年一月一日之 期初賬面淨值，經重列 採納香港財務報告準則 第3號作出之期初調整	45,365	(535,325)	(489,960)	1,665,040	336,336	2,001,376	1,351,358	4,775,305	7,057,317
	—	535,325	535,325	—	—	—	—	—	—
作出期初調整後於 二〇〇五年一月一日 之賬面淨值	45,365	—	45,365	1,665,040	336,336	2,001,376	1,351,358	4,775,305	7,057,317
添置	—	—	—	1,037	—	1,037	123,266	62,925	—
出售	—	—	—	—	—	—	(51,501)	(178,824)	(89,163)
重估盈餘	—	—	—	—	—	—	—	662,539	—
轉撥自待售物業	—	—	—	—	—	—	33,376	88,584	—
轉撥	—	—	—	—	—	—	(1,033)	48,272	(47,238)
期內折舊/攤銷	—	—	—	(44,473)	(6,306)	(50,779)	(79,672)	—	(58,664)
於二〇〇五年六月三十日 之期終賬面淨值	45,365	—	45,365	1,621,604	330,030	1,951,634	1,375,794	5,458,801	6,862,252
列作：									
非流動									3,124,223
流動									3,738,029
									6,862,252

附註：本集團大部分租賃土地及土地使用權以及投資物業位於中國內地。

11 資本性開支(續)

	其他無形資產			收費公路及橋樑之權益				租賃土地及 土地使用權	
	收購 附屬公司 之商譽	收購 附屬公司 之負商譽	總計	無形經營權	有形基建	總計	固定資產		投資物業
	千港元	千港元	千港元	千港元	千港元	千港元	千港元		千港元
於二〇〇四年一月一日之 期初賬面淨值，如前報告 會計政策變更之影響	49,039	(584,292)	(535,253)	1,750,864	348,783	2,099,647	1,405,545 (99,278)	4,845,537	— 8,143,566
於二〇〇四年一月一日之 期初賬面淨值，經重列	49,039	(584,292)	(535,253)	1,750,864	348,783	2,099,647	1,306,267	4,845,537	8,143,566
添置	—	—	—	85	—	85	35,419	—	—
出售	—	—	—	—	—	—	(1,634)	(28,406)	(317,482)
期內折舊/攤銷	(1,590)	16,553	14,963	(44,472)	(6,224)	(50,696)	(68,487)	—	(65,839)
於二〇〇四年六月三十日 之期終賬面淨值	47,449	(567,739)	(520,290)	1,706,477	342,559	2,049,036	1,271,565	4,817,131	7,760,245
添置	—	—	—	3,035	—	3,035	41,116	122,978	—
轉撥(至)/自持作發展/ 發展中物業	—	—	—	—	—	—	46,260	(261,873)	—
重估盈餘	—	—	—	—	—	—	—	76,750	—
出售	—	—	—	—	—	—	(16,368)	—	(550,389)
轉撥	—	—	—	—	—	—	78,444	20,319	(98,763)
期內折舊/攤銷	(2,084)	32,414	30,330	(44,472)	(6,223)	(50,695)	(69,659)	—	(53,776)
於二〇〇四年十二月三十一日 之期終賬面淨值	45,365	(535,325)	(489,960)	1,665,040	336,336	2,001,376	1,351,358	4,775,305	7,057,317
列作：									
非流動									3,291,022
流動									3,766,295
									7,057,317

12 可供出售之金融資產

	截至 二〇〇五年 六月三十日 千港元
期初	456,231
添置	463
在權益中扣除之公允值減少	(65,002)
減值虧損	(2,673)
出售	(1,639)
期終	<u>387,380</u>

該等結餘指非上市證券之金融資產於二〇〇五年六月三十日之市值。

13 應收賬款

本集團對不同業務分類及市場已有既定之信貸政策。本集團之除賬期一般為三至六個月。貿易應收款之賬齡分析如下：

	二〇〇五年 六月三十日 千港元	二〇〇四年 十二月三十一日 千港元
0至30日	118,889	174,569
31至90日	97,266	76,788
91至180日	37,260	81,345
181至365日	74,318	43,789
一年以上	99,904	81,377
	<u>427,637</u>	<u>457,868</u>

14 應付賬款

應付賬款包括與債權人之貿易結餘，以及就建築合約應付之保修款項。

貿易應付款之賬齡分析如下：

	二〇〇五年 六月三十日 千港元	二〇〇四年 十二月三十一日 千港元
0至30日	98,352	32,433
31至90日	31,629	70,560
91至180日	54,962	24,008
181至365日	3,962	65,755
一至兩年	35,905	39,243
兩年以上	134,164	182,494
	<u>358,974</u>	<u>414,493</u>

15 借款

	於 二〇〇五年 六月三十日 千港元	於 二〇〇四年 十二月三十一日 千港元
非流動		
長期銀行借款		
— 有抵押	3,406,669	2,726,859
— 無抵押	336,706	420,806
融資租賃承擔—有抵押	40	53
最終控股公司貸款—無抵押	254,710	298,890
關連公司貸款—無抵押	126,962	127,917
附屬公司少數股東貸款—無抵押	465,635	463,887
	<u>4,590,722</u>	<u>4,038,412</u>
流動		
銀行透支—無抵押	8,933	24,763
短期銀行借款		
— 有抵押	112,150	453,644
— 無抵押	566,532	608,919
長期銀行借款即期部分		
— 有抵押	689,622	645,277
— 無抵押	228,998	314,222
融資租賃承擔—有抵押	25	25
最終控股公司貸款—無抵押	1,189	—
	<u>1,607,449</u>	<u>2,046,850</u>
總借款	<u>6,198,171</u>	<u>6,085,262</u>

借款到期日如下：

	銀行借款及透支		其他貸款	
	於二〇〇五年 六月三十日 千港元	於二〇〇四年 十二月三十一日 千港元	於二〇〇五年 六月三十日 千港元	於二〇〇四年 十二月三十一日 千港元
一年內	1,606,235	2,046,825	1,214	25
第二年	768,277	1,324,388	25	25
第三至五年	2,975,098	1,823,277	253,012	267,487
無指定還款期	—	—	594,310	623,235
	<u>5,349,610</u>	<u>5,194,490</u>	<u>848,561</u>	<u>890,772</u>

16 金融衍生工具

	於 二〇〇五年 六月三十日 千港元	於二〇〇四年 十二月三十一日 千港元
利率互換	<u>33,228</u>	<u>29,021</u>

未履行利率掉期之名義本金額為2,535,000,000港元(二〇〇四年十二月三十一日：2,535,000,000港元)。

17 股本

	本公司	
	股數 千股	千港元
法定：		
10,000,000,000股每股0.10港元之普通股	<u>10,000,000</u>	<u>1,000,000</u>
已發行及繳足：		
於二〇〇四年一月一日	6,248,718	624,872
於行使購股權時發行股份	<u>102,880</u>	<u>10,288</u>
於二〇〇四年十二月三十一日	<u>6,351,598</u>	<u>635,160</u>
於二〇〇五年一月一日	6,351,598	635,160
於行使購股權時發行股份	<u>27,528</u>	<u>2,753</u>
於二〇〇五年六月三十日	<u>6,379,126</u>	<u>637,913</u>

18 購股權

於二〇〇二年六月二十六日，本公司採納新購股權計劃，據此，本公司可向僱員（包括本公司執行董事）授出購股權以認購本公司的股份，惟上限為於二〇〇二年六月二十六日已發行之股份數目之10%。行使價將由本公司之董事會釐定，最少將為(i)本公司股份於購股權授出日期之收市價，(ii)本公司股份於緊接購股權授出日期前五個營業日之平均收市價，及(iii)本公司股份之面值（以較高者為準）。

於二〇〇五年六月三十日，根據舊購股權計劃授出之尚未行使購股權，可認購本公司股份合共6,798,000股。根據舊購股權計劃之規定，所有根據舊購股權計劃授出之購股權將繼續有效及可行使。

購股權變動如下：

	購股權數目
	千股
於二〇〇四年一月一日	393,526
期內已授出	320,310
期內已行使	(73,690)
期內失效	(228)
於二〇〇四年六月三十日	636,918
期內已行使	(29,190)
期內失效	(6,720)
於二〇〇四年十二月三十一日	<u>604,008</u>
於二〇〇五年一月一日	604,008
期內已行使	(27,528)
期內失效	(8,496)
於二〇〇五年六月三十日	<u><u>567,984</u></u>

18 購股權 (續)

於二〇〇五年六月三十日及二〇〇四年十二月三十一日之購股權詳情如下：

授出日期	行使期	行使價 港元	購股權數目	
			於二〇〇五年 六月三十日 千股	於二〇〇四年 十二月 三十一日 千股
舊購股權計劃				
一九九九年十二月十四日	二〇〇〇年十二月十四日至 二〇〇五年十二月十三日	0.5008	6,798	9,626
新購股權計劃				
二〇〇三年五月二日	二〇〇三年五月二日至 二〇一三年五月一日	0.4100	86,876	109,180
二〇〇三年六月二日	二〇〇三年六月二日至 二〇一三年六月一日	0.5400	58,950	60,150
二〇〇三年十月二十七日	二〇〇三年十月二十七日至 二〇一三年十月二十六日	0.8140	12,404	12,404
二〇〇三年十二月二十三日	二〇〇三年十二月二十三日至 二〇一三年十二月二十二日	0.8460	100,234	100,234
二〇〇四年六月二十三日	二〇〇四年六月二十三日至 二〇一四年六月二十二日	0.6300	302,722	312,414
			567,984	604,008

567,984,000股未行使購股權(二〇〇四年十二月三十一日：604,008,000股)之中，394,559,200股購股權(二〇〇四年十二月三十一日：230,790,200股)於截至二〇〇五年六月三十日止六個月及截至二〇〇四年十二月三十一日止年度可予行使。

本集團已受惠於香港財務報告準則第2號之過渡性條文，就二〇〇二年十一月七日後授出但於二〇〇五年一月一日尚未既得之購股權應用相關準則。於二〇〇五年一月一日前既得的購股權合共有230,790,200份，並無計入已授購股權公允值之計算內。

已授購股權之公允值乃採用獨立估值師漢華評值有限公司進行之Black-Scholes估值模式釐定。此方法之主要輸入數據為於授出日期當日之股價、行使價、預期股價回報之標準差異、購股權之預計年期、預期派息率及年度無風險比率。根據預期股價回報之標準差異計算之波幅，乃以購股權授出日期前一年內之每日股價之統計數字分析為準。

19 儲備

	(未經審核)						
	股份溢價 千港元	資本 贖回儲備 千港元	法定儲備 千港元	匯兌 波動儲備 千港元	僱員以 股份為基礎 之補償儲備 千港元	保留盈利 千港元	總額 千港元
於二〇〇四年一月一日							
之結餘(如前所述)	5,707,378	1,815	62,606	(76,709)	—	649,398	6,344,488
租賃土地及土地使用權攤銷	—	—	—	—	—	(421,230)	(421,230)
就投資物業重估所產生 遞延稅項作出之調整	—	—	—	—	—	216,413	216,413
確認購股權開支	—	—	—	—	4,016	(4,016)	—
於二〇〇四年一月一日							
之結餘(經重列)	5,707,378	1,815	62,606	(76,709)	4,016	440,565	6,139,671
滙兌差額(本集團)	—	—	—	(496)	—	—	(496)
出售待售物業時撥回儲備	—	—	—	—	—	(8,933)	(8,933)
本公司股權持有人應佔盈利 轉撥	—	—	260	—	—	(260)	—
僱員購股權計劃開支	—	—	—	—	6,223	—	6,223
發行股份減發行開支	22,536	—	—	—	—	—	22,536
已付股息	—	—	—	—	—	(68,123)	(68,123)
於二〇〇四年六月三十日							
之結餘	5,729,914	1,815	62,866	(77,205)	10,239	474,755	6,202,384
滙兌差額(本集團)	—	—	—	(1,092)	—	—	(1,092)
商譽減值撥備	—	—	—	—	—	43,533	43,533
出售待售物業時撥回儲備	—	—	—	—	—	(21,742)	(21,742)
被視作出售附屬公司 若干權益時撥回儲備	—	—	(1)	(2)	—	—	(3)
本公司股權持有人應佔盈利 轉撥	—	—	16,532	—	—	(16,532)	—
僱員購股權計劃	—	—	—	—	16,396	—	16,396
發行股份減發行開支	10,819	—	—	—	—	—	10,819
已付股息	—	—	—	—	—	(52,669)	(52,669)
於二〇〇四年十二月三十一日							
之結餘	5,740,733	1,815	79,397	(78,299)	(26,635)	584,927	6,355,208
相當於：							
二〇〇四年擬派末期股息						57,266	
其他						527,661	
						584,927	

19 儲備(續)

	(未經審核)							
	股份溢價 千港元	資本 贖回儲備 千港元	法定儲備 千港元	匯兌 波動儲備 千港元	可供出售 之金融資 產公允 價值 儲備 千港元	僱員以 股份為 基礎之 補償儲備 千港元	保留盈利 千港元	總額 千港元
於二〇〇五年一月一日之								
結餘(如前所述為權益)	5,740,733	1,815	79,397	(78,299)	—	—	855,495	6,599,141
租賃土地及土地使用權攤銷	—	—	—	—	—	—	(459,085)	(459,085)
就投資物業重估所產生								
遞延稅項作出之調整	—	—	—	—	—	—	215,152	215,152
確認購股權開支	—	—	—	—	—	26,635	(26,635)	—
於二〇〇五年一月一日之								
結餘(經重列)	5,740,733	1,815	79,397	(78,299)	—	26,635	584,927	6,355,208
採納香港會計準則								
第39號作出之期初調整	—	—	—	—	—	—	134,387	134,387
採納香港財務報告準則								
第3號作出之期初調整	—	—	—	—	—	—	529,685	529,685
作出期初調整後於								
二〇〇五年一月一日之								
結餘(經重列)	5,740,733	1,815	79,397	(78,299)	—	26,635	1,248,999	7,019,280
匯兌差額(本集團)	—	—	—	2,695	—	—	—	2,695
金融資產公允價值轉變								
— 總額	—	—	—	—	(21,038)	—	—	(21,038)
— 稅項	—	—	—	—	(635)	—	—	(635)
本公司股權持有人應佔盈利	—	—	—	—	—	—	132,434	132,434
轉撥	—	—	7,333	—	134,387	—	(141,720)	—
僱員購股權計劃開支	—	—	—	—	—	15,126	—	15,126
發行股份減發行開支	10,350	—	—	—	—	—	—	10,350
二〇〇四年股息	—	—	—	—	—	—	(57,328)	(57,328)
於二〇〇五年六月三十日	5,751,083	1,815	86,730	(75,604)	112,714	41,761	1,182,385	7,100,884
相當於：								
二〇〇五年擬派中期股息							64,028	
其他							1,118,357	
							1,182,385	

本集團之保留盈利包括聯營公司應佔保留盈利904,949,000港元(二〇〇四年十二月三十一日：801,941,000港元)及共同控制實體應佔累計虧損280,388,000港元(二〇〇四年十二月三十一日：298,204,000港元)。

19 儲備(續)

法定儲備指在中國經營之附屬公司及聯營公司所成立之企業發展及一般儲備基金。據中國法規所規定，本公司於中國成立及經營之附屬公司及聯營公司，須按其各自之董事會所釐定之比率，對企業擴充及一般儲備金撥出其一部分之除稅後盈利(經抵銷過往年度虧損後)。根據中國外資企業會計準則，經董事會批准後，一般儲備基金可用作補償虧損及增加資本，而企業發展基金可用作增加資本。本集團之法定儲備中，包括一間聯營公司應佔之538,000港元(二〇〇四年十二月三十一日：538,000港元)。

20 遞延稅項

遞延稅項乃按負債法就暫時性差異按適用所得稅率作全數撥備。

於二〇〇五年六月三十日之遞延稅項指：

	二〇〇五年 六月三十日 千港元	二〇〇四年 十二月三十一日 經重列 千港元
遞延稅項資產		
— 香港利得稅	7,110	10,054
— 中國企業所得稅	49,428	46,145
	<u>56,538</u>	<u>56,199</u>
遞延稅項負債		
— 香港利得稅	15,805	15,648
— 中國企業所得稅	1,564,838	1,514,192
— 中國土地增值稅	1,888,776	1,629,540
	<u>3,469,419</u>	<u>3,159,380</u>

21 或然負債

	於 二〇〇五年 六月三十日 千港元	於 二〇〇四年 十二月三十一日 千港元
授予本集團物業若干買家之按揭融資擔保(附註)	<u>126,441</u>	<u>250,250</u>

附註：

本集團為物業單位之若干買家安排銀行融資，並提供擔保以保證該等買家償還款項。該等擔保於發出《房地產權證》時終止。

除上文所述者外，自上年度結算日起並無重大或然負債變動。

22 經營租賃承擔

本集團根據有關土地及樓宇之不可撤銷經營租賃而於未來支付之最低租賃付款總額如下：

	二〇〇五年 六月三十日 千港元	二〇〇四年 十二月三十一日 千港元
土地及樓宇		
第一年內	27,032	26,380
第二至第五年內	100,288	97,388
五年後	213,188	215,354
	<u>340,508</u>	<u>339,122</u>

23 其他承擔

	二〇〇五年 六月三十日 千港元	二〇〇四年 十二月三十一日 千港元
就收購固定資產已簽約但未撥備之資本承擔	25,267	14,359

24 資產抵押

於二〇〇五年六月三十日，本集團及本公司所獲授之若干銀行融資及貸款乃以下列各項作為抵押：

- 本集團若干持作發展／發展中物業、待售物業及投資物業，賬面總值分別為0.44億港元（二〇〇四年十二月三十一日：無）、7.36億港元（二〇〇四年十二月三十一日：5.14億港元）、5.20億港元（二〇〇四年十二月三十一日：2.91億港元）及38.53億港元（二〇〇四年十二月三十一日：32.30億港元）；
- 若干附屬公司若干資產總賬面淨值64.65億港元（二〇〇四年十二月三十一日：4.38億港元）之浮動押記；
- 本集團於若干附屬公司之股權抵押；及
- 若干公司間貸款之質押。

25 重大有關連人士交易及結餘

a) 有關連人士

有關連人士為該等有能力直接或間接控制另一方，或在作出財務及營運決策方面對另一方行使重大影響力的人士，如受到共同控制或共同重大影響時，亦被視為有關連人士。下表概述本公司於二〇〇五年六月三十日之重大有關連人士名稱及關係性質：

重大有關連人士	與本公司關係
越秀企業(集團)有限公司(「越秀企業」)	最終控股公司
越秀發展有限公司(「YXIDL」)	越秀企業之附屬公司
越秀興業有限公司	越秀企業之附屬公司
越秀企業服務有限公司	越秀企業之附屬公司
廣州市公路開發公司(「GHDC」)	附屬公司之少數股東
廣州造紙集團有限公司(「GZPHL」)	附屬公司之少數股東
Super Win Trading Ltd(「SWTL」)	附屬公司之少數股東
Smart Image Investment Ltd(「SIIL」)	附屬公司之少數股東
Festoon Enterprises Limited(「Festoon」)	附屬公司之少數股東
廣州市城市建設開發集團有限公司(「GCDHL」)	附屬公司之少數股東
廣東新時代房地產有限公司	附屬公司之共同控制實體
廣州市北二環高速公路有限公司	附屬公司之共同控制實體
廣州市西二環高速公路有限公司	附屬公司之共同控制實體
海南華城房產開發有限公司	附屬公司之共同控制實體
舟山鑫源房地產開發有限公司	附屬公司之共同控制實體
廣東虎門大橋有限公司	附屬公司之聯營公司
廣東清連公路發展有限公司	附屬公司之聯營公司
廣東汕頭海灣大橋有限公司	附屬公司之聯營公司
廣州北環高速公路有限公司	附屬公司之聯營公司
廣州新越房地產開發有限公司	附屬公司之聯營公司
國營企業(見下文(e))	本公司之有關連人士

25 重大有關連人士交易及結餘(續)

b) 與國營企業以外之有關連人士進行之交易

	截至六月三十日止六個月	
	二〇〇五年 千港元	二〇〇四年 千港元
與越秀企業進行之交易		
付予越秀企業之租金開支	1,127	528
付予越秀企業之貸款利息	3,617	1,521
與GZPHL進行之交易		
付予GZPHL之租金及公共開支(附註)	136,343	92,016
與YXIDL進行之交易		
付予YXIDL之貸款利息	1,081	472

附註：

付予GZPHL之租金及公共開支乃按本集團二〇〇四年年報披露之條款進行。

所有其他有關連人士交易乃按有關訂約方協定之條款進行。

25 重大有關連人士交易及結餘(續)

c) 國營企業以外之有關連人士結餘

	於二〇〇五年 六月三十日 千港元	於二〇〇四年 十二月三十一日 千港元
越秀企業集團結餘		
應收越秀企業集團款項(附註i)	1,219	3,234
來自越秀企業集團之貸款(附註ii)	(382,861)	(426,807)
共同控制實體結餘		
應收共同控制實體款項(附註i)	185,312	155,664
應付共同控制實體款項(附註i)	(120,661)	(123,442)
聯營公司結餘		
應收聯營公司款項(附註iii)	792,757	854,278
應付聯營公司款項(附註i)	(112,150)	(112,150)
SIIL結餘		
來自SIIL之貸款(附註i)	(23,340)	(23,340)
SWTL結餘		
來自SWTL之貸款(附註i)	(2,000)	(2,000)
GZPHL結餘		
應付GZPHL款項(附註i)	(2,700)	(599)
GCDHL結餘		
應付GCDHL款項(附註i)	(80,482)	(118,107)
GHDC結餘		
來自GHDC之貸款(附註iv)	(403,487)	(403,487)
應付GHDC款項(附註i)	(68,610)	(68,125)
Festoon結餘		
來自Festoon之貸款(附註i)	(34,108)	(35,060)

附註：

- (i) 該等結餘均無抵押、免息及須於要求時償還。
- (ii) 除合共353,749,000港元(二〇〇四年十二月三十一日：351,994,000港元)按香港銀行同業拆息加利率一厘計算年息外，其他結餘均為免息。除合共273,560,000港元(二〇〇四年十二月三十一日：267,459,000港元)之指定還款期為一年後還款外，其他結餘並無指定還款期。
- (iii) 除合共506,927,000港元(二〇〇四年十二月三十一日：568,414,000港元)分別按香港最優惠利率5厘至5.75厘、美國最優惠利率5.25厘至6厘及中國金融機構貸款利率6.12厘計算年息外，其他結餘均無抵押、免息及須於要求時償還。
- (iv) 除合共120,561,000港元(二〇〇四年十二月三十一日：120,561,000港元)按中國金融機構現行貸款利率4厘至6.12厘計算年息外，其他結餘均為免息並無指定還款期。

25 重大有關連人士交易及結餘(續)

(d) 主要管理人員酬金

付予或須付本公司主要管理人員之酬金總額如下：

	截至六月三十日止六個月	
	二〇〇五年 千港元	二〇〇四年 千港元
袍金	—	—
其他酬金：		
基本薪酬、房屋津貼、其他津貼及實物利益	1,726	1,877
以權益為基礎之付款	—	367
董事退休金	34	45
	<u>1,760</u>	<u>2,289</u>

e) 與國營企業進行之交易

根據香港會計準則第24號，與中央政府控制之國營企業進行之業務交易屬於有關連人士交易範疇。本集團最終控股公司越秀企業為國營企業。大部分本集團與其他國營企業進行之主要業務交易為建造及銷售新聞紙業務，與其他國營企業進行之有關連交易均於日常業務過程中進行。由於擁有權架構繁複，中央政府可持有多間公司之直接權益，而當中部分權益本身或與其他間接權益合併後可能屬於非本集團知悉之控制權益。然而，本集團相信以下為重大之有關連人士交易。

於二〇〇五年六月三十日，本集團有89%以上銀行存款(二〇〇四年十二月三十一日：91%以上)與國營企業有關；約26%應收賬款(二〇〇四年十二月三十一日：約24%)與國營企業有關；50%以上應付賬款(二〇〇四年十二月三十一日：73%以上)與國營企業有關；全部應付土地補價(二〇〇四年十二月三十一日：全部)；約25%其他應付款項及應計費用(二〇〇四年十二月三十一日：約25%)與國營企業有關；及約44%銀行借款(二〇〇四年十二月三十一日：約51%)與國營銀行有關。

截至二〇〇五年六月三十日止六個月，本集團有約17%銷售額與國營企業有關(二〇〇四年：約11%)；90%以上建造費用(二〇〇四年：90%以上)已支付給國營企業；85%以上銀行存款利息收入(二〇〇四年：約71%)來自國營銀行；及約20%財務費用(二〇〇四年：約57%)已支付給國營銀行。

26 結算日後事項

於二〇〇五年九月二十一日，本集團取得在廣州市興建珠江新城雙塔之西塔(「項目」)的開發權，該項目佔地31,085平方米，預計在年底前開工並於二〇〇九年建成。由於本集團尚待簽訂有關西塔項目的正式合同，本公司董事認為待該項目建設詳細條款最終確定之後，再行評估其財務影響更適宜。

給予實體之貸款

本集團為下列市值(附註五)超逾8.0%之實體提供貸款，及須根據香港聯合交易所有限公司證券上市規則(「上市規則」)第13.20條披露之有關資料如下：

實體名稱	本公司 間接持有 權益應佔之 百分比	於二〇〇五年 六月三十日之貸款 (附註一)		利率	合計 (A+B) 百萬港元
		附息 (A) 百萬港元	免息 (B) 百萬港元		
廣東虎門大橋有限公司	8.58	474.8	—	(附註二)	474.8

給予聯屬公司之財務資助

本集團向本公司市值(附註五)合共超逾8.0%之聯屬公司提供財務資助，及根據上市規則第13.22條披露之有關資料如下：

聯屬公司名稱	本公司 間接持有 權益應佔之 百分比	於二〇〇五年 六月三十日之貸款 (附註一)		利率	合計 (A+B) 百萬港元
		附息 (A) 百萬港元	免息 (B) 百萬港元		
廣東虎門大橋有限公司	8.58	474.8	—	(附註二)	474.8
廣東清連公路發展有限公司	8.10	—	219.0	—	219.0
廣東汕頭海灣大橋有限公司	10.30	32.1	—	(附註三)	32.1
海南華城房產開發有限公司	52.0	—	51.0	—	51.0
廣東新時代房地產有限公司	45.0	—	14.0	—	14.1
合計(附註四)		506.9	219.0		790.9

附註：

- (一) 該等貸款乃股東貸款，是本集團按佔該實體及聯屬公司等之股權比例注入之部份投資成本。此等貸款均無抵押，亦無指定還款期。本集團並無對上述實體及聯屬公司承諾注入資本及提供擔保。
- (二) 附息之貸款，其中約379,200,000港元之利息是按照美元最優惠利率計算，約95,400,000港元之利息按中國金融機構借貸利率計算，餘數之利息是按照港元最優惠利率計算。
- (三) 附息之貸款，其中約600,000港元之利息是按照港元最優惠利率計算，約31,500,000港元之利息按中國金融機構借貸利率計算。
- (四) 本集團向本公司之聯屬公司提供之財務資助總額超過市值之8%。
- (五) 市值指本公司於二〇〇五年六月三十日之市值達4,337,805,622港元，此乃按本公司於二〇〇五年六月三十日已發行股份合共6,379,125,914股，以及緊接二〇〇五年六月三十日前五個營業日之平均收市價每股0.68港元為基準計算。

聯屬公司的備考合併資產負債表

根據上市規則第13.22條，本公司相關的聯屬公司於二〇〇五年六月三十日的備考合併資產負債表及本集團的應佔權益載列如下：

	千港元
長期資產	5,873,135
流動資產	491,056
流動負債	(129,757)
長期負債	(4,099,664)
資產淨值	<u>2,134,770</u>
	千港元
本集團應佔權益	
資產淨值	286,502
應收股東貸款	790,830
因收購產生之商譽減攤銷	158,083
	<u>1,235,415</u>

根據上市規則第13.21條作出之披露

茲提述二〇〇五年五月三十日簽訂之3,800,000,000港元貸款協議（「貸款協議」）（將於二〇一〇年六月到期）。根據貸款協議之條款，一旦越秀企業（集團）有限公司未能持續直接或間接實益擁有不少於本公司已發行有投票權股本35%的股東權益或對本公司行使有效的管理控制權時，將視作違約。此責任規定已獲履行。

董事權益

於二〇〇五年六月三十日，本公司董事在本公司及其相聯法團(按證券及期貨條例第XV部之定義)之股份、相關股份及債權證之權益及淡倉而須根據證券及期貨條例(「證券及期貨條例」)第352條載入本公司置存之登記冊或知會本公司及香港聯合交易所有限公司(「聯交所」)如下：

1. 本公司股份之好倉：

董事姓名	權益性質	股份實益權益	權益百分率概約
梁凝光先生	個人	400,000	0.01
肖博彥先生*	個人	500,000	0.01
李家麟先生	個人	1,050,000	0.02

* 肖博彥先生已於二〇〇五年八月十日辭任本公司董事之職務

2. 於本公司股本衍生工具之相關股份中之好倉：

董事姓名	授出日期	每股行使價 港元	於二〇〇五年 一月一日及 六月三十日 尚未行使 之購股權數目
區秉昌先生	02/06/2003	0.5400	9,000,000
梁毅先生	02/06/2003	0.5400	7,000,000
陳光松先生	02/06/2003	0.5400	8,000,000
梁凝光先生	02/06/2003	0.5400	7,000,000
李飛先生	02/06/2003	0.5400	7,000,000
肖博彥先生*	02/06/2003	0.5400	7,000,000
余立發先生	02/06/2003	0.5400	3,500,000
李家麟先生	02/06/2003	0.5400	2,450,000

附註：

購股權可由二〇〇三年六月二日起至二〇一三年六月一日止期間內隨時行使，惟限於(i)直至購股權授出日期首週年的期間內，行使最多達所授予購股權的30%；及(ii)直至購股權授出日期第二週年的期間內，行使最多達所授予購股權的60% (包括根據(i)項行使的任何購股權)。

除本文所披露者外，於二〇〇五年六月三十日，本公司董事概無擁有或被視作擁有本公司或其任何相聯法團(按證券及期貨條例第XV部之涵義)之股份、相關股份及債權證之權益或淡倉權益而須根據證券及期貨條例第352條載入本公司置存之登記冊；或根據上市公司董事進行證券交易的標準守則知會本公司及聯交所。

主要股東權益

於二〇〇五年六月三十日，下列人士擁有以下須記錄本公司根據證券及期貨條例第336條規定置存之登記冊中之股份或相關股份之權益或淡倉：

名稱	好倉股份	權益百分率概約
越秀企業(集團)有限公司(「越秀企業」)(附註1)	3,229,435,248	50.99
JPMorgan Chase & Co.(附註2)	379,938,000	5.97

附註：

- 1) 越秀企業持有3,229,435,248股股份權益之身分包括10,928,184股為實益擁有人，3,218,507,064股藉屬所控制法團的權益。由越秀企業所持有的股份詳列如下：

名稱	好倉股份
越秀企業	3,229,435,248
Excellence Enterprises Co., Ltd.(「Excellence」)	3,174,015,064
Bosworth International Limited(「Bosworth」)	2,279,312,904
Sun Peak Enterprises Ltd.(「Sun Peak」)	565,683,000
Novena Pacific Limited(「Novena」)	565,683,000
Shine Wah Worldwide Limited(「Shine Wah」)	158,049,000
Morrison Pacific Limited(「Morrison」)	158,049,000
Perfect Goal Development Co., Ltd.(「Perfect Goal」)	135,737,000
Greenwood Pacific Limited(「Greenwood」)	135,737,000
越秀財務有限公司(「越秀財務」)	44,492,000
Seaport Development Limited(「Seaport」)	35,233,160
Goldstock International Limited(「Goldstock」)	35,233,160

- (i) Bosworth持有2,279,312,904股。Bosworth為Excellence全資擁有，而Excellence乃由越秀企業全資擁有。
- (ii) Novena持有565,683,000股。Novena為Sun Peak全資擁有，而Sun Peak乃由Excellence全資擁有。
- (iii) Morrison持有158,049,000股。Morrison為Shine Wah全資擁有，而Shine Wah乃由Excellence全資擁有。
- (iv) Greenwood持有135,737,000股。Greenwood為Perfect Goal全資擁有，而Perfect Goal乃由Excellence全資擁有。
- (v) 越秀財務持有44,492,000股，越秀財務為越秀企業全資擁有。
- (vi) Goldstock持有35,233,160股。Goldstock為Seaport全資擁有，而Seaport乃由Excellence全資擁有。
- 2) JPMorgan Chase & Co.持有379,938,000股股份權益之身份，包括356,710,000股為投資經理，23,228,000股為核准借出代理人。

購股權

(i) 本公司

根據於一九九八年六月二十三日獲本公司股東通過的購股權計劃（「購股權計劃」），本公司董事會（「董事會」）可酌情授予本公司或其任何附屬公司之董事及僱員購股權認購本公司之普通股。購股權計劃可作為本集團給予僱員及行政人員的獎勵。行使價由董事會釐訂，相等於下列兩項中較高者：(a) 股份之面值；及(b) 不低於緊接授出購股權日期前五個營業日股份在聯交所每日報價表所報之平均收市價的80%。每次授出購股權之現金代價為10港元，而行使價將於行使購股權時悉數支付。

本公司股東於二〇〇二年六月二十六日通過有關終止購股權計劃及採納新購股權計劃（「二〇〇二年購股權計劃」）的決議案。於終止購股權計劃後，本公司不會就此進一步授出購股權，但於終止購股權計劃前授出的所有未行使購股權繼續生效，並可根據購股權計劃予以行使，而僅有使尚未行使購股權生效所需的該等購股權計劃條文會就此目的繼續有效。二〇〇二年購股權計劃符合香港聯合交易所有限公司證券上市規則（「上市規則」）第17章的修訂。

根據二〇〇二年購股權計劃，董事會可授予越秀企業、本公司或任何彼等附屬公司的僱員、高級職員、董事、代理人、顧問或代表（「參與人士」）購股權認購股份。二〇〇二年購股權計劃旨在獎勵參與人士對本集團作出貢獻，並讓本集團聘請、挽留及鼓勵能幹的僱員及吸納對本集團而言屬寶貴的人力資源。根據二〇〇二年購股權計劃將予授出的購股權而可予發行的股份總數為本公司於批准二〇〇二年購股權計劃日期已發行股份數目的10%。惟本公司可於股東大會上徵求股東批准續新10%上限。本公司股東於二〇〇四年六月二日通過有關續新二〇〇二年購股權計劃10%上限。因二〇〇二年購股權計劃及本公司任何其他計劃項下已授出但未獲行使的所有購股權獲行使而可予發行的股份總數，不得超過不時已發行股份數目的30%。各參與人士在於緊接建議授出任何購股權日期前十二個月期間內獲授及將獲授的購股權予以行使時的上限為建議授出該等購股權日期已發行股份數目的1%，任何進一步授出超過此限額的購股權須待股東於股東大會上批准後，始可作實。購股權可於購股權期限開始日期行使（購股權期限指董事會於授出購股權時通知的期限，該期限於授出日期或董事會可能決定的較後日期開始，直至該期限的最後一日屆滿止，惟於任何情況下，不能超過由授出日期起計10年），惟限於(i) 直至購股權期限開始日期首週年的期間內，行使最多達有關授出項下所授出購股權的30%；及(ii) 直至購股權期限開始日期第二週年的期間內，行使最多達有關授出項下所授出購股權的60%（包括根據(i)項行使的任何購股權）。於購股權期限開始日期第二週年後，該等限制將終止。就身為越秀企業、本公司或任何彼等附屬公司僱員的參與人士而言，上文所述行使購股權的相同限額亦適用，惟上文(i)及(ii)項所指的期間應由(a) 該名參與人士持續受僱於越秀企業、本公司或任何彼等附屬公司（視情況而定）作為全職員工一年的完成日期；及(b) 購股權期限的開始日期（以較後發生為準）起開始，而當限制終止時的日期應據此作出相

應修訂。行使價由董事會釐訂，而且該行使價不得低於下列三者中的最高金額：(a)授出日期股份在聯交所每日報價表所列的收市價；(b)緊接授出日期前五個營業日股份在聯交所每日報價表所列的平均收市價；及(c)股份的面值。每次授出購股權的現金代價為10港元，而行使價將於行使購股權時悉數支付。

期內根據本公司購股權計劃授予本集團僱員(本公司董事除外，詳情已於第53頁披露)的購股權之變動情況如下：

購股權數目				每股 行使價 港元	授出日期	行使期	加權平均 收市價 (d) 港元
於二〇〇五年 一月一日 尚未行使	期內行使	期內失效	於二〇〇五年 六月三十日 尚未行使				
9,626,000	930,000	1,898,000	6,798,000	0.5008	14/12/1999	14/12/2000 - 13/12/2005 (b)	0.769
109,180,000	18,692,000	3,612,000	86,876,000	0.4100	02/05/2003	02/05/2003 - 01/05/2013 (c)	0.671
9,200,000	—	1,200,000	8,000,000	0.5400	02/06/2003	02/06/2003 - 01/06/2013 (c)	不適用
12,404,000	—	—	12,404,000	0.8140	27/10/2003	27/10/2003 - 26/10/2013 (c)	不適用
100,234,000	—	—	100,234,000	0.8460	23/12/2003	23/12/2003 - 22/12/2013 (c)	不適用
312,414,000	7,906,000	1,786,000	302,722,000	0.6300	23/06/2004	23/06/2004 - 22/06/2014 (c)	0.761

附註：

- (a) 期內並無購股權授出或註銷。
- (b) 授出之購股權分兩階段行使，倘購股權行使期之最後一日並非營業日，購股權行使期須於該日前一個營業日屆滿。
- (c) 授出之購股權分三階段行使。
- (d) 股份在緊接購股權行使日期前一天的每股加權平均收市價。

(ii) 越秀交通

根據於一九九七年一月三日獲越秀交通股東通過的一項購股權計劃(「越秀交通計劃」)，越秀交通董事會(「越秀交通董事會」)可酌情授予越秀交通或其任何附屬公司之董事及僱員購股權認購越秀交通之普通股。越秀交通計劃可作為越秀交通及其附屬公司給予僱員及行政人員的獎勵。行使價由越秀交通董事會釐訂，相等於下列兩項中較高者：(a)股份之面值；及(b)不低於緊接提供購股權日期前五個營業日股份在聯交所每日報價表上之平均收市價的80%。每次授出購股權之現金代價為10港元，而行使價將於行使購股權時悉數支付。

越秀交通股東於二〇〇二年六月二十五日通過有關終止越秀交通計劃及採納新購股權計劃(「二〇〇二年越秀交通計劃」)的決議案。於終止越秀交通計劃後，越秀交通不會就此進一步授出購股權，但於終止越秀交通計劃前授出的所有未行使購股權繼續生效，並可根據越秀交通計劃予以行使，而僅有使尚未行使購股權生效所需的該等越秀交通計劃條文會就此目的繼續有效。二〇〇二年越秀交通計劃符合上市規則第17章的修訂。

根據與二〇〇二年購股權計劃的條款及條件大致相同的二〇〇二年越秀交通計劃，越秀交通董事會可授予本公司、越秀企業、越秀交通或任何彼等附屬公司的僱員、高級職員、董事、代理人、顧問或代表購股權認購越秀交通股份。

期內根據越秀交通計劃授予本集團僱員的購股權之變動情況如下：

購股權數目			購股權數目		每股 行使價 港元	授出日期	行使期	加權平均 收市價 (c) 港元
於二〇〇五年 一月一日 尚未行使	期內行使	期內失效	於二〇〇五年 六月三十日 尚未行使					
1,114,000	92,000	92,000	930,000	0.7520	07/04/2000	07/04/2001 - 06/04/2006(b)	2.275	

附註：

- (a) 期內並無購股權授出或註銷。
- (b) 所有購股權分三階段行使，倘購股權行使期之最後一日並非營業日，購股權行使期須於該日前一個營業日屆滿。
- (c) 越秀交通股份在緊接購股權行使日期前一天的每股加權平均收市價。

企業管治

截至二〇〇五年六月三十日止六個月內，本公司已遵守上市規則附錄14所載之「企業管治常規守則」（「守則」）之守則條文，除對下述有所偏離：

守則條文A.2.1

守則條文A.2.1規定主席與行政總裁之角色應有區分，並不應由一人同時兼任。

區秉昌先生為本公司之董事長兼總經理。董事長負責監管董事會之運作，並就達致本公司目標而擔任領導及指導工作，而本公司總經理則負責根據董事會之指示經營業務，及實行董事會訂立之政策及策略。將董事長及總經理之職務結集於一身，旨在確保董事會全權控制本公司之事務，且董事會訂立之政策及策略得以有效率及有效益地施行。

守則條文A.4.1及A.4.2

守則條文A.4.1規定非執行董事的委任應有指定任期，並須接受重新選舉。

守則條文A.4.2(最後一句)規定每名董事(包括有指定任期的董事)應輪流退任，至少每三年一次。

本公司非執行董事並無指定任期，惟本公司所有非執行董事須依據本公司之公司細則之規定，在本公司之股東週年大會上輪席告退。本公司所有非執行董事均已在過去三年輪值告退並已獲重選連任。

董事進行證券交易之標準守則

本公司已採納載於上市規則附錄10「上市發行人董事進行證券交易之標準守則」作為本公司董事證券交易之守則。經本公司作出具體查詢後，所有董事已確認於截至二〇〇五年六月三十日止六個月期間內已遵守標準守則所列載的規定標準。

審核委員會

審核委員會已審閱截至二〇〇五年六月三十日止六個月之未經審核簡明綜合財務報告。

購買、出售或贖回本公司股份

截至二〇〇五年六月三十日止六個月內，本公司並無贖回其任何股份，而本公司或其任何附屬公司於期內亦無購買或出售本公司任何股份。

暫停辦理過戶登記手續

本公司將由二〇〇五年十月二十六日星期三至二〇〇五年十月二十八日星期五(首尾兩天包括在內)期間暫停辦理股份過戶登記手續。如欲符合獲派中期股息的資格，所有股份過戶文件連同有關股票必須於二〇〇五年十月二十五日星期二下午四時正前，交回本公司的股份過戶登記處雅柏勤證券登記有限公司(地址為香港灣仔告士打道56號東亞銀行港灣中心地下)，辦理過戶登記手續。

承董事會命
董事長
區秉昌

香港，二〇〇五年九月二十三日

董事會

執行董事

區秉昌(董事長)

梁毅

陳光松

梁凝光

李飛

獨立非執行董事及 審核委員會成員

余立發

李家麟

劉漢銓

公司秘書

余達峯

核數師

羅兵咸永道會計師事務所
香港執業會計師

主要往來銀行

中國銀行(香港)有限公司
香港上海滙豐銀行有限公司

公司資料查閱網址

<http://www.gzinvestment.com.hk>

<http://www.hkex.com.hk>

註冊辦事處

香港灣仔
駱克道160-174號
越秀大廈
24樓

股份過戶登記處

雅柏勤證券登記有限公司
香港
灣仔告士打道56號
東亞銀行港灣中心地下

股份上市

本公司之股份於香港聯合交易所有限公司及
新加坡證券交易所上市

股票編號為：

香港聯合交易所有限公司－123

路透社－123.HK

彭博資訊－123 HK

股東關係

如欲進一步查詢越秀投資有限公司的資料，請聯絡：
何子勵

電話：(852) 2511 6671

傳真：(852) 2598 7688

電郵：contact@gzinvestment.com.hk

美國預託證券託管銀行

紐約銀行

美國預託證券

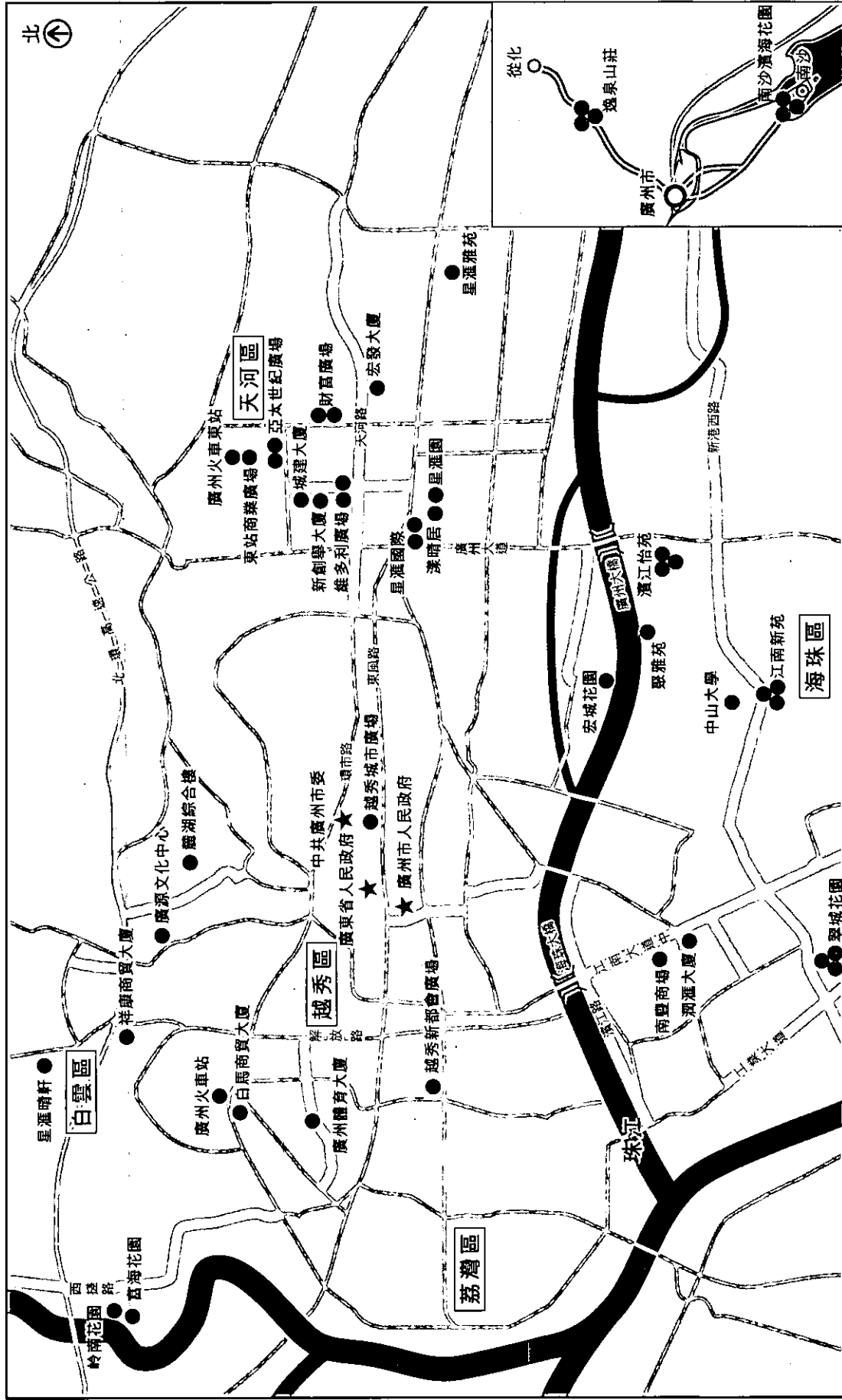
620 Avenue of the Americas, 6th Floor

New York, NY 10011, USA

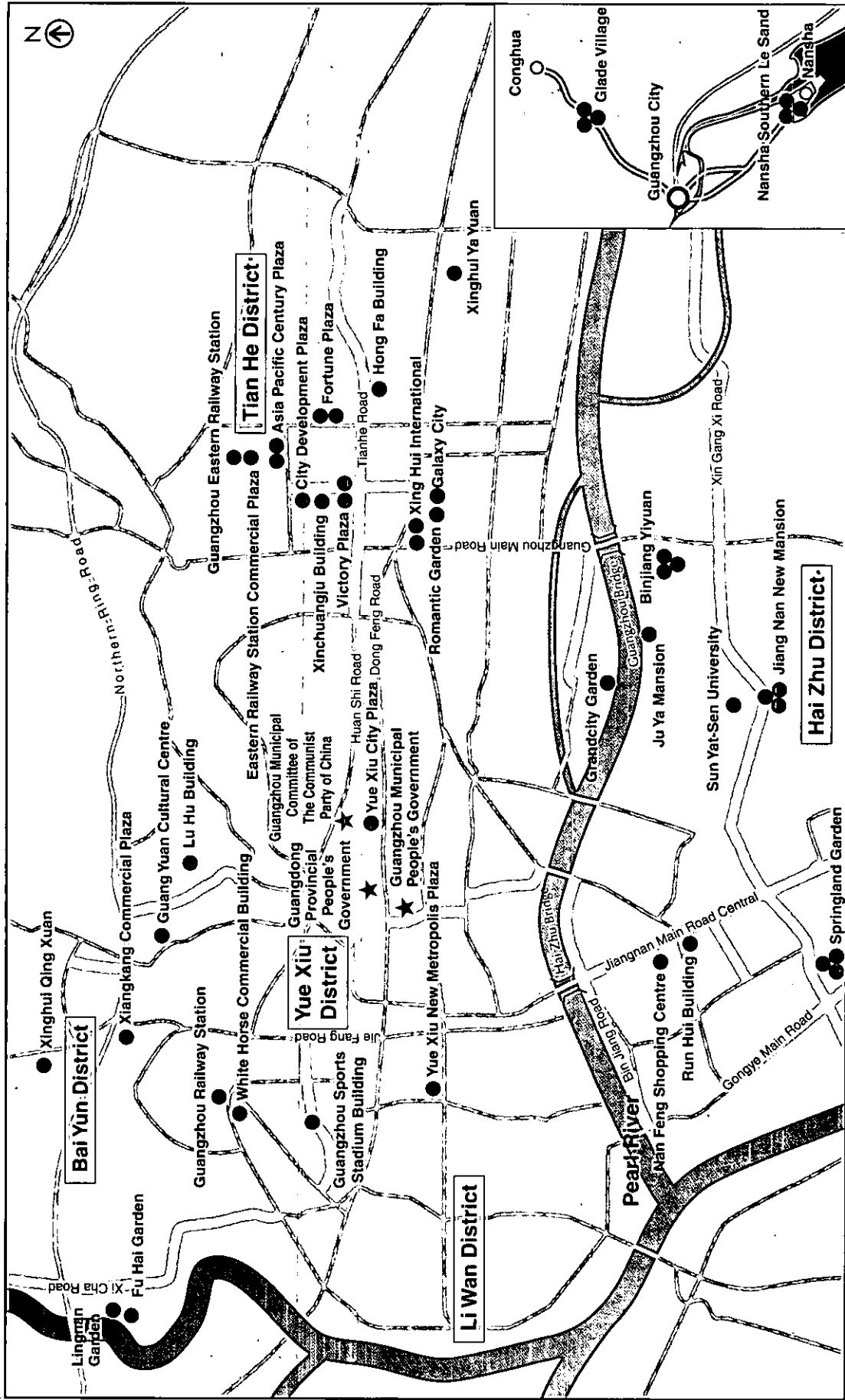
電話：(646) 885 3218

傳真：(646) 885 3043

廣州市區主要房地產項目位置分佈圖



Location Map of Major Property Projects in Guangzhou Urban Area



Board of Directors

Executive directors

Ou Bingchang (*Chairman*)
Liang Yi
Chen Guangsong
Liang Ningguang
Li Fei

Independent non-executive directors & audit committee members

Yu Lup Fat Joseph
Lee Ka Lun
Lau Hon Chuen Ambrose

Company Secretary

Yu Tat Fung

Auditors

PricewaterhouseCoopers
Certified Public Accountants

Principal Bankers

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking
Corporation Limited

Websites to Access Company Information

<http://www.gzinvestment.com.hk>
<http://www.hkex.com.hk>

Registered Office

24th Floor
Yue Xiu Building
160-174 Lockhart Road
Wanchai, Hong Kong

Share Registrar

Abacus Share Registrars Limited
G/F, Bank of East Asia Harbour View Centre
56 Gloucester Road, Wanchai
Hong Kong

Share Listing

The Company's shares are listed on:
The Stock Exchange of Hong Kong Limited
Singapore Exchange Securities Trading Limited

The stock codes are:
The Stock Exchange of Hong Kong Limited - 123
Reuters - 123.HK
Bloomberg - 123 HK

Investor Relations

For further information about
Guangzhou Investment Company Limited,
please contact:
He Zili
Telephone : (852) 2511 6671
Facsimile : (852) 2598 7688
Email : contact@gzinvestment.com.hk

ADR Depository Bank

The Bank of New York
American Depositary Receipts
620 Avenue of the Americas, 6th Floor
New York, NY 10011, USA
Telephone : (646) 885 3218
Facsimile : (646) 885 3043

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules as rules governing securities transactions by the directors of the Company. All Directors have confirmed, following specific enquiry by the Company, that they have complied with required standards set out in the Model Code throughout the six months ended 30th June 2005.

Audit Committee

The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the six months ended 30th June 2005.

Purchase, Sale or Redemption of the Company's Shares

The Company has not redeemed any of its shares during the six months ended 30th June 2005. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

Closure of Register of Members

The register of members of the Company will be closed from Wednesday, 26th October 2005 to Friday, 28th October 2005, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged for registration with the Company's Share Registrar, Abacus Share Registrars Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:00 p.m. on Tuesday, 25th October 2005.

By order of the Board

Ou Bingchang

Chairman

Hong Kong, 23rd September 2005

Movements during the period of the options granted under the GZT Scheme to the employees of the Group were as follows:

Number of share options			outstanding as at 30th June 2005	Exercise price per share HK\$	Date of grant	Exercisable period	Weighted average closing price (c) HK\$
outstanding as at 1st January 2005	exercised during the period	lapsed during the period					
1,114,000	92,000	92,000	930,000	0.7520	07/04/2000	07/04/2001 - 06/04/2006 (b)	2.275

Notes:

- (a) No options have been granted or cancelled during the period.
- (b) All options are exercisable in 3 tranches. If the last day of the exercisable period is not a business day, the exercisable period will expire on the business day preceding thereof.
- (c) The weighted average closing price per share of GZT immediately before the dates on which the options were exercised.

Corporate Governance

The Company has complied with the code provisions of the Code on Corporate Governance Practices ("Code") contained in Appendix 14 of the Listing Rules throughout the six months ended 30th June 2005, except for the following deviations:

Code Provision A.2.1

The code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Ou Bingchang is the Chairman and General Manager of the Company. The Chairman is responsible for overseeing the operation of the Board and providing leadership and direction towards achieving the Company's objectives. In contrast the General Manager of the Company is responsible for the operation of the business under the direction of the Board and the implementation of the policies and strategies set by the Board. The combination of the roles of the Chairman and the General Manager in one person is intended to ensure that the Board is in full control of the affairs of the Company and that the policies and strategies set by the Board would be efficiently and effectively implemented.

Code Provisions A.4.1 and A.4.2

The code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

The code provision A.4.2 (last sentence) stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

None of the non-executive directors of the Company is appointed for a specific term. However, all the non-executive directors of the Company are subject to retirement by rotation at the annual general meeting of the Company in accordance with the Company's Articles of Association. All the non-executive directors of the Company had retired by rotation during the past 3 years. They have been re-elected.

closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (c) the nominal value of the shares. The cash consideration to be paid for each grant of option is HK\$10, with full payment of the exercise price to be made upon exercise of an option.

Movements during the period of the options granted under the share option schemes of the Company to the employees of the Group other than the directors of the Company as disclosed on page 53 were as follows:

Number of share options				Exercise price per share HK\$	Date of grant	Exercisable period	Weighted average closing price (d) HK\$
outstanding as at 1st January 2005	exercised during the period	lapsed during the period	outstanding as at 30th June 2005				
9,626,000	930,000	1,898,000	6,798,000	0.5008	14/12/1999	14/12/2000 - 13/12/2005 (b)	0.769
109,180,000	18,692,000	3,612,000	86,876,000	0.4100	02/05/2003	02/05/2003 - 01/05/2013 (c)	0.671
9,200,000	—	1,200,000	8,000,000	0.5400	02/06/2003	02/06/2003 - 01/06/2013 (c)	N/A
12,404,000	—	—	12,404,000	0.8140	27/10/2003	27/10/2003 - 26/10/2013 (c)	N/A
100,234,000	—	—	100,234,000	0.8460	23/12/2003	23/12/2003 - 22/12/2013 (c)	N/A
312,414,000	7,906,000	1,786,000	302,722,000	0.6300	23/06/2004	23/06/2004 - 22/06/2014 (c)	0.761

Notes:

- (a) No options have been granted or cancelled during the period.
- (b) The options granted are exercisable in 2 tranches. If the last day of the exercisable period is not a business day, the exercisable period will expire on the business day preceding thereof.
- (c) The options granted are exercisable in 3 tranches.
- (d) The weighted average closing price per share immediately before the dates on which the options were exercised.

(ii) GZT

Pursuant to the share option scheme ("GZT Scheme") approved by shareholders of GZT on 3rd January 1997, the board of directors of GZT ("GZT Board") may, at their discretion, grant to directors and employees of GZT or any of its subsidiaries options to subscribe for ordinary shares in GZT. The GZT Scheme is designed to act as an incentive to employees and executives of GZT and its subsidiaries. The exercise price is determined by the GZT Board and being equal to the higher of (a) the nominal value of the share; and (b) not less than 80 per cent of the average closing prices of the share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of offer of an option. The cash consideration to be paid for each grant of option is HK\$10, with full payment of the exercise price to be made upon exercise of an option.

On 25th June 2002, the shareholders of GZT approved the resolutions relating to the termination of the GZT Scheme and the adoption of a new share option scheme ("2002 GZT Scheme"). Upon termination of the GZT Scheme, no further share options will be granted thereunder but all the outstanding share options granted prior to such termination continue to be valid and exercisable in accordance therewith, and only those provisions of the GZT Scheme which are required to give effect to the outstanding share options continue to remain in force for such purpose. The 2002 GZT Scheme complies with the amendments to Chapter 17 of the Listing Rules.

Pursuant to the 2002 GZT Scheme with terms and conditions substantially the same as those under the 2002 Share Option Scheme, the GZT Board may grant to any person being an employee, officer, director, agent, consultant or representative of the Company, Yue Xiu, GZT or any of their respective subsidiaries options to subscribe for shares in GZT.

Share Options

(i) The Company

Pursuant to the share option scheme ("Share Option Scheme") approved by shareholders of the Company on 23rd June 1998, the board of directors of the Company ("Board") may, at their discretion, offer to directors and employees of the Company or any of its subsidiaries options to subscribe for ordinary shares in the Company. The Share Option Scheme is designed to act as an incentive to employees and executives of the Group. The exercise price was determined by the Board and being equal to the higher of (a) the nominal value of the share; and (b) not less than 80 per cent of the average closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of an option. The cash consideration to be paid for each grant of option is HK\$10, with full payment of the exercise price to be made upon exercise of an option.

On 26th June 2002, the shareholders of the Company approved the resolutions relating to the termination of the Share Option Scheme and the adoption of a new share option scheme ("2002 Share Option Scheme"). Upon termination of the Share Option Scheme, no further share options will be granted thereunder but all the outstanding share options granted prior to such termination continue to be valid and exercisable in accordance therewith, and only those provisions of the Share Option Scheme which are required to give effect to the outstanding share options continue to remain in force for such purpose. The 2002 Share Option Scheme complies with the amendments to Chapter 17 of the Rules Governing the listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

Pursuant to the 2002 Share Option Scheme, the Board may grant to any person being an employee, officer, director, agent, consultant or representative of Yue Xiu, the Company or any of their respective subsidiaries ("Participants") options to subscribe for shares in the Company. The purpose of the 2002 Share Option Scheme is to provide incentives to Participants to contribute to the Group and to enable the Group to recruit, retain and motivate high-calibre employees and attract human resources that are valuable to the Group. The total number of shares which may be issued upon exercise of all options to be granted under the 2002 Share Option Scheme is 10 per cent of the number of shares in issue as at the date of approval of the 2002 Share Option Scheme, but the Company may seek approval from its shareholders in a general meeting to refresh the 10 per cent limit. On 2nd June 2004, the shareholders of the Company approved the refreshment of the 10 per cent limit under the 2002 Share Option Scheme. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2002 Share Option Scheme and any other schemes of the Company must not exceed 30 per cent of the shares of the Company in issue from time to time. The maximum entitlement of each Participant upon exercise of the options granted or to be granted within any 12-month period immediately preceding the proposed date of grant is limited to 1 per cent of the number of shares in issue as at the proposed date of grant. Any further grant of options in excess of this limit is subject to shareholders' approval in general meeting. The share options are exercisable from the commencement date of the option period (which shall be a period to be notified by the Board at the time of the grant of an option, such period to commence on the date of grant or such later date as the Board may decide and expire on the last day of the period, which in any event shall not exceed 10 years from the date of grant), of which a maximum of up to (i) 30 per cent; and (ii) 60 per cent (inclusive of any options exercised under (i)), of the options granted under the relevant grant are exercisable during the period (i) up to the first anniversary; and (ii) up to the second anniversary of the commencement date of the option period respectively. After the second anniversary of the commencement date of the option period the restrictions will cease. In respect of a Participant who is an employee of Yue Xiu, the Company or any of their respective subsidiaries, the same limits on the exercise of the share options as described above shall also apply, except that the periods referred to in (i) and (ii) above shall commence from the later of: (a) the date of completion by such Participant of one year of continuous employment as permanent member of the staff of Yue Xiu, the Company or any of their respective subsidiaries, as the case may be; and (b) the commencement date of the option period, and the date when the restrictions cease shall be modified accordingly. The exercise price is determined by the Board and must be at least the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant; (b) the average

Interests of Substantial Shareholders

As at 30th June 2005, the following persons have an interest or short position in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Long position in shares	Approximate % of interest
Yue Xiu Enterprises (Holdings) Limited ("Yue Xiu") (Note 1)	3,229,435,248	50.99
JPMorgan Chase & Co. (Note 2)	379,938,000	5.97

Notes:

- 1) The capacity of Yue Xiu in holding the 3,229,435,248 shares was, as to 10,928,184 shares, as beneficial owner and, as to 3,218,507,064 shares, attributable to interests of controlled corporations. Details of the breakdown of the shares held by Yue Xiu were as follows:

Name	Long position in shares
Yue Xiu	3,229,435,248
Excellence Enterprises Co., Ltd. ("Excellence")	3,174,015,064
Bosworth International Limited ("Bosworth")	2,279,312,904
Sun Peak Enterprises Ltd. ("Sun Peak")	565,683,000
Novena Pacific Limited ("Novena")	565,683,000
Shine Wah Worldwide Limited ("Shine Wah")	158,049,000
Morrison Pacific Limited ("Morrison")	158,049,000
Perfect Goal Development Co., Ltd. ("Perfect Goal")	135,737,000
Greenwood Pacific Limited ("Greenwood")	135,737,000
Yue Xiu Finance Company Limited ("YXF")	44,492,000
Seaport Development Limited ("Seaport")	35,233,160
Goldstock International Limited ("Goldstock")	35,233,160

- (i) 2,279,312,904 shares were held by Bosworth, which was wholly-owned by Excellence which was, in turn, wholly-owned by Yue Xiu.
- (ii) 565,683,000 shares were held by Novena, which was wholly-owned by Sun Peak which was, in turn, wholly-owned by Excellence.
- (iii) 158,049,000 shares were held by Morrison, which was wholly-owned by Shine Wah which was, in turn, wholly-owned by Excellence.
- (iv) 135,737,000 shares were held by Greenwood, which was wholly-owned by Perfect Goal which was, in turn, wholly-owned by Excellence.
- (v) 44,492,000 shares were held by YXF, which was wholly-owned by Yue Xiu.
- (vi) 35,233,160 shares were held by Goldstock, which was wholly-owned by Seaport which was, in turn, wholly-owned by Excellence.
- 2) The capacity of JPMorgan Chase & Co. in holding the 379,938,000 shares was, as to 356,710,000 shares, as investment manager and, as to 23,228,000 shares, as approved lending agent.

Interests of Directors

As at 30th June 2005, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which are required to be recorded in the register maintained by the Company under Section 352 of the SFO or notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") were as follows:

1. Long positions in shares of the Company:

Name of Director	Nature of interest	Beneficial interest in shares	Approximate % of interest
Mr Liang Ningguang	Personal	400,000	0.01
Mr Xiao Boyan*	Personal	500,000	0.01
Mr Lee Ka Lun	Personal	1,050,000	0.02

* Mr Xiao Boyan resigned as director of the Company with effect from 10th August 2005

2. Long positions in underlying shares of equity derivatives of the Company:

Name of Director	Date of grant	Exercise price per share HK\$	Number of share options outstanding as at 1st January and 30th June 2005
Mr Ou Bingchang	02/06/2003	0.5400	9,000,000
Mr Liang Yi	02/06/2003	0.5400	7,000,000
Mr Chen Guangsong	02/06/2003	0.5400	8,000,000
Mr Liang Ningguang	02/06/2003	0.5400	7,000,000
Mr Li Fei	02/06/2003	0.5400	7,000,000
Mr Xiao Boyan*	02/06/2003	0.5400	7,000,000
Mr Yu Lup Fat Joseph	02/06/2003	0.5400	3,500,000
Mr Lee Ka Lun	02/06/2003	0.5400	2,450,000

Note:

The share options are exercisable from 2nd June 2003 to 1st June 2013, of which a maximum of up to (i) 30 per cent; and (ii) 60 per cent (inclusive of any options exercised under (i)) thereof are exercisable during the period (i) up to the first anniversary; and (ii) up to the second anniversary of the date of grant, respectively.

Save as disclosed herein, as at 30th June 2005, none of the directors of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which are required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

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 entities and affiliated companies. These advances are unsecured and have no fixed term of repayments. There were no committed capital injections to and guarantees given to or for the above entities and affiliated companies.
- (2) Of this interest-bearing advance, approximately HK\$379.2 million was charged at US prime rate; approximately HK\$95.4 million was charged at lending rates of financial institutions in China; and the remaining balance was charged at HK prime rate.
- (3) Of this interest-bearing advance, approximately HK\$0.6 million was charged at HK prime rate; approximately HK\$31.5 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 8.0 per cent of the Market Capitalisation.
- (5) Market Capitalisation means the market capitalization of the Company as at 30th June 2005 amounting to HK\$4,337,805,622 based on the total number of 6,379,125,914 shares of the Company in issue on 30th June 2005 and average closing price HK\$0.68 per share for the five business days immediately preceding 30th June 2005.

Pro Forma Combined Balance Sheet of Affiliated Companies

In accordance with Rule 13.22 of the Listing Rules, a pro forma combined balance sheet of the Company's relevant affiliated companies as at 30th June 2005 and the Group's attributable interest therein are set out below:

	HK\$'000
Long term assets	5,873,135
Current assets	491,056
Current liabilities	(129,757)
Long term liabilities	(4,099,664)
	<u>2,134,770</u>
Net assets	<u>2,134,770</u>
	HK\$'000
Attributable interest to the Group	
Net assets	286,502
Shareholder's loans receivable	790,830
Goodwill on acquisition less amortisation	158,083
	<u>1,235,415</u>

Disclosures Pursuant to Rule 13.21 of the Listing Rules

Reference was made to a HK\$3,800 million loan agreement dated 30th May 2005 ("Loan Agreement") with a final maturity in June 2010. In accordance with the terms of the Loan Agreement, it shall be an event of default if Yue Xiu Enterprises (Holdings) Limited ceases to maintain shareholding interest (whether directly or indirectly) of not less than 35 per cent in the issued voting share capital of the Company or an effective management control over the Company. And this obligation has been duly complied with.

Advances to Entity

The advances made by the Group to the following entity, which exceeded 8.0 per cent of the Market Capitalisation (note 5) and is required to be disclosed under Rule 13.20 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as follows:

Name of the Entities	Percentage of indirect attributable interest held by the Company	Advances as at 30th June 2005 (Note 1)		Interest rate	Total (A + B) HK\$ million
		Interest bearing (A) HK\$ million	Non-interest bearing (B) HK\$ million		
Guangdong Humen Bridge Co., Ltd.	8.58	474.8	—	(Note 2)	474.8

Financial Assistance to Affiliated Companies

The financial assistance provided by the Group to the affiliated companies of the Company, which in aggregate exceeded 8.0 per cent of the Market Capitalisation (note 5) are required to be disclosed under Rule 13.22 of the Listing Rules as follows:

Name of the Affiliated Companies	Percentage of indirect attributable interest held by the Company	Advances as at 30th June 2005 (Note 1)		Interest rate	Total (A + B) HK\$ million
		Interest bearing (A) HK\$ million	Non-interest bearing (B) HK\$ million		
Guangdong Humen Bridge Co., Ltd.	8.58	474.8	—	(Note 2)	474.8
Guangdong Qinglian Highway Development Co., Ltd.	8.10	—	219.0	—	219.0
Guangdong Shantou Bay Bridge Co., Ltd.	10.30	32.1	—	(Note 3)	32.1
Hainan China City Property Development Co. Ltd.	52	—	51.0	—	51.0
Guangdong Xinshidai Real Estate Ltd.	45	—	14.0	—	14.0
Total (Note 4)		506.9	284.0		790.9

25 Significant related party transactions and balances (cont'd)

d) Key management compensation

The aggregate amounts of emoluments paid or payable to key management of the Company are as follows:

	Six months ended 30th June	
	2005 HK\$'000	2004 HK\$'000
Fees	—	—
Other emoluments:		
Basis salaries, housing allowances, other allowances and benefits in kind	1,726	1,877
Share-based payments	—	367
Directors' pension	34	45
	<u>1,760</u>	<u>2,289</u>

e) Transactions with state-controlled enterprises

Under HKAS 24, business transactions between state-controlled enterprises controlled by Chinese government are within the scope of related party transactions. YXE, the ultimate holding company of the Group, is a state-controlled enterprise. The Group's key business transactions with other state-controlled enterprises are primarily related to construction and sales of newsprint activities. The related party transactions with other state-controlled enterprises were conducted in the ordinary course of business. Due to complex ownership structure, the Chinese government may hold indirect interests in many companies. Some of these interests may, in themselves or when combined with other indirect interests, be controlling interests which may not be known by the Group. Nevertheless, the Group believes that the following shall capture the material related party transactions.

As at 30th June 2005, more than 89 per cent (31st December 2004: more than 91 per cent) of bank deposits were with state-controlled banks; approximately 26 per cent (31st December 2004: approximately 24 per cent) of the trade receivables were with stated-controlled enterprises; more than 50 per cent (31st December 2004: more than 73 per cent) of the trade payables were with stated-controlled enterprises; all the land premium payable (31st December 2004: all) were with stated-controlled bodies; approximately 25 per cent (31st December 2004: approximately 25 per cent) of other payables and accrued charges were with state-controlled enterprises; approximately 44 per cent (31st December 2004: approximately 51 per cent) of bank borrowings were with state-controlled banks.

For the six months ended 30th June 2005, approximately 17 per cent (2004: approximately 11 per cent) of the sales of the Group were with stated-controlled enterprises; more than 90 per cent (2004: more than 90 per cent) construction fee were paid to stated-controlled enterprises; more than 85 per cent (2004: approximately 71 per cent) of bank deposit interest incomes were from state-controlled banks; approximately 20 per cent (2004: approximately 57 per cent) of finance costs were paid to state-controlled banks.

26 Event after balance sheet date

On 21st September 2005, the Group has been successful in the tender for the right to build the West Tower of Zhujiang New City Twin Towers in Guangzhou (the "Project"). The site area of the Project amounts to 31,085 square meters and the project is expected to commence this year and to be completed in 2009. As the Group has yet to enter into formal agreement in relation to the tender, the Company's directors consider it to be more appropriate to make an estimate of the financial effect at a later stage when detailed terms of development of the Project are finalized.

25 Significant related party transactions and balances (cont'd)

c) Balances with related parties other than state-controlled enterprises

	30th June 2005 HK\$'000	31st December 2004 HK\$'000
Balances with YXE Group		
Amounts due from YXE Group (Note i)	1,219	3,234
Loans from YXE Group (Note ii)	(382,861)	(426,807)
Balances with jointly controlled entities		
Amounts due from jointly controlled entities (Note i)	185,312	155,664
Amounts due to jointly controlled entities (Note i)	(120,661)	(123,442)
Balances with associated companies		
Amounts due from associated companies (Note iii)	792,757	854,278
Amounts due to associated companies (Note i)	(112,150)	(112,150)
Balance with SIIL		
Loans from SIIL (Note i)	(23,340)	(23,340)
Balance with SWTL		
Loans from SWTL (Note i)	(2,000)	(2,000)
Balance with GZPHL		
Amounts due to GZPHL (Note i)	(2,700)	(599)
Balance with GCDHL		
Amounts due to GCDHL (Note i)	(80,482)	(118,107)
Balances with GHDC		
Loans from GHDC (Note iv)	(403,487)	(403,487)
Amounts due to GHDC (Note i)	(68,610)	(68,125)
Balance with Festoon		
Loans from Festoon (Note i)	(34,108)	(35,060)

Note:

- (i) Balances are unsecured, interest-free and repayable on demand.
- (ii) Except for an aggregate amount of HK\$353,749,000 (31st December 2004: HK\$351,994,000) which bears interest at Hong Kong Interbank Offered Rate plus 1 per cent per annum, the remaining balances are interest free. Except for an aggregate amount of HK\$273,560,000 (31st December 2004: HK\$267,459,000), which has fixed repayment terms over 1 year, the remaining balances do not have fixed repayment term.
- (iii) Except for loans in aggregate amount of HK\$506,927,000 (2004: HK\$568,414,000) which bear interest at prevailing Hong Kong dollars prime rates ranging of 5 to 5.75 per cent per annum; US dollars prime rates ranging from 5.25 to 6 per cent per annum and lending rate of financial institutions in China is 6.12 per cent per annum, the remaining balance are unsecured, interest-free and repayment on demand.
- (iv) Except for an aggregate amount of HK\$120,561,000 (2004: HK\$120,561,000) which bears interest at the prevailing leading rates of financial institutions in China ranging from 4.00 to 6.12 per cent per annum, the remaining balances are interest-free and have no fixed repayment term.

25 Significant related party transactions and balances (cont'd)

b) Transactions with related parties other than state-controlled enterprises

	Six months ended 30th June	
	2005 HK\$'000	2004 HK\$'000
Transactions with YXE		
Rental expenses paid to YXE	1,127	528
Loan interest paid to YXE	3,617	1,521
Transactions with GZPHL		
Rental and utility expenses paid to GZPHL (Note)	136,343	92,016
Transactions with YXIDL		
Loan interest paid to YXIDL	1,081	472

Note:

The rental and utility expenses paid to GZPHL were conducted in accordance with the terms as disclosed in the Group's 2004 annual report.

All the other related party transactions were carried out at the terms as agreed by the relevant parties.

25 Significant related party transactions and balances

a) Related parties

Related parties are those parties which have the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. The table set forth below summarised the names of significant parties and nature of relationship with the Company as at 30 June 2005:

Significant related party	Relationship with the Company
Yue Xiu Enterprises (Holdings) Limited ("YXE")	The ultimate holding company
Yue Xiu International Development Limited ("YXIDL")	A subsidiary of YXE
Yue Xiu Hotel and Housing Investment Limited	A subsidiary of YXE
Yue Xiu Corporate Consultancy and Services Co., Ltd.	A subsidiary of YXE
Guangzhou Highways Development Company ("GHDC")	A minority shareholder of subsidiaries
Guangzhou Paper Holdings Limited ("GZPHL")	A minority shareholder of a subsidiary
Super Win Trading Ltd ("SWTL")	A minority shareholder of a subsidiary
Smart Image Investment Ltd ("SIIL")	A minority shareholder of a subsidiary
Festoon Enterprises Limited ("Festoon")	A minority shareholder of a subsidiary
Guangzhou City Construction & Development Holdings Limited ("GCDHL")	A minority shareholder of a subsidiary
Guangdong Xinshidai Real Estate Limited	A jointly controlled entity of a subsidiary
Guangzhou Northern Second Ring Expressway Co., Limited	A jointly controlled entity of a subsidiary
Guangzhou Western Second Ring Expressway Co., Limited	A jointly controlled entity of a subsidiary
Hainan China City Property Development Co., Limited	A jointly controlled entity of a subsidiary
Zhoushan Xinyuan Real Estate Development Co., Limited	A jointly controlled entity of a subsidiary
Guangdong Humen Bridge Co., Limited	An associated company of a subsidiary
Guangdong Qinglian Highway Development Co., Limited	An associated company of a subsidiary
Guangdong Shantou Bay Bridge Co., Limited	An associated company of a subsidiary
Guangzhou Northring Freeway Co., Limited	An associated company of a subsidiary
Guangzhou Xin Yue Real Estate Development Co., Limited	An associated company of a subsidiary
State-controlled enterprises (see (e) below)	Related parties of the Company

22 Commitments under operating leases

The Group had future aggregate minimum lease payments under non-cancellable leases in respect of land and buildings as follows:

	30th June 2005 HK\$'000	31st December 2004 HK\$'000
Land and buildings		
Not later than one year	27,032	26,380
Later than one year and not later than five years	100,288	97,388
Later than five years	213,188	215,354
	340,508	339,122

23 Other commitments

	30th June 2005 HK\$'000	31st December 2004 HK\$'000
Commitments in respect of acquisition of fixed assets, contracted but not provided for	25,267	14,359

24 Pledge of assets

At 30th June 2005, certain banking facilities and loans granted to the Group and the Company were secured by the following:

- (a) certain of the Group's fixed assets, properties held for/under development, properties held for sale and investment properties with an aggregate carrying value of HK\$44 million (31st December 2004: Nil), HK\$736 million (31st December 2004: HK\$514 million), HK\$520 million (31st December 2004: HK\$291 million) and HK\$3,853 million (31st December 2004: HK\$3,230 million) respectively;
- (b) floating charge over certain assets of certain subsidiaries with aggregate net book value of HK\$6,465 million (31st December 2004: HK\$438 million);
- (c) mortgages of the Group's shareholdings in certain subsidiaries; and
- (d) charge over certain intercompany loans.

19 Reserves (cont'd)

Statutory reserves represent enterprise expansion and general reserve funds set by the subsidiaries and associated companies in China. As stipulated by regulation in China, the Company's subsidiaries and associated companies established and operated in China are required to appropriate a portion of their after-tax profits (after offsetting prior year losses) to the enterprise expansion and general reserve funds, at rates determined by their respective boards of directors, according to the Foreign Investment Enterprises Accounting Standards in China, upon approval by the board, the general reserve fund may be used for making up losses and increasing capital while the enterprise expansion fund may be used for increasing capital. Included in the Group's statutory reserves is HK\$538,000 (31st December 2004: HK\$538,000) attributable to associated companies.

20 Deferred taxation

Deferred taxation are calculated in full on temporary differences under the liability method using the applicable income tax rate.

Deferred taxation as at 30th June 2005 represents:

	30th June 2005	31st December 2004 Restated
	HK\$'000	HK\$'000
Deferred tax assets		
- Hong Kong profits tax	7,110	10,054
- China enterprise income tax	49,428	46,145
	<u>56,538</u>	<u>56,199</u>
Deferred tax liabilities		
- Hong Kong profits tax	15,805	15,648
- China enterprise income tax	1,564,838	1,514,192
- China land appreciation tax	1,888,776	1,629,540
	<u>3,469,419</u>	<u>3,159,380</u>

21 Contingent liabilities

	30th June 2005	31st December 2004
	HK\$'000	HK\$'000
Guarantees for mortgage facilities granted to certain buyers of the Group's properties (Note)	<u>126,441</u>	<u>250,250</u>

Note:

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon issuance of the real estate ownership certificate.

Except for the above, there is no material change in contingent liabilities since the last annual balance sheet date.

19 Reserves (cont'd)

	(Unaudited)							
	Share premium HK\$'000	Capital redemption reserve HK\$'000	Statutory reserves HK\$'000	Exchange fluctuation reserve HK\$'000	Available- for-sales financial assets fair value reserves HK\$'000	Employee share- based compen- sation reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000
Balance at 1st January 2005, as previously reported as equity	5,740,733	1,815	79,397	(78,299)	—	—	855,495	6,599,141
Amortisation of leasehold land and land use rights	—	—	—	—	—	—	(459,085)	(459,085)
Adjustment for deferred tax arising from the revaluation of investment properties	—	—	—	—	—	—	215,152	215,152
Recognition of share- based options expenses	—	—	—	—	—	26,635	(26,635)	—
Balance at 1st January 2005, as restated	5,740,733	1,815	79,397	(78,299)	—	26,635	584,927	6,355,208
Opening adjustment on adoption of HKAS 39	—	—	—	—	—	—	134,387	134,387
Opening adjustment on adoption of HKFRS 3	—	—	—	—	—	—	529,685	529,685
Balance at 1st January 2005 after opening adjustments, as restated	5,740,733	1,815	79,397	(78,299)	—	26,635	1,248,999	7,019,280
Currency translation differences, Group	—	—	—	2,695	—	—	—	2,695
Change of fair value of financial assets	—	—	—	—	(21,038)	—	—	(21,038)
- gross	—	—	—	—	(21,038)	—	—	(21,038)
- tax	—	—	—	—	(635)	—	—	(635)
Profit attributable to equity holders of the Company	—	—	—	—	—	—	132,434	132,434
Transfers	—	—	7,333	—	134,387	—	(141,720)	—
Employee share option scheme expenses	—	—	—	—	—	15,126	—	15,126
Issue of shares net of issuing expenses	10,350	—	—	—	—	—	—	10,350
Dividend relating to 2004	—	—	—	—	—	—	(57,328)	(57,328)
At 30th June 2005	<u>5,751,083</u>	<u>1,815</u>	<u>86,730</u>	<u>(75,604)</u>	<u>112,714</u>	<u>41,761</u>	<u>1,182,385</u>	<u>7,100,884</u>
Representing:								
2005 Interim dividend proposed							64,028	
Others							<u>1,118,357</u>	
							<u>1,182,385</u>	

Included in the Group's retained profits are retained profits amounting to HK\$904,949,000 (31st December 2004: HK\$801,941,000) and accumulated losses of HK\$280,388,000 (31st December 2004: HK\$298,204,000) which are attributable to associated companies and jointly controlled entities, respectively.

19 Reserves

	(Unaudited)						
	Share premium HK\$'000	Capital redemption reserve HK\$'000	Statutory reserves HK\$'000	Exchange fluctuation reserve HK\$'000	Employee share-based compensation reserves HK\$'000	Retained Profits HK\$'000	Total HK\$'000
Balance at 1st January 2004, as previously reported	5,707,378	1,815	62,606	(76,709)	—	649,398	6,344,488
Amortisation of leasehold land and land use rights	—	—	—	—	—	(421,230)	(421,230)
Adjustment for deferred tax arising from the revaluation of investment properties	—	—	—	—	—	216,413	216,413
Recognition of share- based options expenses	—	—	—	—	4,016	(4,016)	—
Balance at 1st January 2004, as restated	5,707,378	1,815	62,606	(76,709)	4,016	440,565	6,139,671
Currency translation differences, Group	—	—	—	(496)	—	—	(496)
Release of reserve upon disposal of properties held for sales	—	—	—	—	—	(8,933)	(8,933)
Profit attributable to equity holders of the Company	—	—	—	—	—	111,506	111,506
Transfers	—	—	260	—	—	(260)	—
Employee share option scheme expenses	—	—	—	—	6,223	—	6,223
Issue of shares net of issuing expenses	22,536	—	—	—	—	—	22,536
Dividend paid	—	—	—	—	—	(68,123)	(68,123)
Balance at 30th June 2004	5,729,914	1,815	62,866	(77,205)	10,239	474,755	6,202,384
Currency translation differences, Group	—	—	—	(1,092)	—	—	(1,092)
Provision for impairment of goodwill	—	—	—	—	—	43,533	43,533
Release of reserve upon disposal of properties held for sales	—	—	—	—	—	(21,742)	(21,742)
Release of reserve upon deemed disposal of certain interest in a subsidiary	—	—	(1)	(2)	—	—	(3)
Profit attributable to equity holders of the Company	—	—	—	—	—	157,582	157,582
Transfers	—	—	16,532	—	—	(16,532)	—
Employee share option scheme expenses	—	—	—	—	16,396	—	16,396
Issue of shares net of issuing expenses	10,819	—	—	—	—	—	10,819
Dividend paid	—	—	—	—	—	(52,669)	(52,669)
Balance at 31st December 2004	<u>5,740,733</u>	<u>1,815</u>	<u>79,397</u>	<u>(78,299)</u>	<u>26,635</u>	<u>584,927</u>	<u>6,355,208</u>
Representing:							
2004 Final dividend proposed						57,266	
Others						527,661	
						<u>584,927</u>	

18 Share options (cont'd)

Particulars of share options as at 30th June 2005 and 31st December 2004 are as follows:

Date of grant	Exercise period	Exercise price HK\$	Number of share options	
			as at 30th June 2005 '000	as at 31st December 2004 '000
Old share option scheme				
14th December 1999	14th December 2000 - 13th December 2005	0.5008	6,798	9,626
New share option scheme				
2nd May 2003	2nd May 2003 - 1st May 2013	0.4100	86,876	109,180
2nd June 2003	2nd June 2003 - 1st June 2013	0.5400	58,950	60,150
27th October 2003	27th October 2003 - 26th October 2013	0.8140	12,404	12,404
23rd December 2003	23rd December 2003 - 22nd December 2013	0.8460	100,234	100,234
23rd June 2004	23rd June 2004 - 22nd June 2014	0.6300	302,722	312,414
			567,984	604,008

Out of 567,984,000 outstanding options (31st December 2004: 604,008,000), 394,559,200 options (31st December 2004: 230,790,200) were exercisable as at the six months ended 30th June 2005 and year ended 31st December 2004.

The Group has taken advantage of the transitional provisions of HKFRS 2 to apply the standard to grants of share options after 7th November 2002 and had not yet vested at 1st January 2005. Share options vested before 1st January 2005 totalling 230,790,200 were not included in the calculation of fair value of options granted.

The fair value of options granted was determined using the Black-Scholes valuation model which was performed by an independent valuer, Greater China Appraisal Limited. The significant inputs into the model were share price at the grant date, exercise price, standard deviation of expected share price returns, expected life of options, expected dividend paid out rate and annual risk-free rate. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over one year before the option granted date.

18 Share options

On 26th June 2002, the Company has adopted a new share option scheme, under which it may grant options to employees (including executive directors of the Company) to subscribe for shares in the Company, subject to a maximum of 10 per cent of the number of shares in issue as at 26th June 2002. The exercise price will be determined by the Company's Board of Directors and shall at least be the highest of (i) the closing price of the Company's shares on the date of grant of the options, (ii) an average closing price of the Company's shares for the five business days immediately preceding the date of grant of the options, and (iii) the nominal value of the Company's shares.

As at 30th June 2005, there were outstanding options granted under an old share option scheme to subscribe for an aggregate of 6,798,000 shares of the Company. All options granted under the old share option scheme will continue to be valid and exercisable in accordance with the rules of the old share option scheme.

Movement of share options are as follows:

	<u>Number of share options</u>
	'000
At 1st January 2004	393,526
Granted during the period	320,310
Exercised during the period	(73,690)
Lapsed during the period	(228)
	<hr/>
At 30th June 2004	639,918
Exercised during the period	(29,190)
Lapsed during the period	(6,720)
	<hr/>
At 31st December 2004	<u>604,008</u>
	<hr/>
At 1st January 2005	604,008
Exercised during the period	(27,528)
Lapsed during the period	(8,496)
	<hr/>
At 30th June 2005	<u><u>567,984</u></u>

16 Derivative financial instrument

	30th June 2005 HK\$'000	31st December 2004 HK\$'000
Interest-rate swaps	<u>33,228</u>	<u>29,021</u>

The notional principal amount of the outstanding interest-rate swap amounted to HK\$2,535,000,000 (31st December 2004: HK\$2,535,000,000).

17 Share capital

	Company	
	Number of Shares '000	HK\$'000
Authorised: 10,000,000,000 ordinary shares of HK\$0.10 each	<u>10,000,000</u>	<u>1,000,000</u>
Issued and fully paid:		
At 1st January 2004	6,248,718	624,872
Issue of share upon exercise of share options	102,880	10,288
At 31st December 2004	<u>6,351,598</u>	<u>635,160</u>
At 1st January 2005	6,351,598	635,160
Issue of share upon exercise of share options	27,528	2,753
At 30th June 2005	<u>6,379,126</u>	<u>637,913</u>

15 Borrowings

	30th June 2005 HK\$'000	31st December 2004 HK\$'000
Non-current		
Long term bank borrowings		
- Secured	3,406,669	2,726,859
- Unsecured	336,706	420,806
Obligations under finance leases – Secured	40	53
Loans from ultimate holding company – Unsecured	254,710	298,890
Loans from related companies – Unsecured	126,962	127,917
Loans from minority shareholders of subsidiaries – Unsecured	465,635	463,887
	<u>4,590,722</u>	<u>4,038,412</u>
Current		
Bank overdrafts - Unsecured	8,933	24,763
Short-term bank borrowings		
- Secured	112,150	453,644
- Unsecured	566,532	608,919
Current portion of long-term bank borrowings		
- Secured	689,622	645,277
- Unsecured	228,998	314,222
Obligations under finance leases – Secured	25	25
Loans from ultimate holding company - Unsecured	1,189	—
	<u>1,607,449</u>	<u>2,046,850</u>
Total borrowings	<u>6,198,171</u>	<u>6,085,262</u>

The maturity of borrowings is as follows:

	Bank borrowings and overdrafts		Other loans	
	30th June 2005 HK\$'000	31st December 2004 HK\$'000	30th June 2005 HK\$'000	31st December 2004 HK\$'000
Within one year	1,606,235	2,046,825	1,214	25
In the second year	768,277	1,324,388	25	25
In the third to fifth year	2,975,098	1,823,277	253,012	267,487
With no fixed repayment terms	—	—	594,310	623,235
	<u>5,349,610</u>	<u>5,194,490</u>	<u>848,561</u>	<u>890,772</u>

14 Trade payables

Trade payables include trade balances with creditors and retention money payable on construction contracts.

The ageing analysis of the trade payables is as follows:

	30th June 2005 HK\$'000	31st December 2004 HK\$'000
0 - 30 days	98,352	32,433
31 - 90 days	31,629	70,560
91 - 180 days	54,962	24,008
181 - 365 days	3,962	65,755
1 - 2 year	35,905	39,243
Over 2 years	134,164	182,494
	<u>358,974</u>	<u>414,493</u>

12 Available-for-sale financial assets

	30th June 2005 HK\$'000
At the beginning of the period	456,231
Additions	463
Decrease in fair value charged to equity	(65,002)
Impairment losses	(2,673)
Disposals	(1,639)
At the end of the period	<u>387,380</u>

Balances represent financial assets of unlisted securities stated at market value at 30th June 2005.

13 Trade receivables

The Group has defined credit policies for different business segments and markets. The credit terms of the Group are generally within three to six months. The ageing analysis of the trade receivables is as follows:

	30th June 2005 HK\$'000	31st December 2004 HK\$'000
0 - 30 days	118,889	174,569
31 - 90 days	97,266	76,788
91 - 180 days	37,260	81,345
181 - 365 days	74,318	43,789
Over 1 year	99,904	81,377
	<u>427,637</u>	<u>457,868</u>

11 Capital expenditure (cont'd)

	Other intangible assets			Interests in toll highways and bridges					
	Goodwill on acquisition of subsidiaries HK\$'000	Negative goodwill on acquisition of subsidiaries HK\$'000	Total HK\$'000	Intangible Operating rights HK\$'000	Tangible infrastructure HK\$'000	Total HK\$'000	Fixed assets HK\$'000	Investment properties HK\$'000	Leasehold land and land use right HK\$'000
Opening net book value at 1st January 2004, as previously reported	49,039	(584,292)	(535,253)	1,750,864	348,783	2,099,647	1,405,545	4,845,537	—
Effect of changes in accounting policies	—	—	—	—	—	—	(99,278)	—	8,143,566
Opening net book value at 1st January 2004, as restated	49,039	(584,292)	(535,253)	1,750,864	348,783	2,099,647	1,306,267	4,845,537	8,143,566
Additions	—	—	—	85	—	85	35,419	—	—
Disposals	—	—	—	—	—	—	(1,634)	(28,406)	(317,482)
Depreciation/amortisation for the period	(1,590)	16,553	14,963	(44,472)	(6,224)	(50,696)	(68,487)	—	(65,839)
Closing net book value at 30th June 2004	47,449	(567,739)	(520,290)	1,706,477	342,559	2,049,036	1,271,565	4,817,131	7,760,245
Additions	—	—	—	3,035	—	3,035	41,116	122,978	—
Transfer (to)/from properties held for/under development	—	—	—	—	—	—	46,260	(261,873)	—
Revaluation surplus	—	—	—	—	—	—	—	76,750	—
Disposals	—	—	—	—	—	—	(16,368)	—	(550,389)
Transfer	—	—	—	—	—	—	78,444	20,319	(98,763)
Depreciation/amortisation for the period	(2,084)	32,414	30,330	(44,472)	(6,223)	(50,695)	(69,659)	—	(53,776)
Closing net book value at 31st December 2004	45,365	(535,325)	(489,960)	1,665,040	336,336	2,001,376	1,351,358	4,775,305	7,057,317
Analysis as:									
Non-current									3,291,022
Current									3,766,295
									7,057,317

10 Dividend

	Six months ended 30th June	
	2005 HK\$'000	2004 HK\$'000
2005 interim, proposed of HK\$0.01 (2004: HK\$0.0083) per share	<u>64,028</u>	<u>52,531</u>

11 Capital expenditure

	Other intangible assets			Interests in toll highways and bridges				Leasehold	
	Goodwill on acquisition of subsidiaries HK\$'000	Negative goodwill on acquisition of subsidiaries HK\$'000	Total HK\$'000	Intangible Operating rights HK\$'000	Tangible Infrastructure HK\$'000	Total HK\$'000	Fixed assets HK\$'000	Investment properties HK\$'000	land and land use right HK\$'000
Opening net book value at 1st January 2005, as previously reported	45,365	(535,325)	(489,960)	1,665,040	336,336	2,001,376	1,441,325	4,775,305	—
Effect of changes in accounting policies	—	—	—	—	—	—	(89,967)	—	7,057,317
Opening net book value at 1st January 2005, as restated	45,365	(535,325)	(489,960)	1,665,040	336,336	2,001,376	1,351,358	4,775,305	7,057,317
Opening adjustments on adoption of HKFRS 3	—	535,325	535,325	—	—	—	—	—	—
Net book value at 1st January 2005 after opening adjustments	45,365	—	45,365	1,665,040	336,336	2,001,376	1,351,358	4,775,305	7,057,317
Additions	—	—	—	1,037	—	1,037	123,266	62,925	—
Disposals	—	—	—	—	—	—	(51,501)	(178,824)	(89,163)
Revaluation surplus	—	—	—	—	—	—	—	662,539	—
Transfers from properties held for sales	—	—	—	—	—	—	33,376	88,584	—
Transfers	—	—	—	—	—	—	(1,033)	48,272	(47,238)
Depreciation/amortisation for the period	—	—	—	(44,473)	(6,306)	(50,779)	(79,672)	—	(58,664)
Closing net book value at 30th June 2005	<u>45,365</u>	<u>—</u>	<u>45,365</u>	<u>1,621,604</u>	<u>330,030</u>	<u>1,951,634</u>	<u>1,375,794</u>	<u>5,458,801</u>	<u>6,862,252</u>
Analysis as:									
Non-current									3,124,223
Current									3,738,029
									<u>6,862,252</u>

Note: Majority of leasehold land and land use rights and investment properties of the Group are located in China.

9 Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30th June	
	2005	2004 Restated
Profit attributable to equity holders of the Company (HK\$'000)	<u>132,434</u>	<u>111,506</u>
Weighted average number of ordinary shares in issue ('000)	<u>6,362,643</u>	<u>6,300,121</u>
Basic earnings per share (HK cents)	<u>2.08</u>	<u>1.77</u>

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options outstanding during the period which are dilutive potential ordinary shares. Calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average daily market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Six months ended 30th June	
	2005	2004 Restated
Profit attributable to equity holders of the Company (HK\$'000)	<u>132,434</u>	<u>111,506</u>
Weighted average number of ordinary shares in issue ('000)	<u>6,362,643</u>	6,300,121
Adjustments for - share options ('000)	<u>96,957</u>	<u>131,390</u>
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>6,459,600</u>	<u>6,431,511</u>
Diluted earnings per share (HK cents)	<u>2.05</u>	<u>1.73</u>

8 Taxation

(a) Hong Kong profits tax has been provided at the rate of 17.5 per cent (2004: 17.5 per cent) on the estimated assessable profit for the period.

(b) China enterprise income taxation is provided on the profits of the Group's subsidiaries, associated companies and jointly controlled entities in Mainland China in accordance with the Income Tax Law of China for Enterprises with Foreign Investment and Foreign Enterprises ("China Tax Law") at 18 per cent to 33 per cent. Under the China Tax Law, certain of the Group's subsidiaries, associated companies and jointly controlled entities in China are entitled to an income tax holiday for two to five years from its first profit making year followed by a 50 per cent reduction in income tax for the next three to five years.

(c) China land appreciation tax is levied at progressive rates ranging from 30 per cent to 60 per cent on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditure.

(d) The amount of taxation charged to the condensed consolidated profit and loss account represents:

	Six months ended 30th June	
	2005	2004
	HK\$'000	Restated HK\$'000
Current taxation		
— Hong Kong profits tax	809	1,086
— Underprovision in prior years	5,545	—
— China enterprise income tax	33,821	48,785
— China land appreciation tax	2,210	8,695
Deferred taxation in relation to the origination and reversal of temporary differences	285,508	(509)
	327,893	58,057

Share of China enterprise income taxation attributable to the following are included in the profit and loss account as share of results of associated companies and jointly controlled entities:

	Six months ended 30th June	
	2005	2004
	HK\$'000	Restated HK\$'000
Associated companies		
— current taxation	8,521	7,138
— deferred taxation	5,648	5,794
Jointly controlled entities		
— current taxation	602	—
— deferred taxation	1,668	1,748

7 Expenses by nature

Expenses included in cost of sales, selling and distribution expenses and general and administrative expenses are analysed as follows:

	Six months ended 30th June	
	2005 HK\$'000	2004 Restated HK\$'000
Charging		
Advertising expenses	43,275	43,630
Cost of inventories sold	966,073	1,520,737
Direct operating expenses arising from investment properties that generate rental income	73,338	44,573
Depreciation:		
- Owned fixed assets	79,659	68,474
- Leased fixed assets	13	13
Amortisation/depreciation of interests in toll highways and bridges	50,779	50,696
Amortisation of leasehold land and land use right		
- included in cost of sales	54,775	61,820
- included in administrative expenses	3,889	4,019
Derivative instruments – interest rate swap not qualifying as hedge	4,206	7,173
Provision for impairment in value of fixed assets	10,418	—
Write-down of properties held for/under development to net realisable value	31,850	—
Staff costs		
- Wages and salaries (including directors' remuneration)	98,195	93,198
- Pension costs – defined contribution plans	8,475	7,545
- Medical benefits costs	2,050	3,501
- Social security costs	11,472	8,093
- Termination benefits	874	6,349
- Staff welfare	7,071	9,051
- Share option granted to directors and employees	15,126	6,223
Operating leases		
- Hire of plant and workshops	8,107	8,184
- Land and buildings	37,336	25,643
Provision for doubtful debts.	49,272	2,891
Net exchange loss	1,517	—

6 Segment information (cont'd)

Primary reporting format — business segments (cont'd)

	As at 30th June 2005 and 31st December 2004							
	Toll operations		Properties		Paper		Group	
	30th June 2005	31st December 2004	30th June 2005	31st December 2004	30th June 2005	31st December 2004	30th June 2005	31st December 2004
	HK\$'000	Restated HK\$'000	HK\$'000	Restated HK\$'000	HK\$'000	Restated HK\$'000	HK\$'000	Restated HK\$'000
Segment assets	2,120,203	2,229,404	18,684,566	17,331,255	1,592,434	1,495,642	22,397,203	21,056,301
Interests in jointly controlled entities	495,482	422,892	243,772	220,545	—	—	739,254	643,437
Interests in associated companies	1,686,656	1,671,842	88,821	88,506	—	—	1,775,477	1,760,348
Unallocated assets							1,392,772	1,016,434
Total assets							26,304,706	24,476,520
Segment liabilities	722,574	768,172	10,401,586	9,430,464	589,427	506,246	11,713,587	10,704,882
Unallocated liabilities							3,267,482	3,323,134
Total liabilities							14,981,069	14,028,016

Secondary reporting format — geographical segments

	For the six months ended 30th June				As at 30th June 2005 and 31st December 2004	
	Turnover		Capital expenditure		Total assets	
	2005	2004	2005	2004	30 June 2005	31st December 2004
	HK\$'000	Restated HK\$'000	HK\$'000	Restated HK\$'000	HK\$'000	Restated HK\$'000
Hong Kong	82,853	392,883	1,686	925	1,319,396	1,362,281
China	1,504,457	1,856,258	185,533	34,579	23,558,495	22,051,223
Overseas	881	24,869	9	—	34,043	46,582
	1,588,191	2,274,010	187,228	35,504	24,911,934	23,460,086
Unallocated asset					1,392,772	1,016,434
Total assets					26,304,706	24,476,520

6 Segment information (cont'd)

Secondary reporting format — geographical segments

The Group's three business segments are mainly managed in Hong Kong and China:

Hong Kong — properties

China — properties, paper and toll operations

Others — properties

There are no significant sales between the geographical segments.

Primary reporting format — business segments

	Six months ended 30th June							
	Toll operations		Properties		Paper		Group	
	2005	2004	2005	2004	2005	2004	2005	2004
	Restated		Restated		Restated		Restated	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	204,006	191,002	767,512	1,520,151	616,673	562,857	1,588,191	2,274,010
Segment results	87,926	70,925	551,399	181,094	68,505	52,493	707,830	304,512
Interest income							3,789	3,077
Unallocated operation costs							(25,839)	(23,704)
Finance costs							(114,092)	(75,463)
Share of profits less losses of:								
— Jointly controlled entities	20,008	252	(5,474)	—	—	—	14,534	252
— Associated companies	103,008	91,035	—	308	—	—	103,008	91,343
Profit before taxation							689,230	300,017
Taxation							(327,893)	(58,057)
Profit for the period							361,337	241,960
Capital expenditure	1,309	4,404	84,350	542	101,569	30,558	187,228	35,504
Depreciation and amortisation	52,057	56,883	79,094	66,807	57,964	61,332	189,115	185,022

5 Critical accounting estimates and assumptions (cont'd)

5.1 Critical accounting estimates and assumptions (cont'd)

(g) Current taxation and deferred taxation

The Group is subject to taxation in Mainland China and Hong Kong. Significant judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the periods in which such determination are made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred taxation assets and taxation in the periods in which such estimate is changed.

5.2 Critical judgements in applying the entity's accounting policies

Distinction between investment properties and owner-occupied properties

The Group determines whether a property qualifies as investment property. In making its judgement, the Group considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions can be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgement.

6 Segment information

The Group is principally engaged in development, operation and management of toll highways and bridges, development, selling and management of properties and holding of investment properties, manufacturing and trading of newsprint. Turnover and segment results for the period are as follows:

Primary reporting format — business segments

The Group operates mainly in Hong Kong and Mainland of China ("China") and in three main business segments:

- Properties - development, selling and management of properties and holding of investment properties
- Toll operations - development, operation and management of toll highways and bridges
- Paper - manufacturing and selling of newsprint

There are no significant sales between the business segments.

5 Critical accounting estimates and assumptions (cont'd)

5.1 Critical accounting estimates and assumptions (cont'd)

(e) Estimate of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar lease and other contracts. The Group employed an independent firm of professional surveyor, Greater China Appraisal Limited, to determine the open market values for the investment properties of the Group.

In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgment, the Group considers information from a variety of sources including:

- i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences.
- ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- iii) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

If information on current or recent prices of investment properties is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at each balance date.

The principal assumptions underlying management's estimation of fair value are those related to: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

(f) Estimate of fair value of share-based options

The Group has taken advantage of the transitional provisions of HKFRS 2 to apply the standard to grants of share options after 7th November 2002 and had not yet vested at 1st January 2005. Share options vested before 1st January 2005 totalling 230,790,200 were not included in the calculation of fair value of options granted.

The fair value of options granted was determined using the Black-Scholes valuation model which was performed by an independent valuer, Greater China Appraisal Limited. The significant inputs into the model were share price at the grant date, exercise price, standard deviation of expected share price returns, expected life of options, expected dividend paid out rate and annual risk-free rate. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over one year before the option granted date.

5 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets or liabilities are discussed below.

(a) *Definition of interests in toll highways and bridges*

Interests in toll highways and bridges of the Group and investee companies comprise tangible infrastructures and intangible operating rights. Depreciation of tangible infrastructures is calculated to write off their costs on a units-of-usage basis based on the traffic volume for a particular period over the projected total traffic volume throughout the life of the assets.

The Group reviews regularly the projected total traffic volume throughout the life of the respective assets, and if it is considered appropriate, independent professional traffic studies will be obtained. Appropriate adjustment will be made should there be a material change.

At present, the range of annual traffic growth rates that have been projected for individual toll highways and bridges is around 2 per cent to 5 per cent.

(b) *Estimated impairment of goodwill*

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 3.3. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

(c) *Estimated impairment of properties and equipment, investment properties, leasehold land and land use rights and properties under development for long-term investment*

Properties and equipment, investment properties, leasehold land and land use rights and properties under development for long-term investment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of properties and equipment, leasehold land and land use rights and properties under development for long-term investment have been determined based on value-in-use calculations; while that of investment properties has been determined with reference to independent valuations. These calculation and valuations require the use of judgement and estimates.

(d) *Estimated write-downs of properties under development for sale and completed properties for sale*

The Group writes down properties under development for sale and completed properties for sale to net realisable value based on assessment of the realisability of properties under development for sale and completed properties for sale. Write-downs are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value and write-downs of properties under development for sale and completed properties for sale in the periods in which such estimate is changed.

4 Financial risk management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and cash flow interest-rate risk.

(a) Foreign exchange risk

Certain of the subsidiaries of the Group operates in Mainland China with most of the transactions denominated in Renminbi. The Group is exposed to foreign exchange risk arising from the exposure of Renminbi against Hong Kong dollars. It has not hedged its foreign exchange rate risk.

In addition, the conversion of Renminbi into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the Mainland China government.

(b) Credit risk

The Group has no significant concentrations of credit risk. The carrying amount of the trade receivables included in the consolidated balance sheets represents the Group's maximum exposure to credit risk in relation to its financial assets.

(c) Liquidity risk

The Group ensures that it maintains sufficient cash and credit lines to meet its liquidity requirements.

(d) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest-rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk. It has not hedged its cash flow and fair value interest rate risk.

4.2 Fair value estimation

The nominal value less estimated credit adjustments of accounts receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

3 New Accounting Policies (cont'd)

3.5 Investments (cont'd)

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(c) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. During the period, the Group did not hold any investments in this category.

(d) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the income statement — is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement.

3.6 Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

3 New Accounting Policies (cont'd)

3.4 Impairment of assets

Assets that have an indefinite useful life are not subject to amortization, which are at least tested annually for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

3.5 Investments

From 1st January 2004 to 31st December 2004:

The Group classified its investments in securities, other than subsidiaries, associates and jointly controlled entities as other investments.

Other investments held for long term are stated at cost less accumulated impairment losses. The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair value have declined below the carrying amounts. When a decline other than temporary has occurred, the carrying amount of such investment will be reduced to its fair value. The impairment loss is recognised as an expense in the profit and loss account. This impairment loss is written back to profit and loss when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

If the rights and interest in investments are to be surrendered by the Group upon the termination of related joint venture period, amortisation is provided to write off its cost over the joint venture period on a straight-line basis. The results of other investments are accounted for on the basis of dividends received and receivable.

From 1st January 2005 onwards:

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

(a) *Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within 12 months of the balance sheet date.

3 New Accounting Policies (cont'd)

3.2 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property.

Investment property comprises land held under operating leases and buildings held under finance leases.

Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

Changes in fair values are recognised in the profit and loss account.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognized in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognized in the income statement.

3.3 Goodwill/negative goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/ associated company/jointly controlled entity at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associated companies and jointly controlled entities is included in respective investments. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the Group will:

- reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and
- recognise immediately in profit and loss account any excess remaining after that reassessment.

3 New Accounting Policies (cont'd)

3.1 Foreign currency translation (cont'd)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Translation differences on non-monetary items, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation difference on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2 Change in accounting policies (cont'd)

(b) The impact of changes in accounting policies to the Group (cont'd)

The adoption of HK-Int 3 has resulted in a change in the accounting policy relating to revenue recognition arising from pre-completion contracts for the sale of properties under development for sale and the effect for the consolidated balance sheet as at 30th June 2005 and consolidated profit and loss account for the six months ended 30th June 2005 are as follows:

	As at 30th June 2005 HK'000
Increase in properties under development	394,476
	For the six month ended 30th June 2005 HK'000
Decrease in sales	543,030
Decrease in cost of sales	394,476
Decrease in taxation	49,023
Decrease in earnings per share (HK cents)	1.52
Decrease in diluted earnings per share (HK cents)	1.50

3 New Accounting Policies

The accounting policies used for the condensed consolidated accounts for the six months ended 30th June 2005 are the same as those set out in note 1 to the 2004 annual accounts except for the following:

3.1 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Company and its Hong Kong subsidiaries maintain their books and records in Hong Kong Dollars while all other major group companies maintain their books and record in RMB. The consolidated financial statements are presented in HK dollars, which is the Company's functional and presentation currency.

2 Change in accounting policies (cont'd)

(b) The impact of changes in accounting policies to the Group (cont'd)

The following is a summary of the effect of changes in the accounting policies described above on individual accounting caption:

Increase/(decrease)	(note i)	(note ii)	(note iii)	(note iv)	(note v)	Total HK\$'000
	Effect on adoption of HKAS 17 HK\$'000	Effect on adoption of HKAS 39 HK\$'000	Effect on adoption of HKAS-Int 21 HK\$'000	Effect on adoption of HKFRS 2 HK\$'000	Effect on adoption of HKFRS 3 HK\$'000	
Profit and loss account items for the six months ended 30th June 2004						
Cost of sales	23,901	—	—	—	—	23,901
Administrative expenses	3,527	—	—	6,223	—	9,750
Taxation	(11,746)	—	—	—	—	(11,746)
Minority interests	(2,206)	—	—	—	—	(2,206)
Earnings per share						
— basic (HK cents)	(0.21)	—	—	(0.10)	—	(0.31)
— diluted (HK cents)	(0.21)	—	—	(0.10)	—	(0.31)
Balance sheet items as at 1st January 2005						
Fixed assets	(89,967)	—	—	—	—	(89,967)
Leasehold land and land use rights						
— non-current portion	3,291,022	—	—	—	—	3,291,022
Other intangible assets	—	—	—	—	535,325	535,325
Interest in jointly controlled entities	(3,280)	—	—	—	—	(3,280)
Available-for-sales financial assets	—	456,231	—	—	—	456,231
Other investments	—	(261,347)	—	—	—	(261,347)
Properties held for/under development	(6,734,381)	—	—	—	—	(6,734,381)
Properties held for sale	(954,192)	—	—	—	—	(954,192)
Leasehold land and land use rights						
— current portion	3,766,295	—	—	—	—	3,766,295
Other receivables, prepayments and deposits	—	15,008	—	—	—	15,008
Total assets	(724,503)	209,892	—	—	535,325	20,714
Deferred tax liabilities	(246,514)	69,439	(224,385)	—	—	(401,460)
Total liabilities	(246,514)	69,439	(224,385)	—	—	(401,460)
Net assets	(477,989)	140,453	224,385	—	535,325	422,174
Reserves	(459,085)	134,387	215,152	—	529,685	420,139
Minority interests	(18,904)	6,066	9,233	—	5,640	2,035
Total equity	(477,989)	140,453	224,385	—	535,325	422,174

2 Change in accounting policies (cont'd)

(b) The impact of changes in accounting policies to the Group

The following is a summary of the effect of changes in the accounting policies described above on equity as at 1st January 2005 and results and earnings per share for the six months 30th June 2004:

	Increase/ (decrease)
Equity	As at 1st January 2005 HK\$'000
Amortisation of leasehold land and land use rights (note i)	(477,989)
Revaluation surplus of financial assets (note ii)	140,453
Decrease in deferred tax on change of basis of recovery of revalued assets (note iii)	224,385
De-recognition of negative goodwill (note v)	535,325
	<hr/> 422,174 <hr/>
Results	For the six months ended 30th June 2004 HK\$'000
Amortisation of leasehold land and land use rights (note i)	(15,682)
Expenses related to share option schemes (note iv)	(6,223)
	<hr/> (21,905) <hr/>
Attributable to:	
Equity holders of the Company	(19,699)
Minority interests	(2,206)
	<hr/> (21,905) <hr/>
Earnings per share	For the six months ended 30th June 2004 HK cents
Basic and diluted	
Amortisation of leasehold land and land use rights (note i)	(0.21)
Expenses related to share option schemes (note iv)	(0.10)
	<hr/> (0.31) <hr/>

2 Change in accounting policies (cont'd)

(a) Effect of adopting new HKFRS (cont'd)

In accordance with the provisions of HKFRS 3, the Group ceased amortisation of goodwill from 1st January 2005 and the accumulated amortisation as at 31st December 2004 has been eliminated with a corresponding decrease in the cost of goodwill. From the year ending 31st December 2005 onwards, goodwill is tested annually for impairment, as well as when there is indication of impairment. The carrying amount of negative goodwill as at 1st January 2005 has been derecognised at 1st January 2005 with a corresponding adjustment to the opening balance of retained earnings.

The Group has reassessed the useful lives of its intangible assets in accordance with the provisions of HKAS 38. No adjustment has resulted from this reassessment.

The adoption of HK-Int 3 has resulted in a change in the accounting policy relating to revenue recognition arising from pre-completion contracts for the sale of properties under development for sale. Such revenue is recognised only upon completion of sale agreement, which refers to the time when properties are completed and delivered to the buyers. In prior years, the percentage of completion method was used as the policy to recognise revenue arising from pre-completion contracts for the sale of properties under development for sale.

All changes in the accounting policies have been made in accordance with the transition provisions in the respective standards. All standards adopted by the Group require retrospective application other than:

- HKAS 16 under which the initial measurement of an item of property, plant and equipment acquired in an exchange of assets transaction is accounted at fair value prospectively only to future transaction;
- HKAS 21 which requires prospective application for accounting goodwill and fair value adjustments as part of foreign operations;
- HKAS 39 which does not permit recognition, decognition and measurement of financial assets and liabilities in accordance with this standard on a retrospective basis. The Group applied the previous Statement of Standard Accounting Practice ("SSAP") 24 "Accounting for investments in securities" to other investments for the 2004 comparative information. The adjustments required for the accounting differences between SSAP 24 and HKAS 39, if any, are determined and recognised at 1st January 2005;
- revised HKAS 40 since the Group has adopted the fair value model, there is no requirement for the Group to restate the comparative information, any adjustment should be made to the retained earnings as at 1st January 2005, including the reclassification of any amount held in revaluation surplus for investment property;
- HKAS-Int 15 which does not require the recognition of incentives for leases beginning before 1st January 2005;
- HKFRS 2 which only requires retrospective application for all equity instruments granted after 7th November 2002 and not vested at 1st January 2005; and
- HKFRS 3 which is applied prospectively after the adoption date.

2 Change in accounting policies (cont'd)

(a) Effect of adopting new HKFRS (cont'd)

The adoption of new/revised HKASs 1, 8, 16, 21, 24 and HKAS-Int 15 and HK-Int 4 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of minority interests, share of net after-tax results of associates and jointly controlled entities and other disclosures.
- HKASs 8, 16 and HKAS-Int 15 and HK-Int 4 had no material effect on the Group's policies.
- HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard. All the Group's entities have the same functional currency as the presentation currency for respective entity financial statements.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land from property, plant and equipment to operating leases. The up-front prepayments made for the leasehold land are expensed in the profit and loss account on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the profit and loss account. In prior years, the leasehold land was accounted for at cost less accumulated depreciation and accumulated impairment.

The adoption of HKAS 32 and 39 has resulted in a change in the accounting policy relating to the classification of financial assets at fair value through profit and loss and available-for-sale financial assets. It has also resulted in the recognition of derivative financial instruments at fair value and the change in the recognition and measurement of hedging activities.

The adoption of revised HKAS 40 has resulted in a change in the accounting policy of investment properties of which the changes in fair values are recorded in the profit and loss account as part of other income. In prior years, the increases in fair value were credited to the investment properties revaluation reserve. Decreases in fair value were first set off against increases on earlier valuations on a portfolio basis and thereafter expensed in the profit and loss account.

The adoption of revised HKAS-Int 21 has resulted in a change in the accounting policy relating to the measurement of deferred tax liabilities arising from the revaluation of investment properties. Such deferred tax liabilities are measured on the basis of tax consequences that would follow from recovery of the carrying amount of that asset through use or through use and subsequent sale. In prior years, the carrying amount of that asset was expected to be recovered through sale.

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. Until 31st December 2004, the provision of share options to employees did not result in an expense in the profit and loss accounts. Effective on 1st January 2005, the Group expenses the cost of share options in the income statement. As a transitional provision, the cost of share options granted after 7 November 2002 and had not yet vested on 1st January 2005 was expensed retrospectively in the income statement of the respective periods.

The adoption of HKFRS 3, HKAS 36 and HKAS 38 has resulted in a change in the accounting policy for goodwill. Until 31st December 2004, goodwill was amortised on a straight-line basis over a maximum period of 20 years and assessed for an indication of impairment at each balance sheet date.

1 Basis of preparation and accounting policies

This unaudited condensed consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

These condensed consolidated interim accounts should be read in conjunction with the 2004 annual financial statements.

The accounting policies and methods of computation used in the preparation of these condensed consolidated financial information are consistent with those used in the annual financial statements for the year ended 31st December 2004 except that the Group has changed certain of its accounting policies following its adoption of new/revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRS") which are effective for accounting periods commencing on or after 1st January 2005.

These interim financial information have been prepared in accordance with those HKFRS standards and interpretations issued and effective as at the time of preparing these accounts. The HKFRS standards and interpretations that will be applicable at 31st December 2005, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing these interim financial information.

The changes to the Group's accounting policies and the effect of adopting these new policies are set out in note 2 below.

2 Change in accounting policies

(a) Effect of adopting new HKFRS

In 2005, the Group adopted the new/revised HKFRS below, which are relevant to its operations. The 2004 comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The effects of Changes in Foreign Exchange Rates
HKAS 24	Related Party Disclosures
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 40	Investment Property
HKAS-Int 15	Operating Leases — Incentives
HKAS-Int 21	Income Taxes — Recovery of Revalued Non-Depreciable Assets
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations
HK-Int 3	Revenue — Pre-completion Contracts for the Sale of Development Properties
HK-Int 4	Leases — Determination of the Length of Lease Term in respect of Hong Kong Land Leases

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June 2005

Unaudited				
Attributable to equity holders of the Company				
Note	Share capital HK\$'000	Reserves HK\$'000	Minority interest HK\$'000	Total HK\$'000
Balance at 1st January 2004, as previously reported as equity	624,872	6,344,488	—	6,969,360
Balance at 1st January 2004, as previously separately reported as minority interest	—	—	3,374,822	3,374,822
Amortisation of leasehold land and land use rights	19	(421,230)	(16,209)	(437,439)
Adjustment for deferred tax arising from the revaluation of investment properties	19	216,413	9,220	225,633
Balance at 1st January 2004, as restated	<u>624,872</u>	<u>6,139,671</u>	<u>3,367,833</u>	<u>10,132,376</u>
Currency translation differences	19	(496)	(170)	(666)
Release of reserve upon disposal of properties held for sale	19	(8,933)	—	(8,933)
Net expenses recognised directly in equity	—	(9,429)	(170)	(9,599)
Profit for the period	—	111,506	130,454	241,960
Total recognised income for the six months ended 30th June 2004	—	<u>102,077</u>	<u>130,284</u>	<u>232,361</u>
Employees share option schemes - value of employee services	19	6,223	—	6,223
Issue of share capital	17 & 19	7,369	—	29,905
Deemed acquisition of a subsidiary	—	—	27,822	27,822
Dividend relating to 2003	19	(68,123)	(179,034)	(247,157)
	—	<u>7,369</u>	<u>(39,364)</u>	<u>(183,207)</u>
Balance at 30th June 2004	<u>632,241</u>	<u>6,202,384</u>	<u>3,346,905</u>	<u>10,181,530</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June 2005

Unaudited

	Note	Attributable to equity holders of the Company			Total HK\$'000
		Share capital HK\$'000	Reserves HK\$'000	Minority interest HK\$'000	
Balance at 1st January 2005, as previously reported as equity		635,160	6,599,141	—	7,234,301
Balance at 1st January 2005, as previously separately reported as minority interests		—	—	3,467,807	3,467,807
Amortisation of leasehold land and land use rights	19	—	(459,085)	(18,904)	(477,989)
Adjustment for deferred tax arising from the revaluation of investment properties	19	—	215,152	9,233	224,385
Balance at 1st January 2005, as restated		635,160	6,355,208	3,458,136	10,448,504
Opening adjustment on adoption of HKAS 39	19	—	134,387	6,066	140,453
Opening adjustment on adoption of HKFRS 3	19	—	529,685	5,640	535,325
Balance at 1st January 2005 after opening adjustment, as restated		635,160	7,019,280	3,469,842	11,124,282
Currency translation differences	19	—	2,695	1,062	3,757
Decrease in fair value of available-for-sale financial assets	19	—	(21,673)	(43,964)	(65,637)
Net expenses recognised directly in equity		—	(18,978)	(42,902)	(61,880)
Profit for the period		—	132,434	228,903	361,337
Total recognised income for the six months ended 30th June 2005		—	113,456	186,001	299,457
Employees share option scheme - value of employee services	19	—	15,126	—	15,126
Issue of share capital	17 & 19	2,753	10,350	—	13,103
Dividend relating to 2004	19	—	(57,328)	(71,003)	(128,331)
		2,753	(31,852)	(71,003)	(100,102)
Balance at 30th June 2005		637,913	7,100,884	3,584,840	11,323,637

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th June 2005

	Unaudited Six months ended 30th June	
	2005 HK\$000	2004 Restated HK\$000
Net cash inflow generated from operating activities	546,185	743,708
Net cash outflow from investing activities	(167,292)	(128,625)
Net cash outflow from financing activities	(15,799)	(684,277)
Increase/(decrease) in cash and cash equivalents	363,094	(69,194)
Cash and cash equivalents at 1st January	806,147	1,035,808
Cash and cash equivalents at 30th June	1,169,241	966,614
Analysis of the balances of cash and cash equivalents:		
Bank balances and cash	1,178,174	991,992
Bank overdrafts	(8,933)	(25,378)
	1,169,241	966,614

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30th June 2005 and 31st December 2004

	Note	As at	
		30th June 2005 Unaudited HK\$'000	31st December 2004 Restated HK\$'000
LIABILITIES			
Current liabilities			
Trade payables	14	358,974	414,493
Land premium payables		785,685	729,410
Other payables and accrued charges		3,657,210	3,054,229
Amounts due to jointly controlled entities		120,661	123,442
Amounts due to associated companies		112,150	112,150
Amounts due to minority shareholders		149,092	186,831
Borrowings	15	1,607,449	2,046,850
Derivative financial instruments	16	33,228	29,021A
Taxation payable		96,479	133,798
		<u>6,920,928</u>	<u>6,830,224</u>
Net current assets		<u>4,364,412</u>	<u>3,890,964</u>
Total assets less current liabilities		<u>19,383,778</u>	<u>17,646,296</u>
Non-current liabilities			
Borrowings	15	4,590,722	4,038,412
Deferred tax liabilities	20	3,469,419	3,159,380
		<u>8,060,141</u>	<u>7,197,792</u>
Net assets		<u>11,323,637</u>	<u>10,448,504</u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	17	637,913	635,160
Other reserves	19	5,918,499	5,770,281
Retained earnings	19		
— Proposed dividend		64,028	57,266
— Others		1,118,357	527,661
		<u>7,738,797</u>	<u>6,990,368</u>
Minority interests		3,584,840	3,458,136
Total equity		<u>11,323,637</u>	<u>10,448,504</u>

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30th June 2005 and 31st December 2004

	Note	As at	
		30th June 2005 Unaudited HK\$'000	31st December 2004 Restated HK\$'000
ASSETS			
Non-current assets			
Interests in toll highways and bridges	11	1,951,634	2,001,376
Other intangible assets	11	45,365	(489,960)
Fixed assets	11	1,375,794	1,351,358
Investment properties	11	5,458,801	4,775,305
Leasehold land and land use rights	11	3,124,223	3,291,022
Interests in jointly controlled entities		739,254	643,437
Interests in associated companies		1,775,477	1,760,348
Deferred tax assets	20	56,538	56,199
Other receivables-non current portion		104,900	104,900
Available-for-sale financial assets	12	387,380	—
Other investments		—	261,347
		15,019,366	13,755,332
Current assets			
Properties held for/under development		4,090,234	3,567,636
Properties held for sale		1,079,953	1,235,566
Leasehold land and land use rights	11	3,738,029	3,766,295
Inventories		208,816	195,288
Amount due from related companies		1,219	3,234
Trade receivables	13	427,637	457,868
Other receivables, prepayments and deposits		469,692	593,644
Charged bank deposits		91,586	70,747
Bank balances and cash		1,178,174	830,910
		11,285,340	10,721,188

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 30th June 2005

Unaudited Six months ended 30th June

	Note	2005 HK\$'000	2004 Restated HK\$'000
Turnover	6	1,588,191	2,274,010
Cost of sales	7	(1,237,618)	(1,734,213)
Gross profit		350,573	539,797
Other revenues		6,839	9,795
Selling and distribution expenses	7	(55,125)	(63,168)
General and administrative expenses	7	(279,046)	(202,539)
Revaluation surplus on investment properties		662,539	—
Profit from operations		685,780	283,885
Finance costs		(114,092)	(75,463)
Share of profits less losses of Jointly controlled entities		14,534	252
Associated companies		103,008	91,343
Profit before taxation		689,230	300,017
Taxation	8	(327,893)	(58,057)
Profit for the period		361,337	241,960
Attributable to			
Equity holders of the Company		132,434	111,506
Minority interests		228,903	130,454
		361,337	241,960
Earnings per share for profit attributable to the equity holders of the Company during the period	9		
— Basic		HK2.08 cents	HK1.77 cents
— Diluted		HK2.05 cents	HK1.73 cents
Interim dividend	10	64,028	52,531

Interest Coverage

Interest coverage was 3.7 times (2004 Restated: 7.4 times) for the first half of 2005 measuring on the operating profit after share of profit less losses of associated companies and jointly controlled entities and adjusted for non-cash items. The drop in interest coverage was mainly caused by the increase of interest expenses during the period.

Employees

As at 30th June 2005, the Group had approximately 7,250 employees, of whom approximately 7,120 employees were primarily engaging in the properties, toll roads and newsprint businesses.

The Group remunerates its employees largely based on industry practice, including contributory provident funds and other staff benefits. The Group has also adopted share option schemes which award its employees according to performance of the Group and individual employees.

Capital expenditures and investments

In the first half of 2005, the Group had a capital expenditure and investment amounting to approximately HK\$52.6 million for the equity capital contribution to a jointly controlled entity, the Guangzhou Western Second Ring Expressway Company Limited ("GWSR Expressway Company"). Capital expenditures incurred on the purchase of fixed assets and production facilities amounted to approximately HK\$187 million.

Capital and other commitments

As at 30th June 2005, the Group had an equity capital balance commitment to GWSR Expressway of RMB206.5 million (equivalent to approximately HK\$193.9 million). This balance would be paid in stages upon further approval by the board of directors of GWSR Expressway Company.

Contingent Liabilities

As at 30th June 2005, the Group had arranged bank financing for certain purchasers of property units and provided guarantees to secure obligation for repayment of loans amounted to HK\$126 million (2004: HK\$250 million).

Capital structure

The following table summarises the components of the Group's capital structure:

	30th June 2005		31st December 2004 (Restated)	
	HK\$'000	%	HK\$'000	%
Bank Borrowings (floating rates)				
Denominated in RMB	2,360,677	18	2,382,496	20
Denominated in US dollars	—	—	117,000	1
Denominated in HK dollars	2,980,000	23	2,670,231	22
Total Bank Borrowings	5,340,677	41	5,169,727	43
Shareholders' funds	7,738,797	59	6,990,368	57
Total capitalization	13,079,474	100	12,160,095	100
Gearing Ratio	41%		43%	

Liquidity and capital resources

As at 30th June 2005, the Group had bank deposits and cash including charged bank deposits amounted to HK\$1,270 million (2004: HK\$902 million), of which the majority was RMB dollars.

As at 30th June 2005, the Group had outstanding bank borrowings excluding bank overdrafts ("Bank Borrowings") of approximately HK\$5,341 million (2004: HK\$5,170 million), of which about 44 per cent of the Bank Borrowings was denominated in RMB with the remaining in HK dollars.

The following table shows the repayment schedule of the Bank Borrowings:

Repayable within

	HK\$'000
One year	1,597,302
One to two years	768,277
Two to five years	2,975,098
Total	<u>5,340,677</u>

Approximately 30 per cent of the Bank Borrowings are repayable within one year, of which 84 per cent is RMB loans.

Treasury policies

The Group continues to ensure that its businesses are financed from a variety of competitive sources and that committed facilities are available for refinancing and business growth. In addition, currency and interest rate exposure are actively managed on a conservative basis.

On 30th May 2005, the Group secured a HK\$3.8 billion 5-year term loan facility to refinance existing bank borrowings with an appropriate level of working capital for business growth.

The Group's financing activities continue to be well received and fully supported by its bankers. The Group will consider new financing while maintaining an appropriate level of gearing in anticipation of new investments or maturity of bank loans.

It is the Group's treasury policy not to engage in speculative transactions. Foreign currency transaction exposure is managed in accordance with treasury guidelines, utilizing forward contracts and interest rate and currency swaps.

The Group's borrowings will be mostly in HK dollar and hence exposed to exchange rate risk associated with market movement against RMB income. Fluctuation in interest rate could also increase the cost of borrowings as they are currently exposed to floating LIBOR basis. Interest rate and currency swap facilities have been put in place for the Group to mitigate the interest and exchange rate risks, where appropriate and at times of interest rate and exchange rate uncertainty or volatile, the Group will consider utilizing plain vanilla hedging instrument to minimize the risks of underlying exposures.

For the six months ended 30th June 2005, the profit before tax of the Group was HK\$689,230,000, representing an increase of 130 per cent over the corresponding period as a result of the gain on revaluation of investment properties.

For the six months ended 30th June 2005, the taxation including deferred tax of the Group was HK\$327,893,000, representing an increase of 465 per cent over the corresponding period of last year.

For the six months ended 30th June 2005, the profit after tax of the Group was HK\$361,337,000, representing an increase of 49 per cent over the corresponding period of last year as a result of the benefits derived from the gain on revaluation of investment properties.

For the six months ended 30th June 2005, the minority interest was increased by 75 per cent to HK\$228,903,000 as a result of the substantial increase of profit after tax.

For the six months ended 30th June, 2005, the profit attributable to the equity holders of the Company was increased by 19 per cent to HK\$132,434,000. Basic earnings per share was HK2.08 cents, up by 18 per cent compared with the corresponding period of 2004.

Interim dividend

The board of directors of the Company has resolved to declare an interim dividend for 2005 of HK\$0.01 (2004: HK\$0.0083) per share payable on 8th November 2005 to shareholders whose names appear on the register of members on 28th October 2005. Interim dividend pay out ratio will be 48 per cent.

Earnings per share

	Six months ended 30th June	
	2005	2004 Restated
Weighted average number of shares in issue	6,362,643,190	6,300,120,794
Profit attributable to shareholders (HK\$)	132,434,000	111,506,000
Basic earnings per share (HK cents)	2.08	1.77
Fully diluted earnings per share (HK cents)	2.05	1.73

Total issued shares outstanding as at 30th June 2005 was 6,379,125,914 shares.

FINANCIAL REVIEW

Analysis of results

The turnover of the Group for the six months ended 30th June 2005 was HK\$1,588,191,000, representing a decrease of 30 per cent as compared with the corresponding period of 2004. The decrease in turnover was mainly attributable to change of accounting policies in the recognition of revenue derived from sales of the properties under development. The turnover from the transportation and newsprint businesses have increased by 7 per cent and 10 per cent respectively by taking advantage of the continual economic growth in the PRC.

For the Group's property business, pursuant to the HK-Int 3: Revenue - Pre-completion Contracts for the Sale of Development Properties issued by Hong Kong Institute of Certified Public Accountant, the revenue from the sale of development properties is not recognised by using the percentage completion method. Instead, the revenue is recognised upon the completion of projects. Since the properties sales were focused mainly on presale projects and to a lesser extent on completed projects in the first half of 2005, the revenue recorded from sales of properties in the first half of 2005 were HK\$276,530,000 as compared to HK\$1,108,000,000 as recorded based on the percentage completion method for the corresponding period in 2004. Rental income of properties grew by 21 per cent to HK\$244,480,000, as compared with the corresponding period of 2004. The increase was mainly attributable to the rise in the level of rent and occupancy ratio of the Group's commercial properties located in the core regions of Guangzhou City. The Group's toll road business benefited from the gradual improvement of highway network and the natural growth of traffic capacity. The turnover for the first half of 2005 was HK\$204,006,000, up by 7 per cent compared with the same period of 2004. Due to strong domestic demand in the newsprint business, unit selling price had recorded an increase. The turnover for the first half of 2005 was HK\$616,670,000, representing an increase of 10 per cent compared with the corresponding period of 2004.

In line with the change of the accounting policies in the recognition of revenue derived from the properties sales, the gross profit of the Group declined by 35 per cent to HK\$350,573,000 in the first half of 2005 as compared with the same period of last year.

As the Group has adopted measures to tighten the control over cost and expenses, the selling and distribution expenses dropped 13 per cent to HK\$55,125,000 in the first half of 2005. Affected by the accounting treatment of share-based payment under the new accounting standard and the provision of bad debts for certain trade receivables, the general and administrative expenses of the Group increased by 38 per cent to HK\$279,046,000 in the first half of 2005. With the adoption of the new HKAS 40, a gain on revaluation of investment properties amounted to HK\$662,539,000 was recorded during the period.

Owing to the forgone of expenses to be amortised within a period of 5 year in respect of a syndicated loan facilities and the increase of interest rate in the first half of 2005 compared to that of last year, the financial expenses of the Group rose by 51 per cent to HK\$114,092,000 in the same period.

The Group's profit attributable to associated companies grew by 13 per cent to HK\$103,008,000 in the first half of 2005, which was mainly attributable to the toll road business of Humen Bridge and Northern Ring Road that benefited from the continual economic growth of the Pearl River Delta Region. The share of profit after tax and interest income recorded a growth of 24.1 per cent and 15 per cent respectively. Northern Second Ring Expressway being benefited from the opening of Jing Zhu Expressway, Guanghui Expressway and New Guangzhou Airport, the profit attributable to jointly controlled entities was HK\$14,534,000 in the first half of 2005, representing a substantial increase of 57 times compared with the corresponding period of last year.

Future Strategies and Prospects

In the first half of 2005, the national GDP in Guangzhou has increased by approximately 11 per cent amounting to RMB 210.3 billion. The economic growth remains lucrative and was higher than the average growth rate of 9.5 per cent for China. Starting from the second half of 2004, the Central Government has implemented a range of economic control measures so as to avoid overheat in the property market. The Group believed that the macro economic revision policies of China will enhance the healthy development of the property market in Guangzhou. The Group has amassed ample business experience of over two decades in Guangzhou. Such experience would enable it to manage and avoid risks of potential policy changes. Based on the foundation built upon the well-established strategy of the year, the Group would, through appropriate adjustment of development and sales plans, further strengthening of our capability in mastering the short-term trend of the market and capitalizing on our competitive advantages, aim at delivering outstanding market performance. During the period, the Group's floor area under construction amounted to approximately 1.2 million sq. m. The Group's residential projects under construction primarily include Jiangnan New Mansion, Binjiang Yi Yuan, Spring Land Garden, Xinghui Ya Yuan and Xinghui Qing Xuan. All of them are located at locations with convenient transportation. With the innovative design, they would bring favourable benefits to the Group. Major commercial projects are discussed below. Yue Xiu City Plaza is located at Dong Feng Chong Road of Guangzhou, with a total construction area of approximately 100,000 sq. m. It has a podium housing financial services niche retail mall and high end multi-functional business clubs, food and beverages and other commercial facilities. Asia Pacific Century Plaza is adjacent to Citic Plaza, a landmark of Guangzhou, with a total construction area of approximately 220,000 sq. m. It is a large scale integrated property development featuring a super five-star hotel, A-grade office building, shopping arcade and a cultural recreational centre. It is expected that the plaza may become the future super commercial flagship in the central Tianhe district. Two office towers will be constructed on the podium of Victory Plaza, with gross construction area of approximately 90,000 sq. m. This project will be equipped with high tech intelligent facilities which is expected to set new benchmarks for the future market of top grade office buildings in Guangzhou. Yue Xiu New Metropolis Plaza situated in the traditional golden commercial circle of Guangzhou with a total construction area of approximately 80,000 sq. m. is an integrated commercial property sitting on top of the exit of an underground station.

Going forward, Guangzhou tends to rapidly develop various modern service industries, namely logistics, exhibition and convention, finance, intermediary and cultural services so as to upgrade the status and function of Guangzhou as a regional economic centre in Southern China. In the first half of this year, Guangzhou has revised the boundaries of its administrative districts to provide effective room for spatial planning of its economic development. After the adjustment, the demarcation of district territories can be rationalized for the spatial diversification of its industries, whereby optimizing the overall economic layout of Guangzhou. In particular, Nansha, a new district with a real coast-line of Guangzhou, has primarily focused on developing port services, heavy and petro-chemical and mechanical industries. The near term targeted population size for Nansha is around 1 million. The benefits brought about by the establishment of this new district as a new economical belt in the southern part of Guangzhou would become more manifest over time. The Group has substantial land reserves in Nansha, and thus it would greatly benefit from the rapid development of Nansha. This is borne out by the positive sale volume recorded for Southern Le Sand Phase 1 and 2 developed by the Group. Our toll road and newsprint production business would also have room for further development. Overall, the business of our Group is closely aligned with the economic development of Guangzhou, and it would definitely become one of the key beneficiaries from such development. The Group will continuously strengthen its own competitive capability and will bring better returns to its shareholders.

The Board is pleased to announce that a consortium comprising the Company, Guangzhou City Construction & Development Co. Ltd. ("GCCD"), a company in which the Group has a 95% interest, and Guangzhou City Construction & Development Holdings Limited, the party that owns the remaining 5% interest in GCCD, has been successful in the tender for the right to build the West Tower of Zhujiang New City Twin Towers in Guangzhou (the "Project"), which is intended to integrate the various functions of a hotel, conference facilities, sightseeing, tourism and commerce. The Project is expected to be the highest building in Guangzhou. Construction of the Project is expected to commence this year and to be completed in 2009. Further announcement will be made by the Company in respect of the Project as and when appropriate.

BUSINESS REVIEW

Benefited from the increase in the valuation of rental properties and continuous growth in the toll road and newsprint manufacturing business, for the six months ended 30th June 2005, profits attributable to shareholders grew to HK\$132 million with an increase of 19 per cent. However, due to changes in the accounting policies on property business, during the period, the turnover of the Group dropped to HK\$1,588 million, representing a drop of 30 per cent as compared to the same period in 2004.

Property business

Influenced by the change in the accounting policy of revenue recognition from sale of properties under development, the amount recognized on property sales has drastically decreased. However, benefited from the continuous improvement on the commercial environment in Guangzhou, with continual increase in the level of rents and occupancy ratio for rental properties, the valuation of the Group's rental properties have increased.

During the period, the Group's revenue recognition of property sales on the books changed from the percentage completion method to recognition upon full completion of the project. The floor area of properties sold during the period dropped to 25,000 sq. m., with turnover of HK\$277 million, representing a fall of 83 per cent and 75 per cent respectively as compared with the same period last year.

Starting from last year, the Group has implemented the business strategy of "emphasis in both development of residential properties and operation of commercial properties". Through due expansion of the commercial property portfolio, riding on the synergy effect of commercial properties, the earnings from rental properties have achieved stable growth. The newly launched commercial properties, namely Fortune Plaza and Victory Plaza, being promoted with clear market positioning, appealed to a lot of multi-national companies and premium commercial tenants. For instance, among the major tenants of Fortune Plaza there are 2 top ten banks in the world and a famous local department store in Guangzhou has moved into Victory Plaza and set up a new branch store there. For the six months ended 30th June 2005, the aggregate revenue from rental properties in Guangzhou and Hong Kong amounted to HK\$244 million, with an increase of 21 per cent as compared to the same period last year. Due to the increase in revenue, valuation of the Group's rental properties increased by HK\$663 million.

Other businesses: impressive growth in profitability of toll road business, steady increase in profit from newsprint production business

During the period, the Group's major toll road business recorded a turnover of HK\$204 million, with an increase of 7 per cent as compared to the same period last year. During the period, profits attributed to associated companies amounted to HK\$103 million, with an increase of 13 per cent as compared to the same period last year. The performance was particularly promising for the jointly controlled entity Northern Second Ring Expressway which benefited from the improvement of adjacent road networks. It boosted profit attributable to jointly controlled entities to HK\$14.53 million in the first half of 2005, with a very substantial increase of 57 times as compared with the same period last year.

In the first half of 2005, the domestic market showed strong demand for newsprint and the selling prices rose successively. The newsprint production business of the Group has fully leveraged on this opportunity and recorded after-tax profits of HK\$49.02 million, with an increase of 36 per cent as compared to the same period last year. Moreover, the Group has strengthened its internal management control, re-engineered its production processes and tremendously reduced the labour and management cost, resulting in rising corporate profits.

	Unaudited	
	Six months ended 30th June	
	2005	2004
	HK\$'000	Restated HK\$'000
Turnover	1,588,191	2,274,010
Profit from operations	685,780	283,885
Share of profits of		
Jointly controlled entities	14,534	252
Associated companies	103,008	91,343
Profit attributable to shareholders	132,434	111,506
Basic earnings per share	HK2.08 cents	HK1.77 cents
Fully diluted earnings per share	HK2.05 cents	HK1.73 cents

	30th June	31st December
	2005	2004
	HK\$'000	Restated HK\$'000
Total assets	26,304,706	24,476,520
Total liabilities (including minority interests)	18,565,909	17,486,152
Shareholders' funds	7,738,797	6,990,368
Net asset per share	HK\$1.21	HK\$1.10
Gearing ratio	41%	43%

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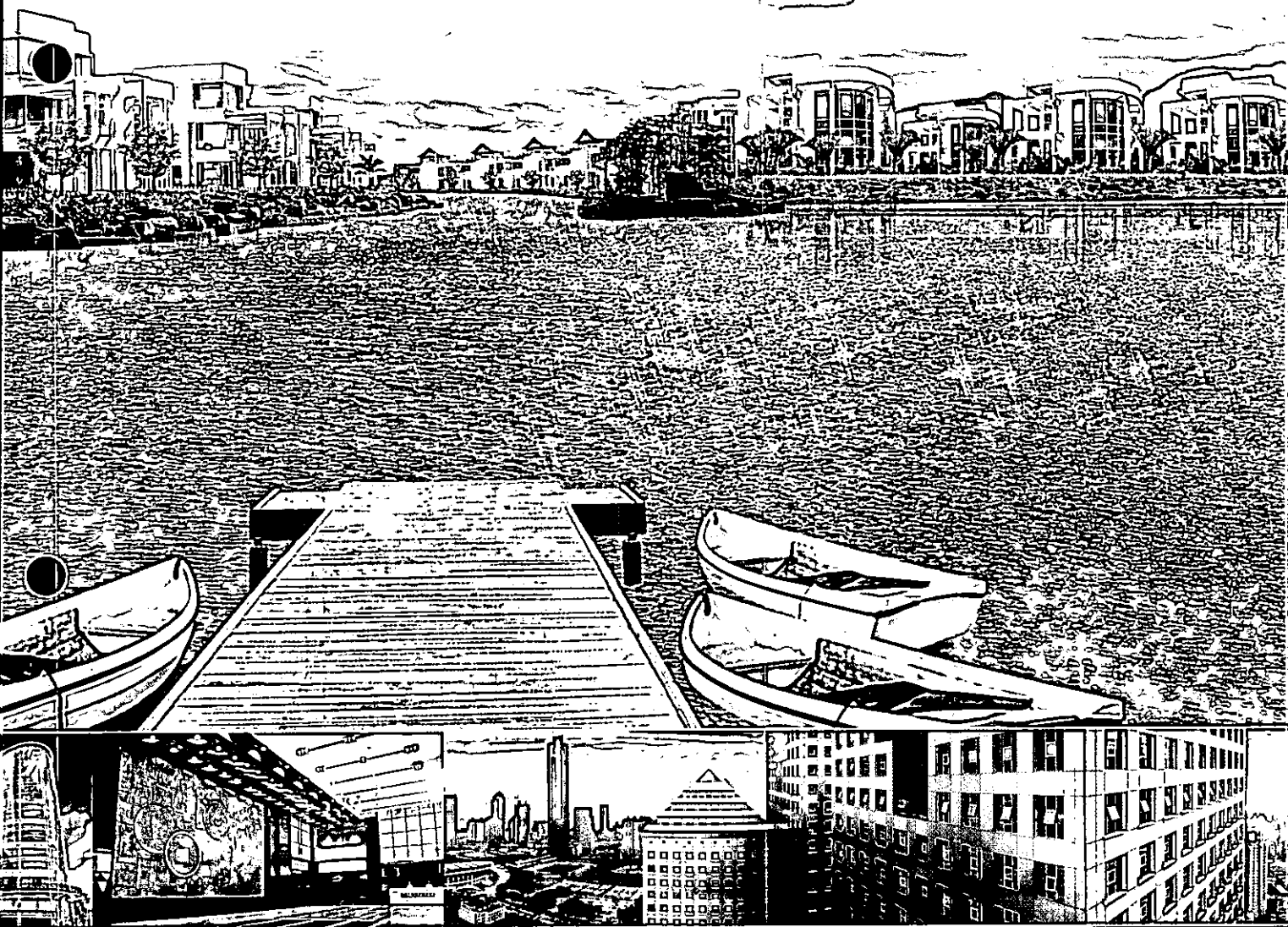




GUANGZHOU INVESTMENT COMPANY LIMITED

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2005 Interim Report

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GUANGZHOU INVESTMENT COMPANY LIMITED

（於香港註冊成立之有限公司）

（股份代號：123）

建 議 發 行 新 股 份 及 購 回 股 份 之 一 般 授 權

建 議 重 選 董 事

及

股 東 週 年 大 會 通 告

本公司謹訂於二〇〇五年五月二十六日星期四上午十時正假座香港灣仔駱克道160號越秀大廈26樓舉行股東週年大會，大會通告載於本通函內。無論閣下能否出席大會，務請根據隨附代表委任表格上印備之指示，填妥該表格及盡快交回本公司股份過戶登記處雅柏勤證券登記有限公司（地址為香港灣仔告士打道56號東亞銀行港灣中心地下），惟無論如何最遲須於大會或其任何續會之指定舉行時間四十八小時前交回。

二〇〇五年四月二十九日



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越秀投資有限公司
GUANGZHOU INVESTMENT COMPANY LIMITED

(於香港註冊成立之有限公司)

(股份代號：123)

執行董事：

區秉昌(董事長)

梁毅

陳光松

李飛

梁凝光

肖博彥

註冊辦事處：

香港

灣仔

駱克道160-174號

越秀大廈24樓

獨立非執行董事：

余立發

李家麟

劉漢銓

敬啟者：

建議發行新股份及購回股份之一般授權

建議重選董事

及

股東週年大會通告

發行股份之一般授權

在越秀投資有限公司(「本公司」)上一次於二〇〇四年六月二日舉行之股東週年大會(「二〇〇四年股東週年大會」)上，本公司董事(「董事」)獲授一般授權，以配發、發行及處理本公司股本每股面值0.10港元之股份(「股份」)。此項授權將於在二〇〇五年五月二十六日上午十時正假座香港灣仔駱克道160號越秀大廈26樓舉行之應屆股東週年大會(「二〇〇五年股東週年大會」)結束時作廢。為了確保給予董事靈活性及酌情權於適當時機發行任何股份，本公司於二〇〇五年股東週年大會上尋求本公司股東(「股東」)批准無條件授予董事一般授權，以配發或發行新股份，合共最多達相當於通過建議普通決議案當日本公司已發行

董事會函件

股本之20% (「一般授權」)。取得一般授權是根據香港聯合交易所有限公司證券上市規則 (「上市規則」) 規定。建議決議案 (「一般授權決議案」) 載於日期為二〇〇五年四月二十九日之二〇〇五年股東週年大會通告 (「二〇〇五年股東週年大會通告」) 內之5B項普通決議案，該通告載於本通函附錄二。

在一般授權決議案方面，董事謹此聲明彼等目前並無計劃發行任何新股份。本公司將就香港法例第32章公司條例 (「公司條例」) 第57B條及上市規則，向股東尋求批准一項一般授權。

購回股份之一般授權

上市規則容許以香港聯合交易所有限公司 (「聯交所」) 為第一上市之公司，於聯交所購回其本身之證券，惟受若干限制。於二〇〇四年股東週年大會上，董事獲授予一項一般授權以購回股份。此項授權將於二〇〇五年股東週年大會結束時作廢。因此，本公司將會建議提呈一項普通決議案 (載於本通函附錄二之二〇〇五年股東週年大會通告內之5A項決議案 (「購回授權決議案」))，以無條件授予董事一般授權，包括購回最多達於通過購回授權決議案當日本公司已發行股本總面值之10% (「購回授權」)。按上市規則有關規管證券購回及公司條例第49BA(3)條之規定，本公司須向股東寄發一項說明函件，載有一切合理所需資料，讓彼等就應否投票贊成或反對購回授權，達致知情決定。這些資料載於本通函附錄一。

在購回授權決議案方面，董事謹此聲明彼等目前並無計劃購回任何現有股份。

建議重選董事

遵照本公司組織章程細則 (「章程細則」) 第91條，於二〇〇五年股東週年大會上輪席告退之董事為肖博彥先生、余立發先生及李家麟先生。遵照章程細則第97條，於二〇〇五年股東週年大會上，劉漢銓先生依章告退。遵照上市規則而須予披露之上述董事詳細資料載於本通函附錄四。

股東週年大會

二〇〇五年股東週年大會通告載於本通函附錄二。

董事會函件

無論閣下能否出席二〇〇五年股東週年大會，務請根據隨附二〇〇五年股東週年大會之代表委任表格上印備之指示，填妥該表格及盡快交回本公司股份過戶登記處雅柏勤證券登記有限公司（地址為香港灣仔告士打道56號東亞銀行港灣中心地下），惟無論如何最遲須於二〇〇五年股東週年大會或其任何續會之指定舉行時間四十八小時前交回。填妥及交回代表委任表格後，閣下仍可出席二〇〇五年股東週年大會或其任何續會，並於會上投票。

閣下就二〇〇五年股東週年大會提呈之決議案要求投票表決之權利，載於本通函附錄三。

推薦意見

董事認為，一般授權、購回授權及建議重選董事，全部均符合本公司及股東之利益。因此，董事建議股東贊成即將在二〇〇五年股東週年大會上提呈之普通決議案。

此致

列位股東 台照

代表董事會
越秀投資有限公司
董事長
區秉昌
謹啟

二〇〇五年四月二十九日

此說明函件亦構成公司條例第49BA(3)條規定之組織章程大綱。

股本

儘管董事現時無意購回任何股份，惟彼等相信建議進行之購回授權所帶來之靈活性將對本公司有利。

現建議董事獲授權可購回本公司股份之數目，最多可達於批准一般授權決議案通過當日本公司已發行股份總額之10%。於二〇〇五年四月二十七日，即確定該等數目之最後實際可行日期（「最後實際可行日期」），本公司已發行6,363,203,914股股份。按於二〇〇五年股東週年大會日期前概無再發行股份之情況下，董事將獲授權於截至二〇〇六年本公司下屆股東週年大會或法律規定舉行下次本公司股東週年大會之期限屆滿或本公司股東在本公司股東大會上以通過普通決議案之方式撤銷或修改購回授權（以最早發生者為準）前之期間內，可購回最多達636,320,391股股份。

購回股份之理由

本公司僅會在董事認為購回股份將有利於本公司及其股東之情況下進行購回事宜。視乎當時之市況及資金安排，該等購回事宜可能導致增加本公司及其資產之淨值及/或每股盈利。

用以購回股份之資金

根據購回授權而購回股份之資金將會全部由本公司之可動用流動現金或營運資金中撥付。根據其公司組織章程大綱及章程細則與香港法律，任何購回股份所需之資金將由本公司於法律上許可用作有關用途之資金中撥付，包括可供分派之溢利。根據公司條例，可供分派之公司溢利為之前尚未用作分派或資本化之累積已變現溢利，減去之前尚未因削減或重整資本而撤銷之累積已變現虧損。

任何購回股份之影響

若購回授權全數行使，將可能會對本公司之營運資金或資本負債狀況（與本公司最近期公佈截至二〇〇四年十二月三十一日止年度經審核之賬目內披露之財政狀況比較而言）造成重大不利影響。然而，在董事認為對本公司之營運資金需求，或董事不時認為適合本公司之資本負債水平會造成任何重大不利影響情況下，董事並不擬行使該購回授權。

權益之披露

目前並無任何董事或(就彼等作出一切合理查詢後所知)彼等之聯繫人，倘行使該項購回授權時，擬將任何股份售予本公司。

目前並無任何本公司之關連人士(按上市規則之定義)曾知會本公司，倘獲授該項購回授權時，彼等擬將股份售予本公司，或已承諾不會將其持有之股份售予本公司。

董事之承諾

董事已向聯交所作出承諾，在適用之情況下，彼等將按上市規則及適用之香港法例行使購回授權。

本公司進行之股份購回

於過去六個月內，本公司概無購回任何股份(不論是否於聯交所或其他證券交易所進行)。

收購守則之後果

倘購回股份後，某位股東所佔本公司投票權之權益比例有所增加，該項增加將按香港公司收購及合併守則(「收購守則」)被視為一項收購事項。為此，一名股東或一組一致行動之股東可能取得或鞏固其於本公司之控制權(視乎股東權益增加之幅度而定)，因而須根據收購守則第26條作出強制性收購行動。於最後實際可行日期，越秀企業(集團)有限公司擁有本公司現有已發行股本約51%。倘董事全面行使根據將提呈授予董事購回授權之權力購回股份，假設有關之情況不變，越秀企業(集團)有限公司持有本公司已發行股本將增至約56%。在此情況下，倘購回授權全面付諸實行，作出強制性收購行動不大可能發生。

市價

股份於本文件付印前之十二個月內每月在聯交所進行買賣之最高及最低價格如下：

	股份之交易市價	
	最高 港元	最低 港元
二〇〇四年		
四月	0.850	0.640
五月	0.720	0.540
六月	0.720	0.610
七月	0.680	0.630
八月	0.680	0.610
九月	0.740	0.650
十月	0.740	0.650
十一月	0.800	0.650
十二月	0.800	0.710
二〇〇五年		
一月	0.830	0.710
二月	0.850	0.770
三月	0.820	0.690

股東週年大會通告

茲通告越秀投資有限公司(「本公司」)謹訂於二〇〇五年五月二十六日星期四上午十時正假座香港灣仔駱克道160號越秀大廈26樓舉行股東週年大會(「二〇〇五年股東週年大會」)，藉以處理下列事項：

1. 省覽截至二〇〇四年十二月三十一日止年度之經審核賬目、董事會及核數師之報告。
2. 宣派末期股息。
3. 選舉董事並授權董事會釐定董事酬金。
4. 重聘核數師並授權董事會釐定其酬金。
5. 作為特別事項，考慮及酌情通過下列決議案為普通決議案：

普通決議案

A. 「動議

- (a) 在下文(b)分段之規限下，一般性及無條件批准本公司董事會於有關期間內行使本公司一切權力，於香港聯合交易所有限公司(「聯交所」)或本公司之證券上市所在並經由證券及期貨事務監察委員會及聯交所就此確認之其他證券交易所，按照所有適用法例及不時予以修訂之聯交所證券上市規則(「上市規則」)或任何其他證券交易所之規定並在其規限下，購回其股份；
- (b) 根據上文(a)分段之批准，本公司可購回之本公司股份面值總額不得超過於本決議案通過日期本公司已發行股本面值總額之10%，而該項批准亦須受此限制；及

- (c) 就本決議案而言，「有關期間」指由本決議案通過之日期至下列三者中之最早日期止之期間：
- (i) 本公司下屆股東週年大會結束；
 - (ii) 按本公司之章程細則或香港任何適用法例規定本公司須召開下屆股東週年大會之期限屆滿時；及
 - (iii) 本決議案所授予之權力經本公司股東於股東大會上以普通決議案予以撤銷或更改。」

B. 「動議

- (a) 在下文(c)分段之規限下及根據公司條例第57B條，一般性及無條件批准本公司董事於有關期間內行使本公司一切權力以配發、發行及處理本公司股本中之額外股份，並在或需行使此等權力之情況下作出或授出售股建議、協議及購股權；
- (b) 上文(a)分段之批准將授權本公司董事於有關期間內作出或授出將須要或可能須要在有關期間結束後行使該權力之售股建議、協議及購股權；
- (c) 本公司董事根據(a)分段之批准而配發或同意有條件或無條件配發（不論是否根據購股權或其他原因而配發者）之股本面值總額，除根據(i)供股；(ii)現時已採納之任何購股權計劃或類似安排以授出或發行予該計劃合資格參與者，及本公司及／或其任何附屬公司安排之股份或可購買本公司股份之權利；或(iii)根據本公司之章程細則以任何以股代息或類似安排藉配發股份以代替本公司股份之全部或部分股息外，不得超過本決議案通過日期本公司已發行股本面值總額20%，及該項批准亦須受此限制；及
- (d) 就本決議案而言，「有關期間」指由本決議案通過之日期至下列三者中之最早日期止之期間：
 - (i) 本公司下屆股東週年大會結束；
 - (ii) 按本公司之章程細則或香港任何適用法例規定本公司須召開下屆股東週年大會之期限屆滿時；及

- (iii) 本決議案所授予之權力經本公司股東於股東大會上以普通決議案予以撤銷或更改；及

「供股」乃指本公司董事於訂定之期間向於指定記錄日期名列股東名冊之股份持有人按彼等當時之持股比例提呈發售本公司股份之建議(惟本公司董事有權就零碎股權或根據任何香港以外地區之法律限制或責任或任何認可監管機關或任何證券交易所之規定而作出其認為必要或權宜之豁免或其他安排)。」

C. 「動議

待上文A及B分段之各項決議案獲通過後，本公司根據上文A分段購回本公司股本中之股份面值總額，應加入本公司董事根據及按照上文B分段批准行使之一般授權而可配發或同意有條件或無條件配發之本公司股本面值總額之內。」

承董事會命
公司秘書
余達峯

香港，二〇〇五年四月二十九日

附註：

1. 本公司將由二〇〇五年五月十八日星期三至二〇〇五年五月二十六日星期四(首尾兩天包括在內)期間暫停辦理股份過戶登記手續。如欲符合獲派末期股息的資格，所有股份過戶文件連同有關股票，必須於二〇〇五年五月十七日星期二下午四時三十分前，交回香港灣仔告士打道56號東亞銀行港灣中心地下本公司之香港股份過戶登記處雅柏勤證券登記有限公司，辦理過戶登記手續。
2. 凡有權出席根據上述通告而召開之大會及於大會上投票之股東，均有權委派一位或多位代表出席，並代其投票。受委代表毋須為本公司股東。
3. 代表委任表格連同經簽署之授權書或其他授權文件(如有)或經由公證人簽署證明之該等授權書或授權文件副本，必須於大會或其續會之指定舉行時間48小時前送達香港灣仔告士打道56號東亞銀行港灣中心地下本公司之股份過戶登記處雅柏勤證券登記有限公司，方為有效。

4. 在本公司二〇〇四年股東週年大會上，通過普通決議案分別授予董事一般授權以便於聯交所購回股份，以及配發、發行及以其他方式處理本公司股本中之額外股份。根據公司條例及上市規則之條文，該等一般授權除非於二〇〇五年股東週年大會上獲重新授予，否則將於該大會結束時失效。上述通告第5A及5B項之普通決議案旨在重新授予該等授權。
5. 有關上述通告第5A及5B項之普通決議案，董事謹此聲明彼等並無計劃即時購回任何現有股份或發行任何新股份。現正根據公司條例及上市規則之條文向股東尋求批准一般授權。

章程細則之細則第58條有關股東可要求投票表決之程序：

於每次股東大會提呈會議表決之決議案將以舉手投票方式表決，除非（在宣佈舉手表決結果前或當時）經正式要求進行投票方式表決或根據上市規則規定之投票表決。有關要求可由下述任何一方提出：

- (i) 大會主席；或
- (ii) 不少於五名有權在會上投票之股東；或
- (iii) 一名或多名佔總數不少於全體有權於會上投票之股東之總投票權十分一之股東；
或
- (iv) 一名或多名持有獲賦予權利於會上就該決議案投票之股份之股東，而該等股份之實繳股款總額須為不少於全部獲賦予該項權利之股份實繳股款總額十分一。

除非要求投票表決，否則大會主席宣佈決議案經舉手投票通過或一致通過或以某一大多數通過或不予通過，並將實情記錄於會議記錄之記錄冊中，即為該項實情不可推翻之證據，而毋須證明就投票贊成或反對該決議案所記錄之票數或比例。

1. 肖博彥先生，60歲，自一九九七年七月起出任為本公司執行董事兼副總經理，亦為本公司之主要股東越秀企業(集團)有限公司(「越秀企業」)之董事兼副總經理。肖先生畢業於中國華南工學院硅酸鹽專業，是水泥工程師。一九九七年加入越秀企業前，曾任廣州水泥廠廠長及廣州水泥股份有限公司董事長兼總經理。肖先生在企業經營管理方面積逾27年經驗。彼曾出任越秀交通有限公司執行董事。除上文披露外，肖先生與本公司之董事、高級管理人員、主要股東或控股股東概無任何關係。肖先生持有按證券及期貨條例(「證券及期貨條例」)第XV部的定義所指之本公司500,000股股份及相關股份7,000,000股之個人權益。

本公司與肖先生並無訂立服務合約，但彼須按本公司章程細則規定於本公司股東週年大會上輪值告退及膺選連任。截至二〇〇四年十二月三十一日止年度，肖先生出任本公司董事之酬金為2,340,807港元，乃參照本集團表現及盈利狀況而釐定。

2. 余立發先生，57歲，自一九九二年十月起出任為本公司獨立非執行董事。余先生現為易貿通集團有限公司主席，並負責易貿通集團的企業財務發展及策略業務規劃。余先生持有澳洲Macquarie University應用財務碩士學位及香港大學管理學文憑。余先生在投資、銀行及財務方面擁有逾36年經驗。除上文披露外，過去三年余先生概無在其他上市公眾公司擔任任何董事職位。余先生與本公司之董事、高級管理人員、主要股東或控股股東概無任何關係。余先生持有按證券及期貨條例第XV部的定義所指之本公司相關股份3,500,000股之個人權益，佔於最後實際可行日期本公司已發行股本約0.06%。

本公司與余先生並無訂立服務合約，但彼須按本公司章程細則規定於本公司股東週年大會上輪值告退及膺選連任。截至二〇〇四年十二月三十一日止年度，余先生出任獨立非執行董事之董事袍金為38,000港元，乃參照彼於本公司之職務及責任。

3. 李家麟先生，50歲，自二〇〇〇年四月起出任為本公司獨立非執行董事。李先生現為專業會計師，任職萊斯銀行香港分行副行政總裁。李先生為英國特許公認會計師公會資深會員，並於銀行界及審計界方面有20多年經驗。彼為駿威汽車有限公司及周生生集團國際有限公司之獨立非執行董事。除上文披露外，過去三年李先生概無在其他上市公眾公司擔任任何董事職位。李先生與本公司之董事、高級管理人員、主要股東或控股股東概無任何關係。李先生持有按證券及期貨條例第XV部的定義所指之本公司1,050,000股股份及相關股份2,450,000股之個人權益，佔於最後實際可行日期本公司已發行股本約0.06%。

本公司與李先生並無訂立服務合約，但彼須按本公司章程細則規定於本公司股東週年大會上輪值告退及膺選連任。截至二〇〇四年十二月三十一日止年度，李先生出任獨立非執行董事之董事袍金為38,000港元，乃參照彼於本公司之職務及責任。

4. 劉漢銓先生，57歲，自二〇〇四年九月起出任為本公司獨立非執行董事，亦為越秀交通有限公司獨立非執行董事。彼擁有倫敦大學法律學士學位，是香港特別行政區高等法院律師、中國司法部委托公證人、國際公證人。彼為劉漢銓律師行之高級合夥人。在劉先生參與之多項公職中，其中計有中國人民政治協商會議全國委員會常務委員，香港特別行政區首屆政府推選委員會成員及非官守太平紳士，彼獲香港特別行政區政府頒授金紫荊星章勳銜。彼亦是香港按揭證券有限公司董事，以及僑福建設企業機構、北京控股有限公司、旭日企業有限公司、勤+緣媒體服務有限公司及永亨銀行之非執行董事，後五間公司均在香港聯合交易所有限公司上市。除上文披露外，過去三年劉先生概無在其他上市公眾公司擔任任何董事職位。劉先生與本公司之董事、高級管理人員、主要股東或控股股東概無任何關係，亦無持有任何按證券及期貨條例第XV部的定義所指之本公司股份權益。

本公司與劉先生並無訂立服務合約，但彼須按本公司章程細則規定於本公司股東週年大會上輪值告退及膺選連任。截至二〇〇四年十二月三十一日止年度，劉先生出任獨立非執行董事之董事袍金為10,000港元，乃參照彼於本公司之職務及責任。

There is no service contract between the Company and Mr Lee and he will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. The director's fee of Mr Lee as an independent non-executive director was HK\$38,000 for the year ended 31st December 2004 with reference to his duties and responsibilities with the Company.

4. **Mr Lau Hon Chuen Ambrose**, aged 57, has been an independent non-executive director of the Company since September 2004. He is also an independent non-executive director of GZI Transport Limited. He holds a Bachelor of Laws degree from the University of London and is also a Solicitor of the High Court of the Hong Kong Special Administrative Region, a China-Appointed Attesting Officer and a Notary Public. He is the senior partner of Messrs Chu & Lau, Solicitors & Notaries. Mr Lau is a Standing Committee Member of the National Committee of the Chinese People's Political Consultative Conference, a member of the Selection Committee for The First Government of The Hong Kong Special Administrative Region and a Non-official Justice of Peace among his many public service appointments. He was awarded the Gold Bauhinia Star by The Government of The Hong Kong Special Administrative Region. He is also a director of The Hong Kong Mortgage Corporation Ltd., a non-executive director of Hong Kong Parkview Group Ltd., Beijing Enterprises Holdings Ltd., Glorious Sun Enterprises Ltd., Qin Jia Yuan Media Services Company Limited, as well as Wing Hang Bank Ltd. The latter five companies are all listed on The Stock Exchange of Hong Kong Limited. Save as disclosed, Mr Lau did not hold any directorship in other listed public companies in the last three years. Mr Lau does not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company nor have any interests in the shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr Lau and he will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. The director's fee of Mr Lau as an independent non-executive director was HK\$10,000 for the year ended 31st December 2004 with reference to his duties and responsibilities with the Company.

1. **Mr Xiao Boyan**, aged 60, has been an executive director and Deputy General Manager of the Company since July 1997. He is also a director and deputy general manager of Yue Xiu Enterprises (Holdings) Limited ("Yue Xiu"), a substantial shareholder of the Company. Mr Xiao graduated from the department of calcium silicate of the South China Technical College in China and is a cement engineer. Prior to joining Yue Xiu in 1997, he was the general manager of Guangzhou Cement Factory and the chairman and general manager of Guangzhou Cement Company Limited. Mr Xiao has over 27 years of experience in corporate operation and management. He was formerly an executive director of GZI Transport Limited. Save as disclosed, Mr Xiao does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company. Mr Xiao has a personal interest of 500,000 shares and 7,000,000 underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO").

There is no service contract between the Company and Mr Xiao and he will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. Mr Xiao's total emoluments as a director of the Company were HK\$2,340,807 for the year ended 31st December 2004 which were determined by reference to the Group's performance and profitability.

2. **Mr Yu Lup Fat Joseph**, aged 57, has been an independent non-executive director of the company since October 1992. Mr Yu is the chairman of Tradeeasy Holdings Limited and is responsible for the Tradeeasy Group's corporate financial development and strategic business planning. He holds a master's degree in applied finance from Macquarie University in Australia and a diploma of management studies from the University of Hong Kong. Mr Yu has over 36 years of experience in investment, banking and finance. Save as disclosed, Mr Yu did not hold any directorship in other listed public companies in the last three years. Mr Yu does not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company. Mr Yu has a personal interest of 3,500,000 underlying shares of the Company within the meaning of Part XV of the SFO, representing about 0.06 per cent of the issued share capital of the Company as at the Latest Practicable Date.

There is no service contract between the Company and Mr Yu and he will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. The director's fee of Mr Yu as an independent non-executive director was HK\$38,000 for the year ended 31st December 2004 with reference to his duties and responsibilities with the Company.

3. **Mr Lee Ka Lun**, aged 50, has been an independent non-executive director of the Company since April 2000. He is an accountant by profession and is the deputy chief executive of Lloyds TSB Bank plc, Hong Kong Branch. Mr Lee is a Fellow of the Association of Chartered Certified Accountants in UK and has over 20 years of experience in banking and auditing. He is an independent non-executive director of Denway Motors Limited and Chow Sang Sang Holdings International Limited. Save as disclosed, Mr Lee did not hold any directorship in other listed public companies in the last three years. Mr Lee does not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company. Mr Lee has a personal interest of 1,050,000 shares and 2,450,000 underlying shares of the Company within the meaning of Part XV of the SFO, representing about 0.06 per cent of the issued share capital of the Company as at the Latest Practicable Date.

Article 58 of the Articles of Association sets out the procedure by which Shareholders may demand a poll:

At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of a show of hands) a poll is duly demanded or a poll is required under the Listing Rules. A poll may be demanded by:

- (i) the chairman of the meeting; or
- (ii) not less than 5 members having the right to vote at the meeting; or
- (iii) a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) a member or members holding Shares conferring a right to vote on the resolution on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

Unless a poll be so demanded, a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

4. At the 2004 annual general meeting of the Company, Ordinary Resolutions were passed giving general mandates to Directors to repurchase Shares on the Stock Exchange and to allot, issue and otherwise deal with additional Shares in the capital of the Company respectively. Under the provisions of the Companies Ordinance and the Listing Rules these general mandates lapse at the conclusion of the 2005 AGM, unless renewed at that meeting. The Ordinary Resolutions sought in items 5A and 5B of the above notice renew these mandates.

5. With reference to the Ordinary Resolutions sought in items 5A and 5B of the above notice, the Directors wish to state that they have no immediate plans to repurchase any existing Shares or to issue any new Shares. Approval is being sought from members of the Company as a general mandate pursuant to the Companies Ordinance and the Listing Rules.

(iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares of the Company open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

C. “THAT

conditional upon the passing of Resolutions under sub-paragraphs A and B above, the aggregate nominal amount of the number of shares in the capital of the Company which shall have been repurchased by the Company pursuant to and in accordance with sub-paragraph A above shall be added to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the exercise of the general mandate approved in sub-paragraph B above.”

By order of the Board
Yu Tat Fung
Company Secretary

Hong Kong, 29th April, 2005

Notes:

1. The register of members of the Company will be closed from Wednesday, 18th May, 2005 to Thursday, 26th May, 2005, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the final dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 17th May, 2005.
2. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such authority, must be deposited with the Company's share registrar, Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding of the meeting or adjourned meeting thereof.

- (c) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of Hong Kong to be held; and
 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting."

B. "THAT

- (a) subject to sub-paragraph (c) below and pursuant to Section 57B of the Companies Ordinance, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in sub-paragraph (a), otherwise than pursuant to (i) a Rights Issue, (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to eligible participants under such scheme and arrangement of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of Hong Kong to be held; and

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (“2005 AGM”) of the Guangzhou Investment Company Limited (“Company”) will be held at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong on Thursday, 26th May, 2005 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited accounts and the reports of the directors and auditors for the year ended 31st December, 2004.
2. To declare a final dividend.
3. To elect directors and to authorise the board to fix directors’ remuneration.
4. To re-appoint auditors and to authorise the board to fix their remuneration.
5. As special business to consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS**A. “THAT**

- (a) subject to sub-paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be purchased by the Company pursuant to the approval in sub-paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and

MARKET PRICES

The highest and lowest traded prices for the Shares on the Stock Exchange during each of the previous twelve months before the printing of this document were as follows:

	Traded Market Price for Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2004		
April	0.850	0.640
May	0.720	0.540
June	0.720	0.610
July	0.680	0.630
August	0.680	0.610
September	0.740	0.650
October	0.740	0.650
November	0.800	0.650
December	0.800	0.710
2005		
January	0.830	0.710
February	0.850	0.770
March	0.820	0.690

DISCLOSURE OF INTERESTS

None of the Directors, and to the best of their knowledge, having made all reasonable enquiries, none of their associates, have any present intention, if the Repurchase Mandate is exercised, to sell any Shares to the Company.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, if the Repurchase Mandate is granted.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the last six months (whether on the Stock Exchange or otherwise).

TAKEOVERS CODE CONSEQUENCES

If as a result of a repurchase of Shares a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers ("Takeovers Code"). As a result, a shareholder, or group of shareholders acting in concert, depending on the level of increase of the shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. As at the Latest Practicable Date, Yue Xiu Enterprises (Holdings) Limited owned approximately 51 per cent of the existing issued share capital of the Company. In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted to the Directors pursuant to the Repurchase Mandate, the shareholding of Yue Xiu Enterprises (Holdings) Limited would (assuming that there is no change in relevant circumstances) be increased to approximately 56 per cent of the issued share capital of the Company. It is considered that, in such circumstances, an obligation to make a mandatory offer even if the Repurchase Mandate is exercised in full is unlikely to arise.

This explanatory statement also constitutes the memorandum as required under section 49BA(3) of the Companies Ordinance.

SHARE CAPITAL

Whilst the Directors do not presently intend to repurchase any Shares, they believe that the flexibility afforded by the proposed Repurchase Mandate would be beneficial to the Company.

It is proposed that the Directors be authorised to repurchase up to 10 per cent of the aggregate Shares in issue at the date of the passing of the resolution to approve the general mandate. As at 27th April, 2005, the latest practicable date for determining such figures ("Latest Practicable Date"), 6,363,203,914 Shares were in issue. On the basis that no further Shares are issued prior to the date of the 2005 AGM, the Directors would be authorised to repurchase up to approximately 636,320,391 Shares during the period up to the next annual general meeting of the Company in 2006 or the expiration of the period within which the next annual general meeting of the Company is required by law to be held or the revocation or variation of the Repurchase Mandate by an ordinary resolution of the shareholders of the Company in general meeting of the Company, whichever occurs first.

REASONS FOR REPURCHASES

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share.

FUNDING OF REPURCHASES

Repurchases pursuant to the Repurchase Mandate would be financed entirely from the Company's available cash flow or working capital facilities. Any repurchases will be made out of funds of the Company legally permitted to be utilised in this connection in accordance with its memorandum and articles of association and the laws of Hong Kong, including profits otherwise available for distribution. Under the Companies Ordinance, a company's profits available for distribution are its accumulated, realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated, realised losses, so far as not previously written off in a reduction or reorganisation of capital duly made.

EFFECT OF ANY REPURCHASES

There might be a material adverse impact on the working capital, or gearing position of the Company (as compared with the position disclosed in its most recent published audited accounts for the year ended 31st December, 2004) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

LETTER FROM THE BOARD

Whether or not you are able to attend the 2005 AGM, you are requested to complete and return the enclosed form of proxy for the 2005 AGM in accordance with the instructions printed thereon to the Company's share registrar, Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the 2005 AGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the 2005 AGM or any adjournment thereof should you so wish.

Your right to demand a poll on the resolutions proposed at the 2005 AGM is set out in Appendix III to this circular.

RECOMMENDATION

The Directors consider that the General Mandate, the Repurchase Mandate and the proposed re-election of Directors at the 2005 AGM are all in the interests of the Company and the Shareholders. Accordingly, the Directors recommend you to vote in favour of the ordinary resolutions to be proposed at the 2005 AGM.

Yours faithfully,
For and on behalf of the board of directors of
Guangzhou Investment Company Limited
Ou Bingchang
Chairman

LETTER FROM THE BOARD

("General Mandate"). The obtaining of the General Mandate is in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). The proposed resolution ("General Mandate Resolution") is set out as Ordinary Resolution 5B in the Notice of the 2005 AGM dated 29th April, 2005 ("2005 AGM Notice"), which is set out in Appendix II to this circular.

Concerning the General Mandate Resolution, the Directors wish to state that they have no immediate plans to issue any new Shares. Approval is being sought from the Shareholders as a general mandate for the purposes of Section 57B of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) ("Companies Ordinance") and the Listing Rules.

GENERAL MANDATE TO REPURCHASE OF SHARES

The Listing Rules permit companies with a primary listing on The Stock Exchange of Hong Kong Limited ("Stock Exchange") to repurchase their own securities on the Stock Exchange, subject to certain restrictions. At the 2004 AGM, a general mandate was given to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the 2005 AGM. Therefore, an ordinary resolution (as set out in Resolution 5A ("Repurchase Mandate Resolution") in the 2005 AGM Notice, which is set out in Appendix II to this circular) will be proposed to grant to the Directors an unconditional general mandate to, inter alia, repurchase up to 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the Repurchase Mandate Resolution ("Repurchase Mandate"). The Company is required, by the provisions of the Listing Rules regulating such securities repurchases and by Section 49BA(3) of the Companies Ordinance, to send to its Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the Repurchase Mandate. Such information is set out in Appendix I to this circular.

Concerning the Repurchase Mandate Resolution, the Directors wish to state that they have no immediate plans to repurchase any existing Shares.

PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 91 of the Articles of Association of the Company ("Articles of Association"), the Directors retiring by rotation at the 2005 AGM are Messrs. Xiao Boyan, Yu Lup Fat Joseph and Lee Ka Lun. In accordance with Article 97 of the Articles of Association, Mr Lau Hon Chuen Ambrose retires at the 2005 AGM. Details of the above Directors, which are required to be disclosed by the Listing Rules, are set out in Appendix IV to this circular.

ANNUAL GENERAL MEETING

The 2005 AGM Notice is set out in Appendix II to this circular.

LETTER FROM THE BOARD



越秀投資有限公司

GUANGZHOU INVESTMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 123)

Executive Directors:

Ou Bingchang (*Chairman*)

Liang Yi

Chen Guangsong

Li Fei

Liang Ningguang

Xiao Boyan

Registered office:

24th Floor, Yue Xiu Building

160-174 Lockhart Road

Wanchai

Hong Kong

Independent non-executive Directors:

Yu Lup Fat Joseph

Lee Ka Lun

Lau Hon Chuen Ambrose

29th April, 2005

To the shareholder(s)

Dear Shareholder(s),

**PROPOSED GENERAL MANDATES TO ISSUE
NEW SHARES AND REPURCHASE SHARES**

**PROPOSED RE-ELECTION OF DIRECTORS
AND**

NOTICE OF ANNUAL GENERAL MEETING

GENERAL MANDATE TO ISSUE SHARES

At the last annual general meeting of Guangzhou Investment Company Limited ("Company") held on 2nd June, 2004 ("2004 AGM"), a general mandate was given to the directors of the Company ("Directors") to allot, issue and otherwise deal with shares of HK\$0.10 each in the capital of the Company ("Share(s)"). Such mandate will lapse at the conclusion of the forthcoming annual general meeting to be held on 26th May, 2005 at 10:00 a.m. at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong ("2005 AGM"). In order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to issue any Shares, approval is being sought from the shareholders of the Company ("Shareholders") at the 2005 AGM to grant a general mandate unconditionally to the Directors to allot or issue new Shares equal in aggregate up to 20 per cent of the issued share capital of the Company at the date of passing the proposed ordinary resolution

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2.3 公共交通便利程度及接駁

由於體育西路沿路有的士及巴士等公共交通工具，故此，維多利廣場整體上交通方便。巴士站距離維多利廣場兩分鐘步行路程。

維多利廣場距離地鐵1號線體育西路站約十分鐘步行路程。地鐵3號線目前正在興建中，首段定於二〇〇五年底竣工。地鐵1號線及3號線計劃興建一條地下通道直達維多利廣場地庫一層，於竣工後將改善維多利廣場之交通接駁。

2.4 私家車接駁及臨路部分

維多利廣場位於天河路及體育西路交界，從體育西路可直達維多利廣場。

通往市內主要地區之車程時間：

白雲國際機場	45分鐘
天河城	1分鐘
廣州火車東站	5分鐘

2.5 發展物業概述

維多利廣場乃一幢6層商業及零售中心連同4層地庫，位於廣州黃金地段商業區天河區體育西路101號。據越秀投資所提供資料，該發展物業之總建築面積為52,568.6平方米。

20. 於估值日之滙率 : 1港元=人民幣1.043元
21. 年期回報率 : 8.5%
22. 復歸回報率 : 10.5%
23. 於估值日之出租率 : 100%
24. 空置撥備 : 1%
25. 市場評述 : 鑑於其地點及交通接駁，吾等認為相關物業之可銷性為合理。

附註：用途以房地產權證及中國法律意見為基礎。

2. 相關物業

2.1 情況及地點

維多利廣場乃一幢六層高商業零售中心連同四層地庫，位於中國廣東省廣州市天河區體育西路101號。維多利廣場入口設有六層高玻璃大堂，樓宇前面為已鋪路面之行人購物大道。於檢查時，零售中心上蓋正興建兩幢辦公樓。據越秀投資所告知，該兩幢52層高及36層高辦公樓將於二〇〇七年落成。

維多利廣場位於天河路及體育西路交界，在廣州購書中心旁邊及鄰近天河城廣場。體育西路形成圍繞天河體育館之其中一條通道，並已成為廣州市主要中央商務區之一。

2.2 周邊發展及環境問題

相關物業位於天河區，區內發展物業主要包括現代摩天商業大樓及低層零售購物中心，混雜一些較舊之中等高度住宅大樓。

由於位於天河體育館較不繁忙一側，該段體育西路之行人流量適中。

吾等並不知悉相關地點及周圍地點存在任何環境問題或污染。由於中國之土地註冊制度，吾等無法追查有關過往建於相關地點上之物業之任何資料，故此，吾等無法評論污染之可能性及其對價值之影響，亦無法確定該地點過往之用途。

8. 用途 :
- 地庫一層 — 非住宅／商業
 101室 — 非住宅
 102室 — 非住宅
 一層(架空層) — 非住宅
 二層 — 非住宅
 三層 — 非住宅
 四層 — 非住宅
 五層 — 非住宅
 六層 — 非住宅
9. 相關物業套內面積 : 22,847.9平方米
10. 相關物業可出租總面積 : 27,262.3平方米
11. 維多利廣場建築工程竣工日期 : 二〇〇三年
12. 估值方法 : 收入資本化計算法(包括現金流量貼現分析), 以銷售比較法作反覆核實
13. 估值日 : 二〇〇五年九月三十日
14. 於估值日在現況下之市值 : 533,000,000港元
15. 單價價值, 按建築面積計 : 每平方米19,243港元
16. 於估值日之現時收入淨額 : 每年人民幣30,902,628元
17. 於估值日之全部租出收入淨額 : 每年人民幣30,902,628元
18. 於估值日之估計市值租金 : 每年人民幣61,529,964元
19. 貼現率(僅就現金流量貼現分析而採納) : 11%

越秀投資有限公司(下文稱「越秀投資」)及其附屬公司(下文統稱「越秀投資集團」)位於中華人民共和國(「中國」)廣東省廣州市天河區體育西路101號維多利廣場之物業多個單位(「相關物業」)之估值

1. 相關物業概要

據中國法律意見，有關相關物業之九份房地產權證已發出。

相關物業詳情概括如下：

1. 目前註冊擁有人 : 京澳有限公司
2. 土地使用權類別 : 出讓
3. 城市規劃用途分區 : 根據一九九七年一月二十七日簽訂之國有土地使用權出讓合同，維多利廣場所在土地之用途分區被描述為「商業／旅遊」。
4. 所評估權益 : 相關物業之租賃權益
5. 物業概述 : 相關物業包括一幢6層零售購物中心之部分連同1層地庫(詳情見第2.5節)
6. 相關物業建築面積 : 27,698.1平方米
(「建築面積」)
7. 租期 :

地庫一層	由二〇〇四年三月八日起四十年
101室	由二〇〇四年三月八日起四十年
102室	由二〇〇四年三月八日起四十年
一層(架空層)	由二〇〇四年三月八日起四十年
二層	由二〇〇四年三月八日起四十年
三層	由二〇〇四年三月八日起四十年
四層	由二〇〇四年三月八日起四十年
五層	由二〇〇四年三月八日起四十年
六層	由二〇〇四年三月八日起四十年

依據吾等主要之估值法收入資本化計算法(包括現金流量貼現分析)，吾等認為相關物業(越秀投資集團將出售之物業權益)於估值日在其現況下之市值為三億八千五百五十萬港元(385,500,000港元)，並假設該等物業(連同現有租戶及物業業權概無任何重大產權負擔或缺失之利益)在市場上可供銷售。相關物業之市值乃採用收入資本化計算法及現金流量貼現分析計算得出之價值平均數。

可資比較辦公室銷售物業：

	可資比較物業八	可資比較物業九	可資比較物業十	可資比較物業十一
地址	林和西路	林和西路	林和西路	林和西路
地區	天河區	天河區	天河區	天河區
交易日期	二〇〇五年八月	二〇〇五年七月	二〇〇五年七月	二〇〇五年五月
單位	1806	1808、1809	1807	2007
層數	十八樓	十八樓	十八樓	二十樓
建築面積(平方米)	229.3	295.2	96.2	96.2
落成日期	二〇〇四年	二〇〇四年	二〇〇四年	二〇〇四年
實用率	70%	70%	70%	70%
交易性質	已交易	已交易	已交易	已交易
開價/交易價格， 按建築面積計 (人民幣)	2,866,125	3,654,081	1,201,875	1,153,800
開價/交易價格， 按建築面積計 (每平方米人民幣)	12,499	12,378	12,494	11,994
經調整交易價格， 按建築面積計 (每平方米人民幣)	9,771	9,677	9,771	9,380

基於上文所述，吾等評估相關物業之價值為418,000,000港元。

概述如下：

物業	單價價值，	
	價值 (港元)	按建築面積計 (每平方米港元)
零售部分	105,000,000	8,930
辦公室部分	313,000,000	10,215
	<u>總計</u>	<u>9,859</u>

4. 估值概要

下表概述吾等以各方法所計算之結果：

估值方法/分析	價值 (港元)
收入資本化	411,000,000
現金流量貼現	360,000,000
銷售比較	418,000,000

為了組成市場上可資比較數據，吾等從吾等之數據庫（以吾等所得最新數據為基礎）中辨認出多項可資比較物業。由於吾等所得實際交易數目有限，故此吾等分析二〇〇四年區內多幢同類樓宇之出租，吾等認為該等可資比較數據足以計算得出相關物業之市值。

可資比較辦公室銷售物業：

	可資比較物業一	可資比較物業二	可資比較物業三	可資比較物業四	可資比較物業五	可資比較物業六	可資比較物業七
地址	體育東路	體育東路	體育東路	體育東路	體育東路	體育東路	體育西路
地區	天河區	天河區	天河區	天河區	天河區	天河區	天河區
交易日期	二〇〇四年十二月	二〇〇四年十二月	二〇〇四年十二月	二〇〇四年十一月	二〇〇四年十一月	二〇〇四年十一月	二〇〇四年九月
單位	一個辦公室單位	一個辦公室單位	一個辦公室單位	一個辦公室單位	一個辦公室單位	一個辦公室單位	一個辦公室單位
層數	十四樓	十四樓	十四樓	十一樓	二十七樓	十一樓	五樓
建築面積(平方米)	189.5	125.8	189.5	191.7	125.5	188.8	1,450.8
落成日期	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇四年
實用率	77%	77%	77%	77%	77%	77%	75%
交易性質	已交易	已交易	已交易	已交易	已交易	已交易	已交易
交易價格，按建築面積計 (人民幣)	2,822,805	1,874,569	2,822,805	2,454,272	1,756,720	2,529,920	14,508,043
交易價格，按建築面積計 (每平方米人民幣)	14,896	14,901	14,896	12,803	13,998	13,400	10,000
經調整單價售價，按建築面積計 (每平方米人民幣)	11,590	11,590	11,590	9,956	10,890	10,423	9,840

已依據吾等本身之判斷及市場知識作出調整。吾等已考慮十一項可資比較物業，以得出相關物業辦公室部分之單價市值。可資比較物業一至六位於同一幢樓宇內，而可資比較物業七則鄰近相關物業。已就時間、地點、樓宇質素及面積大小作出調整，該等可資比較物業之經調整單價市值介乎每平方米人民幣9,840元至人民幣11,590元。計算出可資比較物業一至七之平均數將得出單價市值為每平方米人民幣10,800元。吾等已將上述數字與列於下表內之其他樓宇之可資比較數據相互參照，吾等認為每平方米人民幣10,800元乃屬合理。

3.3 銷售比較法

按銷售比較法，吾等已考慮同類物業之銷售及有關市場數據，並透過對可資比較數據作出調整來釐定價值。整體上，相關物業與在公開市場上已交易之同類物業之銷售作比較。

吾等在編製相關物業估值時已考慮到區內同類優質辦公室及發展物業之可資比較開價或已交易數據。

為了組成市場上可資比較數據，吾等從吾等之數據庫(以吾等所得最新數據為基礎)中辨認出多項可資比較物業。由於吾等所得實際交易數目有限，故此吾等分析二〇〇四年區內多幢同類樓宇之交易，吾等認為該等可資比較數據足以計算得出相關物業之市值。

吾等已就各項因素作出調整，例如地點、樓齡、實用率及時間。詳情如下：

可資比較零售銷售物業：

	可資比較物業一	可資比較物業二	可資比較物業三	可資比較物業四	可資比較物業五	可資比較物業六	可資比較物業七
地址	體育東路	體育東路	體育東路	體育東路	體育東路	體育東路	體育西路
地區	天河區	天河區	天河區	天河區	天河區	天河區	天河區
交易日期	二〇〇四年五月	二〇〇四年七月	二〇〇四年七月	二〇〇四年九月	二〇〇四年九月	二〇〇四年九月	二〇〇四年九月
單位	一個商舖單位	一個商舖單位	一個商舖單位	一個商舖單位	一個商舖單位	一個商舖單位	一個商舖單位
層數	一樓	一樓	一樓	一樓	一樓	一樓	一樓
建築面積(平方米)	105.2	83.6	65.3	59.3	59.7	343.4	1,147.0
落成日期	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇四年
交易性質	已交易	已交易	已交易	已交易	已交易	已交易	已交易
交易價格，按建築面積計(人民幣)	7,150,880	4,920,955	4,041,651	1,374,020	1,374,020	7,897,740	51,608,075
交易價格，按建築面積計(每平方米人民幣)	67,974	58,863	61,894	23,015	23,015	22,999	44,994
經調整單價售價，按建築面積計(每平方米人民幣)	24,419	21,128	22,240	13,421	13,421	13,421	35,343

已依據吾等本身之判斷及市場知識作出調整。吾等已考慮七項可資比較物業，以得出相關物業群樓一層之單價市值。可資比較物業一至六位於同一幢樓宇內，而可資比較物業七則鄰近相關物業。依據上表就時間、地點、樓宇質素、面積大小、行人流量等所作出之調整，該等可資比較物業之經調整單價市值介乎每平方米人民幣13,421元至人民幣35,343元。計算出全部七項可資比較物業之平均數將得出相關物業群樓一層之單價市值為每平方米人民幣20,500元。至於二層及三層，透過給予30%及50%折讓以反映層數不同，單價市值分別為每平方米人民幣14,350元及每平方米人民幣10,250元。

吾等在現金流量折現分析中依據越秀投資所提供之資料，吾等預測下列有關該大廈之支銷於未來十年按以下款額支出：

預測支銷項目	預測支銷
服務費(依據租賃服務協議)	租金收入總額4%
大規模維修保養成本(據越秀投資所告知)	二〇〇六年人民幣349,500元
	二〇〇七年人民幣250,800元
	二〇〇八年人民幣1,065,900元
	二〇〇九年人民幣461,700元
	二〇一〇年人民幣666,900元
	二〇一一年人民幣148,200元
	二〇一二年人民幣399,000元
	二〇一三年人民幣159,600元
	二〇一四年人民幣79,800元
	二〇一五年人民幣210,900元
雜項開支	租金收入淨額0.2%
保險	固定款額
營業稅	租金收入5.0%
防洪工程維修費	租金收入0.09%
城市房地產稅	樓宇原有價值 × 70% × 1.2%
印花稅	租金收入總額0.1%

參考《樓宇狀況調查報告》，預測支銷項目並無包括即時資本開支。

基於上文所述，吾等評估相關物業之價值為360,000,000港元，已考慮有關稅項及成本項目之支銷。

概述如下：

物業	資本化率	貼現率	單價價值，	
			價值 (港元)	按建築面積計 (每平方米港元)
零售部分	10%	11%	105,000,000	8,930
辦公室部分	8%	11%	255,000,000	8,323
		總計：	<u>360,000,000</u>	<u>8,491</u>

吾等在進行評估時，利用下列假設以對該物業進行估值：

物業	辦公室部分	零售部分
最終資本化率	8%	10%
貼現率	11%	11%
增長率－第一年	5%	5%
增長率－第二年	-2%	6%
增長率－第三年	-4.5%	8%
增長率－第四年	-4.5%	5.5%
增長率－第五年	-2%	5.5%
增長率－第六至第十年	6%	5%
空置虧損	4%	2%
壞賬	1%	1%

根據吾等之當地市場研究，未來數年將有大量新辦公室推出市面，吾等相信這將對辦公室市值租金收入增長造成不利影響，並預料短期至中期城建大廈將出現負增長率，但預期這只是暫時性，預期其後辦公室市值租金收入將回復正增長。吾等已參考由Cushman & Wakefield (HK) Limited編製之《市場研究報告》。

空置虧損乃依據吾等對供求之意見及吾等對廣州有關物業市場之當地市場知識。

在達致吾等編製之定期現金流量時，吾等已考慮租金年增長率，以評估於租期屆滿時用以釐定現金流量之預測租金收入。所採用之租金增長率與Cushman & Wakefield (HK) Limited編製之市場研究報告所載之預測一致。

吾等已估計相關物業未來十年內每年之租金收入增長。每項租賃之租金增長模式反映各租約之租金調整規定，包括分期加租(如適用)。吾等假設於租約期滿後新訂或現有兩年至五年之租約一般按三年租期及當時現有市值租金授出或續訂。

吾等在該投資組合中已考慮年度空置撥備及壞賬撥備，依據目前空置情況，零售及辦公室部分之年度空置撥備分別約為2%及4%。吾等參照過往壞賬比率，認為壞賬撥備應為已收租金淨額之1%。就城建大廈而言，二〇〇三年壞賬比率為1.3%，二〇〇四年為1.8%，而截至二〇〇五年六月三十日止六個月則為0.5%。

吾等已參考《樓宇狀況調查報告》，該份調查報告指出，由於相關物業維持在與其樓齡相符之合理狀況，故此將不會導致即時資本開支。吾等已採用越秀投資所提供由二〇〇六年至二〇一五年大規模維修保養成本之預測。由於越秀投資向吾等表示用作維持相關物業目前狀況之小規模例行維修保養成本由租戶支付之物業管理費彌補，故此並無就小規模例行維修保養之預期成本作出扣除。據越秀投資所告知，不符規劃之處所導致之任何成本將由越秀投資清償。

吾等亦已就營業稅、印花稅、城市房地產稅、防洪工程維修費、保險、大規模維修保養成本及服務費扣除款項。

吾等在進行計算時並無扣除任何收購成本及出售成本，吾等認為此乃未來買家之考慮因素。

吾等在編製相關物業之估值時已考慮區內同類優質辦公室及零售發展物業之可資比較開價或已交易租金。詳情請參閱本報告第3.1節。

3.2 現金流量貼現分析

根據國際評估準則委員會(第七版)之定義，現金流量貼現分析指就經營房地產物業日後產生現金流量採用明確假設之金融模型技巧。此分析涉及預測經營房地產物業之一連串定期現金流量，並就該一連串預測現金流量採用適當貼現率，以制訂關於該等物業租金收入現值之指標。在經營房地產物業之情況下，定期現金流量一般指估計租金收入總額減空置、壞賬、稅務影響(印花稅、城市房地產稅、防洪工程維修費及營業稅)、服務費及其他經營開支。然後，該一連串定期經營收入淨額，連同預計於預測期終時之終值估計金額，按貼現率貼現至現值，該貼現率乃資本成本或用以轉換日後應付或應收貨幣金額之回報率。

吾等已於十年投資年期每月進行現金流量貼現分析，第十一年之收入淨額於餘下所有權年期按適當回報率資本化。此分析衡量於假設投資年期內之租金及資本增長，讓投資者或業主可對物業可能帶來之長期回報作出評估。此分析通常用於對提供投資收入之物業進行估值。

就相關物業而言，吾等進行計算時就辦公室部分採用之最終資本化率為8%，而就零售部分採用之最終資本化率為10%。此乃依據吾等對市場上適用年期回報率之分析(載於第3.1節)，並給予折讓以反映吾等將第十一年租金收入淨額資本化之事實，該折讓反映扣除前租金收入與租金收入淨額之差額，以及考慮到租金收入淨額較扣除前租金收入提供更佳保障。

吾等進行計算時已就相關物業採用11%貼現率，該貼現率乃用以轉換日後應付或應收貨幣金額至現值之回報率，理論上反映資本之機會成本。吾等在達致上述貼現率時，已研究一項商用物業於十年內所賺取投資回報之市場現況。吾等亦已調查活躍物業投資者在市場上購買購物中心及辦公樓所需回報率。基於上文所述，吾等認為市場對辦公室及零售物業之預期回報率約為10%至12%。吾等注意到，由香港金融管理局發行之十年期外匯基金票據之孳息率於二〇〇五年九月三十日約為4.17%，顯示上述物業之風險溢價介乎5.83%至7.83%。依據吾等對國際市場上可資比較銷售之分析，溢價較高反映中國相關內在投資風險及物業風險。吾等認為，由於香港是最鄰近中國之成熟市場，故此就中國物業投資採用香港無風險回報率較為恰當。

據過往分析，辦公室部分之單價市值租金為每平方米人民幣90元。於第3.3節，辦公室部分之單價市值為每平方米人民幣10,800元，市場回報率為10%。吾等採用9.5%作為辦公室部分之復歸回報率，此乃依據可資比較交易之平均市場回報率，詳情如下：

辦公室市場：

單位	地址	建築面積 (平方米)	交易日期	實際交易價格 (人民幣)	每平方米 售價 (每平方米 人民幣)	於交易日之 於交易日		市場回報率 (附註2)
						估計單位年度 市值租金淨額 (每平方米 人民幣) (附註1)	之出租 狀況	
一個辦公室單位	體育西路	1,450.8	二〇〇四年九月	14,508,043	10,000	1,080	空置	10.8%
一個辦公室單位	體育東路	188.8	二〇〇四年十一月	2,529,920	13,400	1,128	空置	8.4%
一個辦公室單位	體育東路	191.7	二〇〇四年十一月	2,454,272	12,796	1,128	空置	8.8%
一個辦公室單位	體育東路	189.5	二〇〇四年十二月	2,822,805	14,896	1,260	空置	8.5%
一個辦公室單位	林和西路	229.3	二〇〇五年八月	2,866,125	12,449	1,512	空置	12.1%

附註：

- 1) 估計市值租金收入淨額乃依據吾等對近期可資比較物業出租之分析。
- 2) 市場回報率乃每年估計市值租金收入淨額除以實際交易價格。

就零售及辦公室市場而言，可資比較數據源自高力國際物業顧問(香港)有限公司之數據庫，並依據可資比較整體地點計算，由於整幢樓宇銷售數目有限，故此吾等亦採用區內較小單位之銷售。

吾等評估相關物業之價值為411,000,000港元。

概述如下：

物業	年期回報率	復歸回報率	單價價值，	
			價值 (港元)	按建築面積計 (每平方米港元)
零售部分	11%	12%	86,000,000	7,314
辦公室部分	8.5%	9.5%	325,000,000	10,607
	總計：		411,000,000	9,694

於估值日，年期回報率用來將目前現時租金收入資本化，而復歸回報率則用來轉換復歸租金收入。此方法通常用來對提供收入之物業進行估值。

復歸回報率乃依據單價市值租金及為相關物業搜集之可資比較單價市值之分析，據過往分析，零售裙樓一層之單價市值租金為每平方米人民幣200元。於第3.3節，一層之單價市值為每平方米人民幣20,500元，市場回報率為11.7%。吾等採用12%作為相關物業零售部分之復歸回報率，12%乃在市場上可資比較交易之範圍內，詳情如下：

零售市場：

單位	樓宇	地址	建築面積 (平方米)	交易日期	實際交易價格 (人民幣)	每平方米售價 (每平方米 人民幣)	於交易日之	於交易日	市場回報率 (附註2)
							估計單位年度 市值租金淨額 (每平方米 人民幣) (附註1)	之出租 狀況	
全層	保密	保密	35,000	二〇〇四年底	265,000,000	7,571	796	20年後租回	10.5%
全層	保密	體育西路	1,147	二〇〇四年九月	51,608,075	44,994	4,752	空置	10.6%
B205	保密	保密	15.6	二〇〇五年九月	1,244,800	79,795	9,600	空置	12.0%
B107	保密	保密	16.5	二〇〇五年九月	1,405,050	85,155	10,260	空置	12.0%
三個商舖單位		體育東路	463	二〇〇四年九月	10,645,780	22,993	2,688	空置	11.7%

附註：

- 1) 估計市值租金收入淨額乃依據吾等對近期可資比較物業出租之分析。
- 2) 市場回報率乃每年估計市值租金收入淨額除以實際交易價格。

可資比較辦公室租金物業：

	可資比較物業九	可資比較物業十	可資比較物業十一	可資比較物業十二	可資比較物業十三	可資比較物業十四
地址	黃埔大道西	體育西路	天河北路	天河北路	林和西路	林和西路
地區	天河區	天河區	天河區	天河區	天河區	天河區
交易日期	二〇〇五年三月	二〇〇四年十一月	二〇〇五年四月	二〇〇五年三月	二〇〇五年八月	二〇〇五年七月
單位	全層	全層	5201、5204-06	5301、5303	1405	3401、3402、 3403、3409
層數	二十四	二十三	五十二	五十三	十四	三十四
建築面積(平方米)	1345.8	1,222.6	1108.5	648.6	161.5	1,623.3
落成日期	二〇〇〇年	二〇〇三年	一九九七年	一九九七年	二〇〇四年	二〇〇四年
實用率	70%	70%	65%	65%	70%	70%
交易性質	已交易	已交易	已交易	已交易	已交易	已交易
租期(年)	2.92	3.00	1.69	1.92	2.00	5.00
租約開始日期	二〇〇五年 四月十一日	二〇〇四年 十一月一日	二〇〇五年 四月二十四日	二〇〇五年 五月二十一日	二〇〇五年 八月十日	二〇〇五年 八月一日
租約期滿日期	二〇〇八年 三月十日	二〇〇七年 十月三十一日	二〇〇六年 十二月三十一日	二〇〇七年 四月二十日	二〇〇七年 八月九日	二〇一〇年 七月三十一日
月租收入淨額， 按建築面積計 (人民幣)	100,935	110,036	146,428	97,286	21,485	202,909
月租收入淨額， 按建築面積計 (每平方米人民幣)	75	90	132	150	133	125
經調整月租收入 淨額，按建築面積計 (每平方米人民幣)	85	94	113	125	116	112

於估值日，現有每月租金淨額為人民幣3,298,545元，預期該發展物業將維持目前約91%之出租率水平，與市場上同類物業之出租率一致。

吾等進行評估時，零售部分所採用之年期回報率為11%，而辦公室部分則為8.5%。所採用之年期回報率低於市場回報率，原因是相關物業之目前現時租金收入低於估計目前市值租金收入。零售部分所採用之復歸回報率為12%，而辦公室部分則為9.5%。吾等已將個別回報率應用在相關物業之零售及辦公室部分，零售部分之回報率較高，以反映市場普遍認為零售物業市場存在較高風險，而在廣州，零售物業市場相對辦公室市場較不成熟及波動較大。

可資比較辦公室租金物業：

	可資比較物業一	可資比較物業二	可資比較物業三	可資比較物業四	可資比較物業五	可資比較物業六	可資比較物業七	可資比較物業八
地址	體育西路	體育西路	體育西路	體育西路	體育西路	體育西路	體育西路	體育西路
地區	天河區	天河區	天河區	天河區	天河區	天河區	天河區	天河區
交易日期	二〇〇五年九月	二〇〇五年九月	二〇〇五年九月	二〇〇五年九月	二〇〇五年九月	二〇〇五年八月	二〇〇五年八月	二〇〇五年八月
單位	一個辦公室單位	一個辦公室單位	一個辦公室單位	一個辦公室單位	一個辦公室單位	一個辦公室單位	10C	一個辦公室單位
層數	十九樓	十樓	十九樓	二十四樓	十九樓	九樓	十樓	十七樓
建築面積(平方米)	208.2	230.5	126.5	818.1	126.5	104.1	126.5	208.2
落成日期	一九九七年	一九九七年	一九九七年	一九九七年	一九九七年	一九九七年	一九九七年	一九九七年
實用率	72%	72%	72%	72%	72%	72%	72%	72%
交易性質	已交易	已交易	已交易	已交易	已交易	已交易	已交易	已交易
租期(年)	2.00	2.00	0.99	2.06	1.00	0.58	2.00	0.42
租約開始日期	二〇〇五年 九月一日	二〇〇五年 九月一日	二〇〇五年 九月一日	二〇〇五年 九月九日	二〇〇五年 九月一日	二〇〇五年 八月一日	二〇〇五年 八月一日	二〇〇五年 八月一日
租約期滿日期	二〇〇七年 八月三十一日	二〇〇七年 八月三十一日	二〇〇六年 八月三十日	二〇〇七年 九月三十日	二〇〇六年 八月三十一日	二〇〇六年 二月二十八日	二〇〇七年 七月三十一日	二〇〇五年 十二月三十一日
月租收入淨額， 按建築面積計 (人民幣)	18,737	20,749	11,760	73,626	11,381	9,161	11,381	19,571
月租收入淨額， 按建築面積計 (每平方米人民幣)	90	90	93	90	90	88	90	94
經調整月租收入 淨額：按建築面積計 (每平方米人民幣)	90	90	93	90	90	88	90	94

依據可資比較物業一至八(位於城建大廈內及於近期交易)之分析，平均經調整單價租金約為每平方米人民幣90元。吾等已將上述數字與列於下表內之其他樓宇之可資比較數據相互參照，吾等認為每平方米人民幣90元乃屬合理。

可資比較租金詳情如下：

可資比較零售租金物業：

	可資比較物業一	可資比較物業二	可資比較物業三	可資比較物業四	可資比較物業五
地址	林和西路	林和西路	體育東路	天河路	天河路
地區	天河區	天河區	天河區	天河區	天河區
交易日期	二〇〇四年十二月	二〇〇四年十二月	二〇〇四年十一月	二〇〇四年五月	二〇〇四年四月
單位	一個商舖單位	一個商舖單位	一個商舖單位	一個商舖單位	一個商舖單位
層數	一樓	一樓	群樓	一樓	一樓
建築面積(平方米)	505	223.8	約1,000	30	45.5
落成日期	二〇〇四年	二〇〇四年	二〇〇三年	一九九五年	一九九五年
交易性質	已交易	已交易	已交易	已交易	已交易
租期(年)	5.00	6.00	6.00	6.00	6.00
租約開始日期	二〇〇四年 十一月一日	二〇〇四年 十月十六日	二〇〇四年 十一月十五日	二〇〇四年 五月二十六日	二〇〇四年 六月
租約期滿日期	二〇〇九年 十月三十一日	二〇一〇年 十月十五日	二〇一〇年 十月十四日	二〇一〇年 五月二十五日	二〇一〇年 六月
月租收入淨額， 按建築面積計 (人民幣)	75,750	31,329	282,080	37,800	45,500
月租收入淨額， 按建築面積計 (每平方米 人民幣)	150	140	282	1,260	1,000
經調整月租 收入淨額， 按建築面積計 (每平方米人民幣)	121	101	277	278	221

吾等已考慮五項可資比較物業，以得出相關物業群樓一層之租金。依據上表就時間、地點、樓宇質素、面積大小、行人流量等所作出之調整，該等可資比較物業之經調整單位租金介乎每平方米人民幣101元至每平方米人民幣278元。計算出全部五項可資比較物業之平均數將得出相關物業群樓一層之單價月租為每平方米人民幣200元。至於二層及三層，透過給予30%及50%折讓以反映層數不同，單價月租分別為每平方米人民幣140元及每平方米人民幣100元。

為了使復歸價值復歸至現時日期，吾等已使用與相關物業特定部分之復歸回報率相同之現值率。現值乃未來現金流量之現時貨幣價值，並反映於相似資產中投資之機會成本，預期該項相似資產賺取之有利回報將與相關物業差不多。

吾等在編製估值時已考慮到區內同類優質辦公室及零售發展物業之可資比較開價或已交易租金。

就零售部分一層而言，於估值日，現時月租淨額整體上一般介乎每平方米人民幣107元至每平方米人民幣503元，平均為每平方米人民幣170元。至於零售部分二層及三層，現時月租淨額分別為每平方米人民幣75元及每平方米人民幣40元。吾等認為，於估值日，目前一層、二層及三層之現時租金整體上分別低於每平方米人民幣200元、每平方米人民幣140元及每平方米人民幣100元之市場水平。

至於辦公室部分，現時月租淨額整體上一般介乎每平方米人民幣80元至每平方米人民幣115元，平均為每平方米人民幣94元。吾等認為目前現時租金於估值日稍高於每平方米人民幣90元之平均市場水平。

為了組成市場上可資比較數據，吾等從吾等之數據庫(以吾等所得最新數據為基礎)中辨認出多項可資比較物業。由於吾等所得實際交易數目有限，故此吾等分析二〇〇四年區內多幢同類樓宇之出租，吾等認為該等可資比較數據足以計算得出相關物業之市值租金。

2.14.3 物業管理費

據越秀投資所告知，租戶目前就零售及辦公室部分每月支付之物業管理費分別為每平方米人民幣33元及每平方米人民幣25元，與區內同類發展物業之市場水平一致。

樓宇名稱	零售部分 管理費 (每平方米 人民幣)	辦公室部分 管理費 (每平方米 人民幣)
高盛大廈	不適用	27
時代廣場	36	26
金利來大廈	33	29
平安保險大廈	36	27

3. 估值

3.1 收入資本化計算法

此方法透過資本化過程將來自該物業之實際及預期收入淨額轉換成價值，將收入淨額轉換成價值之最常用方法乃「年期及復歸」法。

此方法考慮目前來自現有空置之現時租金及日後潛在收入，透過按全部租出基準將租金淨額資本化，按公開市場基準估計相關物業之價值。

按此估值方法，租金收入總額分為年期收入及復歸收入。年期價值涉及將目前現有租期內之現時租金收入資本化。於租期滿後，復歸價值於剩下土地使用權期內被視作目前市值租金，並按全部租出基準資本化，然後復歸至估值日。

吾等已將個別回報率應用在相關物業之零售及辦公室部分，零售部分之回報率較高，以反映市場普遍認為零售物業市場存在較高風險，而在廣州，零售物業市場相對辦公室市場較不成熟及波動較大（即零售回報率高於辦公室回報率）。

2.13 過往支銷

據越秀投資所告知，租戶目前就零售及辦公室部分每月支付之物業管理費分別為每平方米人民幣33元及每平方米人民幣25元，物業管理費收入總額能彌補物業管理開支總額。

吾等認為目前物業管理費與區內同類發展物業辦公室市場水平一致。(見第2.14.3一節)

2.14 物業管理

2.14.1 租賃服務協議

管理人、福達地產投資有限公司(「物業公司」)與廣州怡成物業管理有限公司(「租賃代理」)簽訂一份租賃服務協議，最初年期為三年。根據此協議，租賃代理(亦為城建大廈之物業管理人)每年將收取之報酬為租賃代理從經營相關物業中應收總收入4%(「服務費」)。租賃代理同意，只要它一直是城建大廈之物業管理人，支付予租賃代理之服務費亦將清償物業管理費，根據物業管理協議，租賃代理有權向物業公司就相關物業任何空置單位收取物業管理費。

2.14.2 業主公約

業主公約於二〇〇五年六月二十七日在城建大廈業主大會上一項決議案中獲通過。業主公約包括關於以下方面之條文：公共範圍定義、公共設施及其他條款、個別業主之實益權益及責任、地產發展商之權利、管理之一般、財務及其他問題、管理費及其他收費、物業管理人之權利及職責、業主會議及業主委員會及其他有關問題。

就零售部分一樓而言，與有關連人士簽訂之租約除外，該等租約之租期一般介乎兩年至五年不等，並按照當地正常商業條款訂立，經同意月租淨額於估值日整體上介乎每平方米人民幣107元至每平方米人民幣503元。

就零售部分二樓及三樓而言，與二樓一位有關連人士簽訂之租約除外，該等租約之租期一般為兩年及六年，並按照當地正常商業條款訂立，經同意月租淨額於估值日分別為每平方米人民幣75元及每平方米人民幣40元。

至於辦公室部分，該等租約之租期一般介乎一年至三年不等，並按照當地正常商業條款訂立，於估值日，經同意月租淨額整體上介乎每平方米人民幣80元至每平方米人民幣115元。

2.12 重要租金調整規定概要

相關物業有以下重要租金調整規定：

層數	建築面積 (平方米)	月租 收入淨額 (人民幣)	租期 由	至
一層一個單位	234.4	117,850	二〇〇二年 十一月一日	二〇〇五年 十月三十一日
		123,743	二〇〇五年 十一月一日	二〇〇七年 十月三十一日
三層一個單位	7,907.2	313,203	二〇〇三年 一月一日	二〇〇六年 六月三十日
		344,523	二〇〇六年 七月一日	二〇〇七年 六月三十日
		396,201	二〇〇七年 七月一日	二〇一〇年 六月三十日
		免租	二〇〇一年 九月一日	二〇〇一年 十一月三十日
二十六層一個單位	1,844.3	151,236	二〇〇一年 十二月一日	二〇〇三年 八月三十一日
		160,310	二〇〇三年 九月	二〇〇四年 八月三十一日
		169,929	二〇〇四年 九月一日	二〇〇五年 八月三十一日
		180,125	二〇〇五年 九月一日	二〇〇六年 八月三十一日
		免租	二〇〇一年 十月十七日	二〇〇一年 十二月三十一日
		175,212	二〇〇二年 一月一日	二〇〇三年 十月十六日
		182,220	二〇〇三年 十月十七日	二〇〇四年 十月十六日
		189,509	二〇〇四年 十月十七日	二〇〇五年 十月十六日
二十七層一個單位	1,844.3	197,089	二〇〇五年 十月十七日	二〇〇六年 十月十六日
		免租	二〇〇一年 十月十七日	二〇〇一年 十月十六日

吾等並不知悉有任何可能影響相關物業價值之重大分租或租賃及重大選擇購或優先購買權。吾等已在估值中考慮續租之權利。

2.11 租賃週期期限及租期屆滿概況

整體上，全部租約之租期一般介乎一年至六年不等，並按照當地正常商業條款訂立，經同意月租淨額一般介乎每平方米人民幣40元至每平方米人民幣503元，零售及辦公室部分之平均單價月租淨額分別為每平方米人民幣62元及每平方米人民幣94元。

租期期限詳情如下：

租期多於 (年)	租期少於 或等於 (年)	按數目計 (%)	按建築 面積計 (%)
零	一年	24.7	18.9
一年	兩年	26.0	11.0
兩年	三年	36.3	31.9
三年	四年	6.5	9.6
四年	五年	5.2	1.8
五年	六年	1.3	17.6
空置面積		不適用	9.0
		<u>100</u>	<u>100</u>

租期屆滿概況詳情如下：

將於下列各年期滿之租約百分比	按數目計 (%)	按建築 面積計 (%)
二〇〇五年	16.2	8.6
二〇〇六年	52.9	32.1
二〇〇七年	25.0	19.9
二〇〇八年	4.4	11.9
二〇〇九年	0.0	0.0
二〇一〇年及以後	1.5	18.5
空置	不適用	9.0
總計	<u>100.0</u>	<u>100.0</u>

據越秀投資所知，以下為於越秀地產投資信託基金成立時將視為其關連人士的相關物業的租賃協議詳情：

單位	建築面積 (平方米)	月租淨額 (人民幣)	單位 月租淨額 (每平方米 人民幣)	於估值日之 市值租金 (人民幣)	租期 由	至
101室	881.3	110,144	125	200	二〇〇二年 九月十五日	二〇〇五年 十二月三十一日
201室	562.8	42,095	75	140	二〇〇三年 十一月一日	二〇〇五年 十二月三十一日
部分103室	97.0	485	5	200	二〇〇四年 五月一日	二〇〇六年 四月三十日
部分十六樓	922.2	82,995	90	90	二〇〇五年 一月一日	二〇〇七年 十二月三十一日
部分十六樓	46.1	4,153	90	90	二〇〇五年 一月一日	二〇〇七年 十二月三十一日
部分十六樓	138.3	12,449	90	90	二〇〇五年 一月一日	二〇〇七年 十二月三十一日

據越秀投資所告知，吾等明白有關連人士之部分103室租約將繼續按與現有租約相同之租金水平續訂，而有關連人士之101及201室租約將按當時市值租金續訂，吾等進行估值時已考慮此點。

該物業由來自各行業之多名租戶佔用，例如金融／保險、物業、資訊科技、電訊、製造／工程、航運等。

2.10 出租率

根據中國法律意見，於估值日，總建築面積約38,559.4平方米之大部分相關物業已租予各租戶，即越秀投資集團將出售之相關物業之出租率約91%。

於估值日，相關物業內十大主要租賃協議(按租金收入計)佔用總建築面積54.0%，佔已收租金收入淨額57.7%。租賃協議之詳情如下：

單位	建築面積 (平方米)	收入淨額 (人民幣)	月租 月租淨額 (每平方米 人民幣)	現時 收入淨額 (每平方米 人民幣)	估計	估目前	租期 至
					市值月租 淨額之百分比	月租收入 由	
22A-J, 23A-J室	3,688.7	405,755	110	87	12.3%	二〇〇五年 五月一日	二〇〇八年 四月三十日
三樓 202室	7,907.2	313,203	40	84	9.5%	二〇〇一年 七月一日	二〇一〇年 六月三十日
28A-J室	1,844.3	193,656	105	87	5.9%	二〇〇三年 九月一日	二〇〇六年 八月三十一日
27A-J室	1,844.3	189,509	103	87	5.7%	二〇〇一年 十月十七日	二〇〇六年 十月十六日
26A-J室	1,844.3	169,929	92	87	5.2%	二〇〇一年 九月一日	二〇〇六年 八月三十一日
18A-J室	1,844.3	153,080	83	87	4.6%	二〇〇五年 一月一日	二〇〇七年 十二月三十一日
11A-J室	1,844.3	153,080	83	87	4.7%	二〇〇三年 十一月二十日	二〇〇六年 十一月十九日
部分 103	234.4	117,850	503	200	3.6%	二〇〇二年 十一月一日	二〇〇七年 十月三十一日
101室	881.2	110,144	125	200	3.3%	二〇〇二年 九月十五日	二〇〇五年 十二月三十一日
部分十六樓	1,060.5	95,444	90	90	2.9%	二〇〇五年 一月一日	二〇〇七年 十二月三十一日

於估值日，目前現時租金收入淨額總數及估計市值租金總數分別為人民幣3,298,545元及人民幣3,767,314元。目前現時租金收入淨額總數較估計市值租金收入總數低12%。估計市值月租收入淨額乃依據第3.1節所載相關物業零售及辦公室部分不同層數之單價市值租金收入。

就按租金收入計之十大主要租賃協議而言，目前現時租金收入淨額整體上稍高於估計市值租金收入。

2.9 目前租金收入

於估值日，相關物業零售部分14.5%或1,711.4平方米及辦公室部分7.0%或2,126.5平方米為空置。

根據於估值日所提供之租金登記冊(吾等已檢查其中20%租約(即佔現時租金收入總額約30%)之樣本並認為它們妥當正常)，現有月租收入淨額及相等之年租收入淨額如下：

部分	建築面積 (平方米)	月租收入淨額 (人民幣)	年租收入淨額 (人民幣)
零售部分	10,046.2	623,194	7,478,328
辦公室部分	28,513.3	2,675,351	32,104,212

於估值日，就零售部分而言，零售單位租予5名租戶。就辦公室部分而言，辦公室單位租予超過50名租戶。

據所提供資料，吾等明白租金收入不包括物業管理費及其他支銷，例如：水電、煤氣、電話、冷氣費等。

2.7 發展物業規格、服務設施及裝修

城建大廈由強化混凝土建成，主要大堂之牆壁及地面用雲石或花崗岩裝飾，並有石膏假天花。樓宇規格包括中央冷氣，主要服務設施(包括水電及電訊)接駁至樓宇。

辦公室部分之裝修一般採用地氈或相同地磚、牆紙及假天花。

兩部載客升降機、四部扶手電梯及四條樓梯供零售群樓使用，多部辦公升降機供所有層數使用。

六部載客升降機、兩部載貨升降機及兩條樓梯供辦公室部分使用。

該大廈維持在與其樓齡相符之合理狀況。該大廈由廣州怡城物業管理有限公司管理，廣州怡城物業管理有限公司負責向租戶收取所有管理費，並處理有關該發展物業之日常運作及支銷。

消防安全措施包括整幢大廈安裝了自動灑水頭、煙霧偵測器、火警警報系統及滅火器。關於樓宇狀況之進一步資料，請參考《樓宇狀況調查報告》。

2.8 發展物業樓宇狀況

根據《樓宇狀況調查報告》，該大廈維持在合理狀況。城建大廈及其汽車出入口整體上符合廣州市城市建設開發有限公司所提供之竣工圖。

至於不符規劃之處，樓宇測量師發現某些輕微偏差，例如額外儲物室。

關於樓宇狀況之進一步資料，請參考《樓宇狀況調查報告》。

吾等認為該等不符規劃之處對相關物業之價值並無重大影響。

2.6 越秀投資集團將出售之權益

越秀投資集團現正出售該發展物業一部分，將出售之權益詳情列載如下：

層數	用途	建築面積 (平方米)	備註
部分一樓	商業	1,580.2	包括管理處
部分一樓	商業	1,707.4	此部分為一樓大堂，並 非零售單位，不供永久 租用
二樓全層	商業	3,977.0	
三樓全層	商業	4,493.0	
部分六層	辦公室	1,487.3	
部分七層	辦公室	818.1	
部分八層	辦公室	922.2	
部分九層	辦公室	795.7	
部分十層	辦公室	1,383.3	
十一層全層	辦公室	1,844.3	
十六層全層	辦公室	1,844.3	
部分十七層	辦公室	1,717.9	
十八層及十九層全層	辦公室	3,688.7	各層為1,844.34平方米
部分二十層	辦公室	1,613.8	
部分二十一層	辦公室	1,613.8	
二十二層至二十八層全層	辦公室	12,910.4	各層為1,844.34平方米
	總計：	42,397.4	

附註： 建築面積及用途之細分乃以房地產權證及中國法律意見為基礎。

2.4 私家車接駁及臨路部分

從體育西路可直達城建大廈。

通往市內主要地區之車程時間：

白雲國際機場	45分鐘
天河城	1分鐘
廣州火車東站	5分鐘

2.5 發展物業概述

城建大廈乃一幢28層高甲級商業大樓再加一個設於兩層地庫之停車場，位於廣州黃金地段商業區天河區體育西路185、187及189號。該大廈包括一幢五層高商業群樓及其上六至二十八樓之辦公樓。據越秀投資所提供之資料，該發展物業之總建築面積為74,049.2平方米。

城建大廈之面積細分概括如下：

層數	用途	建築面積 (平方米)
地庫一層及地庫二層	停車場、機房	12,500.6
一層至三層	商業	11,757.5
四層	餐廳	4,639.3
五層	會所	1,724.5
六層至二十八層	辦公室	43,427.3
	總計：	<u>74,049.2</u>

商業部分位於供各層辦公室使用之主要入口大堂後面，分為多個環繞大堂之獨立零售單位，大堂地下用作展覽用途。

該大廈之地盤包括一幅主要臨路部分面向體育西路之標準地皮，其上建有一幢五層高商業部分連同一幢辦公樓(由六層至二十八層)。該大廈於一九九七年落成。

該大廈設有專用會所、餐廳、會議中心及停車場等設施。

相關物業之佈局設計為方形。

2. 相關物業

2.1 情況及地點

城建大廈位於中國廣東省廣州市天河區體育西路西側。體育西路形成圍繞天河體育館之其中一條通道，並已成為廣州市主要中央商務區之一。

天河區乃發展迅速之地區，目前是新甲級辦公室發展物業之集中地。位於廣州市東側，區內大多數主要發展物業圍繞並俯瞰著天河體育館，這區在過去數年內崛起成為廣州市之新中央商務區，並在商界日益受歡迎，導致商業大樓首先圍繞著體育館區迅速發展，稍後逐漸從這個中央廣場向外擴展。

2.2 周邊發展及環境問題

相關物業位於天河區，區內發展物業主要包括現代摩天商業大樓及低層零售購物中心，混雜一些較舊之中等高度住宅大樓。

由於位於天河體育館不太繁忙一側，該段體育西路之行人流量適中。

吾等並不知悉相關地點及周圍地區存在任何環境問題或污染。由於中國之土地註冊制度，吾等無法追查有關過往建於相關地點上之物業之任何資料，故此，吾等無法評論污染之可能性及其對價值之影響，亦無法確定該地點過往之用途。

2.3 公共交通便利程度及接駁

由於體育西路沿路有的士及巴士等公共交通工具，故此，城建大廈整體上交通方便。巴士站距離城建大廈兩分鐘步行路程。

城建大廈距離地鐵1號線體育西站約十分鐘步行路程。

12. 估值方法 : 收入資本化計算法 (包括現金流量貼現分析)
以銷售比較法作反覆核實
13. 估值日 : 二〇〇五年九月三十日
14. 於估值日在現況下
之市值 : 385,500,000港元
15. 單價價值 ,
按建築面積計 : 每平方米9,093港元
16. 於估值日之現時
收入淨額 : 每年人民幣39,582,540元
17. 於估值日之全部
租出收入淨額 : 每年人民幣41,887,560元
18. 於估值日之估計
市值租金 : 每年人民幣45,207,768元
19. 貼現率 (僅就現金
流量貼現分析採用) : 11%
20. 於估值日之匯率 : 1港元=人民幣1.043元
21. 年期回報率 : 辦公室 : 8.5%
零售 : 11.0%
22. 復歸回報率 : 辦公室 : 9.5%
零售 : 12.0%
23. 於估值日之出租率 : 辦公室 : 93%
零售 : 85.5%
24. 空置撥備 : 辦公室 : 4%
零售 : 2%
25. 市場評述 : 鑑於其地點及交通接駁, 吾等認為相關物業之可銷性
為合理。

附註 : 用途以房地產權證及中國法律意見為基礎。

越秀投資有限公司(下文稱「越秀投資」)及其附屬公司(下文統稱「越秀投資集團」)位於中華人民共和國(「中國」)廣東省廣州市天河區體育西路185、187及189號城建大廈之物業多個單位(「相關物業」)之估值

1. 相關物業概要

據中國法律意見，有關相關物業之165份房地產權證已發出。相關物業詳情概括如下：

1. 目前註冊擁有人 : 福達地產投資有限公司
2. 土地使用權類別 : 出讓
3. 城市規劃用途分區 : 城建大廈所在土地之用途分區被描述為「商業／住宅」。
4. 所評估權益 : 相關物業之租賃權益
5. 物業概述 : 相關物業乃一幢28層高甲級商業大樓之組成部分(詳情見第2.5節)
6. 相關物業建築面積 : 總計 - 42,397.4平方米
(「建築面積」) 辦公室 - 30,639.8平方米
零售 - 11,757.6平方米
7. 租期 : 一層至三層 :
由一九九七年一月二十七日起四十年
六層至十一層，十六層至二十八層 :
由一九九七年一月二十七日起五十年
8. 用途 : 一層至三層 : 商業
六層至十一層，十六層至二十八層 : 辦公室
9. 相關物業套內面積 : 32,654.9平方米
10. 相關物業可出租總面積 : 42,397.4平方米
11. 城建大廈建築工程竣工日期 : 一九九七年

4. 估值概要

下表概述吾等以各方法所計算之結果：

估值方法	價值 (港元)
收入資本化	559,000,000
現金流量貼現	531,000,000
銷售比較	535,000,000

依據吾等主要之估值法收入資本化計算法(包括現金流量貼現分析)，吾等認為相關物業(越秀投資集團將收購之物業權益)於估值日在其現況下之市值為五億四千五百萬港元(545,000,000港元)，並假設該物業(連同現有租戶及物業業權概無任何重大產權負擔或缺失之利益)在市場上可供銷售。相關物業之市值乃採用收入資本化計算法及現金流量貼現分析計算得出之價值平均數。

基於上文所述，吾等評估相關物業之價值為535,000,000港元。

概述如下：

物業	價值 (港元)	單價價值，
		按建築面積計 (每平方米港元)
零售部分	63,000,000	16,350
辦公室部分	472,000,000	12,930
總計	<u>535,000,000</u>	<u>13,257</u>

3.4 估值評述

吾等已指出，根據中國法律意見，相關物業若干部分之現有用途與房地產權證所述之用途不同。詳情及其各自估值基準列載於下表。為進行估值，吾等已按此基準對相關物業進行估值。

單位	塔樓	房地產權證		現有租約之	租約期滿後
		所載用途	現有用途	估值基準	之估值基準
一層至二層	群樓	商業	零售／辦公室	零售	零售
三層至五層	群樓	商業	辦公室	辦公室	辦公室
二十七樓	西塔 (體育東路114號)	商業	辦公室	辦公室	辦公室
三十七樓	東塔 (體育東路116號)	商業	辦公室	辦公室	辦公室
八樓或以上 其他單位	東塔及西塔	辦公室	辦公室	辦公室	辦公室

調整乃依據吾等本身之判斷及市場知識作出。吾等已考慮七項可資比較物業，以得出相關物業群樓層數之單價市值。可資比較物業一至六位於同一幢樓宇內，而可資比較物業七則鄰近相關物業。依據上表就時間、地點、樓宇質素、面積大小、行人流量等所作出之調整，該等可資比較物業之經調整單價售價介乎每平方米人民幣20,286元至人民幣39,984元。計算出全部七項可資比較物業之平均數將得出相關物業群樓一層之單價售價為每平方米人民幣30,000元。至於二層，透過給予50%折讓以反映層數不同，單價市值為每平方米人民幣15,000元。

為了組成市場上可資比較數據，吾等從吾等之數據庫(以吾等所得最新數據為基礎)中辨認出多項可資比較物業。由於吾等所得實際交易數目有限，故此吾等分析二〇〇四年區內多幢同類樓宇之出租，吾等認為該等可資比較數據足以計算得出相關物業之市值租金。

可資比較辦公室銷售物業

	可資比較物業一	可資比較物業二	可資比較物業三	可資比較物業四	可資比較物業五	可資比較物業六
地址	體育東路	體育東路	體育東路	體育東路	體育東路	體育東路
地區	天河區	天河區	天河區	天河區	天河區	天河區
交易日期	二〇〇四年十二月	二〇〇四年十二月	二〇〇四年十二月	二〇〇四年十一月	二〇〇四年十一月	二〇〇四年十一月
單位	西塔一個辦公室單位	西塔一個辦公室單位	西塔一個辦公室單位	東塔一個辦公室單位	東塔一個辦公室單位	東塔一個辦公室單位
層數	十四樓	十四樓	十四樓	十一樓	二十七樓	十一樓
建築面積(平方米)	189.5	125.8	189.5	191.7	125.5	188.8
落成日期	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇三年
實用率	71%	71%	71%	71%	71%	71%
交易性質	已交易	已交易	已交易	已交易	已交易	已交易
交易價格，按建築面積計 (人民幣)	2,822,805	1,874,569	2,822,805	2,454,272	1,756,720	2,529,920
交易價格，按建築面積計 (每平方米人民幣)	14,896	14,901	14,896	12,803	13,998	13,400
經調整單價售價， 按建築面積計 (每平方米人民幣)	14,751	14,751	14,751	12,672	13,860	13,266

調整乃依據吾等本身之判斷及市場知識作出。吾等已考慮六項可資比較物業，以得出相關物業辦公室部分之單價市值。全部可資比較物業均位於相關物業所在之同一幢樓宇內。依據上表就時間、地點、樓宇質素、面積大小等所作出之調整，該等可資比較物業之經調整單價售價介乎每平方米人民幣12,672元至人民幣14,751元。計算出可資比較物業一至六之平均數將得出單價售價約為每平方米人民幣14,000元。

3.3 銷售比較法

按銷售比較法，吾等已考慮同類物業之銷售及有關市場數據，並透過對可資比較數據作出調整來釐定價值。整體上，相關物業與在公開市場上已交易之同類物業之銷售作比較。

吾等在編製相關物業估值時已考慮到區內同類優質辦公室發展物業之可資比較開價或已交易數據。

為了組成市場上可資比較數據，吾等從吾等之數據庫(以吾等所得最新數據為基礎)中辨認出多項可資比較物業。由於吾等所得實際交易數目有限，故此吾等分析二〇〇四年區內多幢同類樓宇之出租，吾等認為該等可資比較數據足以計算得出相關物業之市值租金。

吾等已對銷售證據就各項因素作出調整，例如地點、樓齡、實用率及時間。詳情如下：

可資比較零售銷售物業

	可資比較物業一	可資比較物業二	可資比較物業三	可資比較物業四	可資比較物業五	可資比較物業六	可資比較物業七
地址	體育東路	體育東路	體育東路	體育東路	體育東路	體育東路	體育東路
地區	天河區	天河區	天河區	天河區	天河區	天河區	天河區
交易日期	二〇〇四年五月	二〇〇四年七月	二〇〇四年七月	二〇〇四年九月	二〇〇四年九月	二〇〇四年九月	二〇〇四年九月
單位	一個商舖單位	一個商舖單位	一個商舖單位	一個商舖單位	一個商舖單位	一個商舖單位	一個商舖單位
層數	一樓	一樓	一樓	一樓	一樓	一樓	一樓
建築面積(平方米)	105.2	83.6	65.3	59.7	59.7	343.4	1,147.0
落成日期	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇四年
交易性質	已交易	已交易	已交易	已交易	已交易	已交易	已交易
交易價格，按建築面積計 (人民幣)	7,150,880	4,920,955	4,041,651	1,374,020	1,374,020	7,897,740	51,608,075
單價售價，按建築面積計 (每平方米人民幣)	67,974	58,863	61,894	23,015	23,015	22,999	44,994
經調整單價售價 ：按建築面積計 (每平方米人民幣)	39,984	34,595	36,416	20,286	20,286	20,286	38,272

吾等在現金流量貼現分析中依據越秀投資所提供之資料，吾等預測下列有關該樓宇之支銷於未來十年按以下款額支出：

預測支銷項目	預測支銷
服務費(依據租賃服務協議)	租金收入總額4%
大規模維修保養成本(據越秀投資所告知)	二〇〇五年人民幣零元
	二〇〇六年人民幣零元
	二〇〇七年人民幣75,300元
	二〇〇八年人民幣256,000元
	二〇〇九年人民幣366,400元
	二〇一〇年人民幣85,300元
	二〇一一年人民幣125,500元
	二〇一二年人民幣145,600元
	二〇一三年人民幣145,600元
	二〇一四年人民幣376,400元
	二〇一五年人民幣291,000元
雜項開支	租金收入0.2%
保險	固定款額
營業稅	租金收入5.0%
防洪工程維修費	租金收入0.09%
城市房地產稅	樓宇原有價值 x 70% x 1.2%
印花稅	租金收入總額0.1%

參考《樓宇狀況調查報告》，預測支銷項目並無包括即時資本開支。

基於上文所述，吾等評估相關物業之價值為531,000,000港元，並已考慮有關稅項及成本項目之支銷。

概述如下：

物業	資本化率	貼現率	單價價值，	
			價值 (港元)	按建築面積計 (每平方米港元)
零售部分	9.5%	11%	92,000,000	23,877
辦公室部分	7.5%	11%	439,000,000	12,026
		總計：	<u>531,000,000</u>	13,158

吾等在進行評估時，利用下列假設以對該物業進行估值：

物業	辦公室部分	零售部分
最終資本化率	7.5%	9.5%
貼現率	11%	11%
增長率－第一年	8%	10%
增長率－第二年	2%	12%
增長率－第三年	0%	16%
增長率－第四年	0%	10%
增長率－第五年	2%	10%
增長率－第六至十年	6%	5%
空置虧損	5%	1%
壞賬	1%	1%

上述增長率乃依據吾等之當地市場研究，吾等亦已參考由Cushman & Wakefield (HK) Limited編製之《市場研究報告》。

空置虧損乃依據吾等對供求之意見及吾等對廣州有關物業市場之當地市場知識。

在達致定期現金流量時，吾等已考慮租金年增長率，以評估於租期屆滿時用以釐定現金流量之預測租金收入。所採用之租金增長率與Cushman & Wakefield (HK) Limited編製之市場研究報告所載之預測一致。

吾等已估計相關物業未來十年內每年之租金增長。每項租賃之租金增長模式反映各租約之租金調整規定，包括分期加租(如適用)。吾等假設於租約期滿後新訂或現有兩年至五年之租約一般按三年租期及當時現有市值租金授出或續訂。

吾等在該物業組合中已考慮年度空置撥備及壞賬撥備，依據目前及預測空置情況，零售及辦公室部分之年度空置撥備分別約為1%及5%。吾等參照過往壞賬比率，認為壞賬撥備應為已收租金淨額之1%。就財富廣場單位而言，截至二〇〇五年六月三十日止六個月之壞賬比率為2.7%，其他期間並無壞賬。

吾等已參考《樓宇狀況調查報告》，該份調查報告指出，由於相關物業維持在與其樓齡相符之合理狀況，故此將不會導致即時資本開支。吾等已採用越秀投資所提供由三〇〇六年至二〇一五年大規模維修保養成本之預測。由於越秀投資向吾等表示用作維持相關物業目前狀況之小規模例行維修保養成本由租戶支付之管理費彌補，故此並無就小規模例行維修保養之預期成本作出扣除。據越秀投資所告知，不符規劃之處所導致之任何成本將由越秀投資清償。

吾等亦已就營業稅、印花稅、城市房地產稅、防洪工程維修費、保險、大規模維修保養成本及服務費扣除款項。

吾等在進行計算時並無扣除任何收購成本及出售成本，吾等認為此乃未來買家之考慮因素。

吾等在編製相關物業之估值時已考慮區內同類優質辦公室及零售發展物業之可資比較開價或已交易租金。詳情請參閱本報告第3.1節。

3.2 現金流量貼現分析

根據國際評估準則委員會(第七版)之定義，現金流量貼現分析指就經營房地產物業日後產生現金流量採用明確假設之金融模型技巧。此分析涉及預測經營房地產物業之一連串定期現金流量，並就該一連串預測現金流量採用適當貼現率，以制訂關於該等物業租金收入現值之指標。在經營房地產物業之情況下，定期現金流量一般指估計租金收入總額減空置、壞賬、稅務影響(印花稅、城市房地產稅、防洪工程維修費及營業稅)、服務費及其他經營開支。然後，該一連串定期經營收入淨額，連同預計於預測期終時之終值估計金額，按貼現率貼現至現值，該貼現率乃資本成本或用以轉換日後應付或應收貨幣金額之回報率。

吾等已於十年投資年期每月進行現金流量貼現分析，第十一年之收入淨額於餘下所有權年期按適當回報率資本化。此分析衡量於假設投資年期內之租金及資本增長，讓投資者或業主可對物業可能帶來之長期回報作出評估。此分析通常用於對提供投資收入之物業進行估值。

就相關物業而言，吾等進行計算時就辦公室部分採用之最終資本化率為7.5%，而就零售部分採用之最終資本化率為9.5%。此乃依據吾等對市場上適用年期回報率之分析(載於第3.1節)，並給予折讓以反映吾等將第十一年租金收入淨額資本化之事實，該折讓反映扣除前租金收入與租金收入淨額之差額，以及考慮到租金收入淨額較扣除前租金收入提供更佳保障。

吾等進行計算時已就相關物業採用11%貼現率，該貼現率乃用以轉換日後應付或應收貨幣金額至現值之回報率，理論上反映資本之機會成本。吾等在達致上述貼現率時，已研究一項商用物業於十年內所賺取投資回報之市場現況。吾等亦已調查活躍物業投資者在市場上購買購物中心及辦公樓所需回報率。基於上文所述，吾等認為市場對辦公室及零售物業之預期回報率約為10%至12%。吾等注意到，由香港金融管理局發行之十年期外匯基金票據之孳息率約於二〇〇五年九月三十日為4.17%，顯示上述物業之風險溢價介乎5.83%至7.83%。依據吾等對國際市場上可資比較銷售之分析，溢價較高反映中國相關內在投資風險及物業風險。吾等認為，由於香港是最鄰近中國之成熟市場，故此就中國物業投資採用香港無風險回報率較為恰當。

據過往分析，辦公室部分之單價市值租金為每平方米人民幣110元。於第3.3節，辦公室部分之單價市值為每平方米人民幣14,000元，市場回報率為9.4%。吾等採用9.0%作為辦公室部分之復歸回報率，9.0%與市場上可資比較交易一致，詳情如下：

辦公室市場：

單位	地址	建築面積 (平方米)	交易日期	實際交易價格 (人民幣)	每平方米售價 (每平方米 人民幣)	於交易日之 於交易日		市場回報率 (附註2)
						估計單位年度 市值租金淨額 (每平方米 人民幣) (附註1)	之出租 狀況	
全層	體育西路	1,450.8	二〇〇四年九月	14,508,043	10,000	1,080	空置	10.8%
一個辦公室	體育東路	188.8	二〇〇四年十一月	2,529,920	13,400	1,128	空置	8.4%
單位								
一個辦公室	體育東路	191.7	二〇〇四年十一月	2,454,272	12,803	1,128	空置	8.8%
單位								
一個辦公室	體育東路	189.5	二〇〇四年十二月	2,822,805	14,896	1,260	空置	8.5%
單位								
一個辦公室	林和西路	229.3	二〇〇五年八月	2,866,125	12,499	1,512	空置	12.1%
單位								

附註：

- 1) 估計市值租金收入淨額乃依據吾等對近期可資比較物業出租之分析。
- 2) 市場回報率乃每年估計市值租金收入淨額除以實際交易價格。

就零售及辦公室市場而言，該等可資比較數據源自高力國際物業顧問(香港)有限公司之數據庫，並依據可資比較整體地點計算。由於全幢樓宇銷售數目有限，吾等亦採用較小單位之銷售。

吾等評估相關物業之價值為559,000,000港元。

概述如下：

物業	年期回報率	復歸回報率	單價價值，	
			價值 (港元)	按建築面積計 (每平方米港元)
零售部分	9.5%	11.5%	62,000,000	16,091
辦公室部分	7.0%	9.0%	497,000,000	13,615
		總計：	<u>559,000,000</u>	13,852

此方法通常用來對提供收入之物業進行估值。

復歸回報率乃依據單價市值租金及為相關物業搜集之可資比較單價市值之分析，據過往分析，零售裙樓一層之單價市值租金為每平方米人民幣290元。於第3.3節，一層之單價市值為每平方米人民幣30,000元，市場回報率為11.6%。吾等採用11.5%作為相關物業零售部分之復歸回報率，11.5%與市場上可資比較交易一致，詳情如下：

零售市場：

單位	地址	建築面積 (平方米)	交易日期	實際交易價格 (人民幣)	每平方米售價 (每平方米 人民幣)	於交易日之	於交易日	市場回報率 (附註2)
						估計單位年度 市值租金淨額 (每平方米 人民幣) (附註1)	之出租 狀況	
全層	保密	35,000	二〇〇四年底	265,000,000	7,571	796	20年 售後租回	10.5%
全層	體育西路	1,147	二〇〇四年九月	51,608,075	44,994	4,752	空置	10.6%
B205	保密	15.6	二〇〇五年九月	1,244,800	79,795	9,600	空置	12.0%
B107	保密	16.5	二〇〇五年九月	1,405,050	85,155	10,260	空置	12.0%
三個商舖 單位	體育東路	463	二〇〇四年九月	10,645,780	22,993	2,688	空置	11.7%

附註：

- 1) 估計市值租金收入淨額乃依據吾等對近期可資比較物業出租之分析。
- 2) 市場回報率乃每年估計市值租金收入淨額除以實際交易價格。

可資比較辦公室租金物業

	可資比較物業一	可資比較物業二	可資比較物業三	可資比較物業四	可資比較物業五	可資比較物業六
地址	體育東路	體育東路	體育東路	體育東路	體育東路	體育東路
地區	天河區	天河區	天河區	天河區	天河區	天河區
交易日期	二〇〇五年八月	二〇〇五年八月	二〇〇五年九月	二〇〇五年九月	二〇〇五年八月	二〇〇五年八月
單位	兩個辦公室單位	一個辦公室單位	一個辦公室單位	一個辦公室單位	一個辦公室單位	一個辦公室單位
層數	十一樓	十二樓	十二樓	十三樓	十四樓	二十八樓
建築面積(平方米)	234.3	999.0	997.7	997.7	999.0	180.4
落成日期	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇三年	二〇〇三年
實用率	71%	71%	71%	71%	71%	71%
交易性質	已交易	已交易	已交易	已交易	已交易	已交易
租期(年)	2.02	3.00	2.00	3.03	2.00	2.00
租約開始日期	二〇〇五年 八月二十五日	二〇〇五年 八月十日	二〇〇五年 九月一日	二〇〇五年 九月二十日	二〇〇五年 九月八日	二〇〇五年 八月一日
租約期滿日期	二〇〇七年 八月三十一日	二〇〇八年 八月九日	二〇〇七年 八月三十一日	二〇〇八年 九月三十日	二〇〇七年 九月七日	二〇〇七年 七月三十一日
租金收入淨額， 按建築面積計(人民幣)	25,371	102,898	104,754	117,724	104,896	19,832
租金收入淨額，按建築面 積計(每平方米人民幣)	110	103	105	118	105	110
經調整租金收入淨額， 按建築面積計 (每平方米人民幣)	110	103	105	118	105	110

可資比較物業一至六全部位於財富廣場內及於近期交易。依據可資比較物業一至六之經調整單位租金之平均數，單位租金收入約為每平方米人民幣110元。允許租金上調5%以反映第三、四、五層的層數分別，單價月租收入為每平方米人民幣116元。

於估值日，現有每月租金款項淨額為人民幣2,907,045元，預期該相關物業將維持目前約77%之出租水平，與市場上同類樓宇之出租率一致。

吾等進行評估時，零售部分所採用之年期回報率為9.5%，而辦公室部分則為7.0%。所採用之年期回報率低於市場回報率，原因是相關物業之目前現時租金收入低於估計目前市值租金收入。零售部分所採用之復歸回報率為11.5%，而辦公室部分則為9.0%。吾等已將個別回報率應用在相關物業之零售及辦公室部分，零售部分之回報率較高，以反映市場普遍認為零售物業市場存在較高風險，而在廣州，零售物業市場相對辦公室市場較不成熟及波動較大。

於估值日，年期回報率用來將目前現時租金收入資本化，而復歸回報率則用來轉換復歸租金收入。

可資比較租金詳情如下：

可資比較零售租金物業

	可資比較物業一	可資比較物業二	可資比較物業三	可資比較物業四	可資比較物業五
地址	林和西路	林和西路	體育東路	天河區	天河區
地區	天河區	天河區	天河區	天河區	天河區
交易日期	二〇〇四年十二月	二〇〇四年十二月	二〇〇四年十一月	二〇〇四年五月	二〇〇四年四月
單位	一個商舖單位	一個商舖單位	一個商舖單位	一個商舖單位	一個商舖單位
層數	一樓	一樓	群樓	一樓	一樓
建築面積(平方米)	505.0	223.8	約1,000	30.0	45.5
落成日期	二〇〇四年	二〇〇四年	二〇〇三年	一九九五年	一九九五年
交易性質	已交易	已交易	已交易	已交易	已交易
租期(年)	5.00	6.00	6.00	6.00	6.00
租約開始日期	二〇〇四年 十一月一日	二〇〇四年 十月十六日	二〇〇四年 十一月十五日	二〇〇四年 五月二十六日	二〇〇四年六月
租約期滿日期	二〇〇九年 十月三十一日	二〇一〇年 十月十五日	二〇一〇年 十月十四日	二〇一〇年 五月二十五日	二〇一〇年六月
月租收入淨額， 按建築面積計 (人民幣)	75,750	31,329	282,080	37,800	45,500
月租收入淨額， 按建築面積計 (每平方米人民幣)	150	140	282	1,260	1,000
經調整月租 收入淨額 按建築面積計 (每平方米人民幣)	162	128	294	474	376

吾等已考慮五項可資比較物業，以得出相關物業群樓一層之租金。依據上表就時間、地點、樓宇質素、面積大小、行人流量等所作出之調整，該等可資比較物業之經調整單位租金介乎每平方米人民幣128元至474元。計算出全部五項可資比較物業之平均數將得出單價月租為每平方米人民幣290元。至於二層，透過給予50%折讓以反映層數不同，單價月租為每平方米人民幣145元。

按此估值方法，租金收入總額分為年期收入及復歸收入。年期價值涉及將目前現有租期內之現時租金收入資本化。於租期滿後，復歸價值於剩下土地使用期內被視作目前市值租金，並按全部租出基準資本化，然後貼現至估值日。

吾等已將個別回報率應用在相關物業之零售及辦公室部分，零售部分之回報率較高，以反映市場普遍認為零售物業市場存在較高風險，而在廣州，零售物業市場相對辦公室市場較不成熟及波動較大（即零售回報率高於辦公室回報率）。

為了使復歸價值折現至現時日期，吾等已使用與相關物業特定部分之復歸回報率相同之現值率。現值乃未來現金流量之現時貨幣價值，並反映於相似資產中投資之機會成本，預期該項相似資產賺取之有利回報將與相關物業差不多。

吾等在編製估值時已考慮到區內同類甲級辦公室及零售發展物業之可資比較開價或已交易租金。

就零售部分一層而言，吾等認為市值租金水平於估值日為每平方米人民幣290元。

至於零售部分二層，202室空置，而201室之現時月租淨額於估值日為每平方米人民幣139元。吾等認為目前現時租金於估值日稍低於每平方米人民幣145元之市場水平。

零售部分三層至五層被佔用作辦公室，據管理人所告知，該等層數長期而言將租用作辦公室，故此，吾等按其作為辦公室之現有用途進行估值。三層之平均現時月租淨額為每平方米人民幣75元，而四層及五層則為每平方米人民幣83元。吾等認為目前三層、四層及五層之現時租金低於每平方米人民幣116元之平均市場水平。

至於辦公室部分，現時月租淨額整體上一般介乎每平方米人民幣40元至每平方米人民幣140元，平均為每平方米人民幣93元。吾等認為目前現時租金於估值日稍低於每平方米人民幣110元之平均市場水平。

為了組成市場上可資比較數據，吾等從吾等之數據庫（以吾等所得最新數據為基礎）中辨認出多項可資比較物業。由於所得實際交易數目有限，故此吾等分析二〇〇四年區內多幢類似樓宇之交易，吾等認為該等可資比較數據足以計算得出相關物業之市值。

意，只要它一直是財富廣場之物業管理人，支付予租賃代理之服務費亦將清償物業管理費，根據物業管理協議，租賃代理有權向物業公司就相關物業任何空置單位收取物業管理費。

2.14.2 業主公約

根據中國法律意見，業主公約於二〇〇五年六月二十三日在財富廣場業主大會上一項決議案中獲通過。業主公約包括有關個別業主權利及責任、不遵守若干條文之處理及其他問題之條文。業主公約具法律約束力、效力及可強制執行。

2.14.3 物業管理費

據越秀投資所告知，租戶目前就零售及辦公室部分每月支付之物業管理費分別為每平方米人民幣35元及每平方米人民幣25元，與區內同類發展物業之市場水平一致。

樓宇名稱	零售部	辦公室
	分管理費 (每平方米 人民幣)	部分管理費 (每平方米 人民幣)
高盛大廈	不適用	27
時代廣場	36	26
金利來大廈	33	29
平安保險大廈	36	27

3. 估值

3.1 收入資本化計算法

此方法透過資本化過程將來自該物業之實際及預期收入淨額轉換成價值，將收入淨額轉換成價值之最常用方法乃「年期及復歸」法。

此方法考慮目前來自現有空置之現時租金及日後潛在收入，透過按全部租出基準將租金淨額資本化，按公開市場基準估計相關物業之價值。

至於辦公室部分，該等租約之租期一般介乎兩年至六年不等，並按照當地正常商業條款訂立，於估值日，經同意月租淨額整體上介乎每平方米人民幣40元至每平方米人民幣140元，平均為每平方米人民幣93元。

2.12重要租金調整規定概要

相關物業有以下重要租金調整規定：

單位	建築面積 (平方米)	月租 收入淨額 (人民幣)	租期	
			由	至
十六層一個單位	997.7	94,778	二〇〇四年 五月十二日	二〇〇五年 四月十一日
		99,766	二〇〇五年 四月十二日	二〇〇六年 四月十一日
		104,754	二〇〇六年 四月十二日	二〇〇七年 四月十一日
十二層一個單位	999.0	免租	二〇〇五年 八月十日	二〇〇五年 十月九日
		102,898	二〇〇五年 十月十日	二〇〇七年 八月九日
		108,043	二〇〇七年 八月十日	二〇〇八年 八月九日

吾等並不知悉有任何可能影響相關物業價值之分租或租約及重大選擇權或優先購買權。吾等已在估值中考慮續租之權利。

2.13過往支銷

據越秀投資所告知，租戶目前就零售及辦公室部分每月支付之物業管理費分別為每平方米人民幣35元及每平方米人民幣25元，物業管理費收入能彌補所有物業管理開支總額。

吾等認為目前物業管理費與區內同類發展物業辦公室市場水平一致。(見2.14.3一節)

2.14物業管理

2.14.1租賃服務協議

管理人、金峰有限公司(「物業公司」)與廣州怡城物業管理有限公司(「租賃代理」)簽訂一份租賃服務協議，最初年期為三年。根據此協議，租賃代理(亦為財富廣場之物業管理人)每年將收取之報酬為物業公司從經營相關物業中應收總收入4%(「服務費」)，再加上租戶對該樓宇之經營開支所作出任何供款10%。租賃代理同

租期期限詳情如下：

租期多於 (年)	租期少於 或等於 (年)	按數目計 (%)	按建築 面積計 (%)
零	一年	1.8	0.3
一年	兩年	45.5	22.0
兩年	三年	40.0	44.2
三年	四年	7.3	5.6
四年	五年	5.4	4.7
空置		不適用	23.0
總計		100.0	100.0

租期屆滿概況詳情如下：

將於下列各年期滿之租約數目	按數目計 (%)	按建築 面積計 (%)
二〇〇五年	3.8	0.9
二〇〇六年	30.2	7.6
二〇〇七年	49.0	34.8
二〇〇八年	13.2	30.0
二〇〇九年	3.8	3.7
空置	不適用	23.0
總計	100.0	100.0

就零售部分一層而言，於估值日，109室空置。

就零售部分二層而言，於估值日，佔用單位之租期為兩年零十個月，並按照當地正常商業條款訂立，經同意月租淨額為每平方米人民幣139元，其他單位於估值日為空置。

就零售部分三層至五層而言，它們被佔用作辦公室，據越秀投資所告知，該等層數長期而言將租用作辦公室。該等租約之租期一般介乎兩年至三年不等，並按照當地正常商業條款訂立。三層之經同意月租淨額為每平方米人民幣75元，而四層及五層則約為每平方米人民幣83元。

於估值日，目前已收現時租金收入淨額總數及估計市值租金總數分別為人民幣2,907,045元及人民幣4,569,635元。目前現時租金收入淨額總數較估計市值租金總數低36%。估計單價月租收入淨額乃依據第3.1節所載相關物業零售及辦公室部分不同層數之單價市值租金收入。

就按租金收入計之首十大主要租約而言，目前單位現時租金淨額整體上亦低於估計單價市值租金。

據越秀投資所告知，於估值日，以下為於越秀房地產投資信託基金成立時將視為其關連人士的相關物業的租賃協議詳情：

單位	建築面積 (平方米)	月租收入 淨額 (人民幣)	單價月租 收入淨額 (每平方米 人民幣)	估計	估目前月租	租期 由 至	
				單價月租 收入淨額 (每平方米 人民幣)	收入淨額 之百分比		
118號四層	4275.1	354,833	83	100	12.2%	二〇〇五年 五月一日	二〇〇八年 一月三十一日
118號五層	4275.1	354,833	83	100	12.2%	二〇〇五年 二月十六日	二〇〇八年 一月三十一日

相關物業包括來自各行業之多名租戶，例如銀行／金融、物業代理、資訊科技、製造／工程、運輸、航運等。

2.10 出租率

根據中國法律意見，於估值日，總建築面積約31,036.6平方米之大部分相關物業已租予多名租戶，即越秀投資集團將出售之相關物業之出租率為76.9%。

2.11 租賃周期期限及租期屆滿概況

整體上，全部租約之租期一般介乎兩年至六年不等，並按照當地正常商業條款訂立，經同意月租淨額整體上介乎每平方米人民幣40元至每平方米人民幣140元，零售及辦公室部分之平均單價月租淨額分別為每平方米人民幣139元及每平方米人民幣93元。

根據於估值日所提供之租金登記冊(吾等已檢查其中20%租約(即佔現時租金收入總數約25%)之樣本並認為它們妥當正常),現有月租收入淨額及相等之年租收入淨額如下:

部分	建築面積 (平方米)	月租收入淨額 (人民幣)	年租收入淨額 (人民幣)
零售部分	572.5	79,710	956,520
辦公室部分	30,464.4	2,827,335	33,928,020

於估值日,就零售部分而言,零售單位租予1名租戶,就辦公室部分而言,辦公室單位租予47名租戶。

據所提供資料,吾等明白租金收入不包括物業管理費及其他支銷,例如:水電、煤氣、電話、冷氣費等。

於估值日,相關物業內十大主要租賃協議(按租金收入計)佔用總建築面積43.5%,佔已收租金收入淨額54.6%。租賃協議之詳情如下:

單位	建築面積 (平方米)	月租收入 淨額 (人民幣)	單價月租 收入淨額 (每平方米 人民幣)	估計 單價月租 收入淨額 (每平方米 人民幣)	佔目前月租 收入淨額 之百分比	租期	
						由	至
118號四層	4,275.1	354,833	83	100	12.2%	二〇〇五年 五月一日	二〇〇八年 一月三十一日
118號五層	4,275.1	354,833	83	100	12.2%	二〇〇五年 二月十六日	二〇〇八年 一月三十一日
118號 301室	2,000.0	150,000	75	100	5.2%	二〇〇五年 七月二十一日	二〇〇七年 七月二十日
114號十三層	997.7	117,724	118	110	3.9%	二〇〇五年 九月二十日	二〇〇八年 九月三十日
114號十四層	999.0	104,896	105	110	3.6%	二〇〇五年 八月九日	二〇〇七年 九月七日
114號十二層	997.7	104,754	105	110	3.6%	二〇〇五年 九月一日	二〇〇七年 八月三十一日
114號十八層	997.7	104,754	105	110	3.6%	二〇〇四年 四月一日	二〇〇七年 三月三十一日
116號十二層	999.0	102,898	103	110	3.5%	二〇〇五年 八月十日	二〇〇八年 八月九日
114號十六層	997.7	99,766	100	110	3.4%	二〇〇四年 四月十二日	二〇〇七年 四月十一日
114號十五層	997.7	97,771	98	110	3.4%	二〇〇四年 五月十日	二〇〇九年 五月九日

2.7 發展物業規格、服務設施及裝修

財富廣場由強化混凝土建成，外牆鋪上瓷磚，主要大堂之牆壁及地面用雲石或花崗岩裝飾。樓宇規格包括中央冷氣，主要服務設施(包括水電及電訊)接駁至樓宇。

該樓宇全部層數再分為多個單位，八部載客升降機和兩部載貨升降機供全部層數使用。

相比區內其他辦公大樓，該發展物業之服務設施及裝修水平乃屬合理。

該樓宇維持在與其樓齡相符之合理狀況。該樓宇由廣州怡城物業管理有限公司管理，廣州怡城物業管理有限公司負責向租戶收取所有管理費，並處理有關該發展物業之日常運作及支銷。

消防安全措施包括整幢大廈安裝了自動灑水頭、煙霧偵測器、火警警報系統及滅火器。關於樓宇狀況之進一步資料，請參考《樓宇狀況調查報告》。

2.8 發展物業樓宇狀況

根據《樓宇狀況調查報告》，該樓宇維持在合理狀況。財富廣場被發現某些輕微損壞，狀況整體上符合其樓齡，於二〇〇五年九月進行檢查時並無發現結構性損壞，亦無重大不符規劃之處。關於樓宇狀況之進一步資料，請參考《樓宇狀況調查報告》。

2.9 目前租金收入

於估值日，相關物業零售部分約85%或3,280.6平方米空置，而辦公室部分約17%或6,038.7平方米空置。

編號	物業	用途	建築面積 (平方米)	套內面積 (平方米)
58.	114號1201室	辦公室	189.0	122.0
59.	114號1202室	辦公室	125.7	81.1
60.	114號1203室	辦公室	179.4	115.8
61.	114號1205室	辦公室	189.0	122.0
62.	114號1206室	辦公室	125.7	81.1
63.	114號1208室	辦公室	189.0	122.0
64.	114號1301室	辦公室	189.0	122.0
65.	114號1302室	辦公室	125.7	81.1
66.	114號1303室	辦公室	179.4	115.8
67.	114號1305室	辦公室	189.0	122.0
68.	114號1306室	辦公室	125.7	81.1
69.	114號1308室	辦公室	189.0	122.0
70.	114號1401室	辦公室	189.0	122.0
71.	114號1402室	辦公室	125.7	81.1
72.	114號1403室	辦公室	179.4	115.8
73.	114號十五層	辦公室	997.7	779.6
74.	114號十六層	辦公室	997.7	779.6
75.	114號十七層	辦公室	997.7	779.6
76.	114號十八層	辦公室	997.7	779.6
77.	114號1902室	辦公室	125.9	81.6
78.	114號1903室	辦公室	179.3	116.2
79.	114號1905室	辦公室	188.8	122.4
80.	114號1906室	辦公室	125.9	81.6
81.	114號2401及 2501室	辦公室	1,591.4	1,243.6
82.	114號二十六層	辦公室	646.8	446.0
83.	114號二十七層	商業(見附註2)	335.8	180.4
總計：			<u>40,356.2</u>	<u>30,752.3</u>

附註1：相關物業建築面積及用途之細分乃以房地產權證及中國法律意見為基礎。據越秀投資所告知，三層、四層及五層用作辦公室。

附註2：據越秀投資所告知，東塔三十七層及西塔二十七層用作辦公室。

編號	物業	用途	建築面積 (平方米)	套內面積 (平方米)
21.	116號1203室	辦公室	188.7	121.0
22.	116號1205室	辦公室	191.7	122.9
23.	116號1206室	辦公室	125.1	80.2
24.	116號1208室	辦公室	188.7	121.0
25.	116號1301室	辦公室	179.7	115.2
26.	116號1302室	辦公室	125.0	80.2
27.	116號1303室	辦公室	188.7	121.0
28.	116號1305室	辦公室	191.7	122.9
29.	116號1306室	辦公室	125.1	80.2
30.	116號1308室	辦公室	188.7	121.0
31.	116號1401室	辦公室	179.7	115.2
32.	116號1402室	辦公室	125.0	80.2
33.	116號1403室	辦公室	188.7	121.0
34.	116號1405室	辦公室	191.7	122.9
35.	116號1406室	辦公室	125.1	80.2
36.	116號1408室	辦公室	188.7	121.0
37.	116號1901室	辦公室	180.2	115.0
38.	116號1902室	辦公室	124.7	79.5
39.	116號1903室	辦公室	188.8	120.5
40.	116號1905室	辦公室	191.7	122.3
41.	116號1906室	辦公室	124.8	79.6
42.	116號1908室	辦公室	188.8	120.5
43.	116號2501及 2601室	辦公室	1,586.4	1,240.8
44.	116號2705室	辦公室	188.7	121.8
45.	116號2801室	辦公室	180.3	115.4
46.	116號3401室	辦公室	180.4	115.0
47.	116號3501 及3601室	辦公室	1,392.2	1,029.3
48.	116號37樓	商業(見附註2)	302.2	181.0
西塔，體育東路				
49.	114號八層	辦公室	997.7	779.6
50.	114號九層	辦公室	997.7	779.6
51.	114號十層	辦公室	997.7	779.6
52.	114號1101室	辦公室	189.3	120.5
53.	114號1102室	辦公室	125.0	79.5
54.	114號1103室	辦公室	179.7	114.4
55.	114號1105室	辦公室	189.3	120.5
56.	114號1106室	辦公室	125.0	79.6
57.	114號1108室	辦公室	189.3	120.5

財富廣場之主要入口面向體育東路，由於體育東路沿路有地鐵、巴士及的士等公共交通工具，故此，財富廣場整體上交通方便。

停車場設施設於兩層地庫內，而平台花園、會所及其他配套設施位於七層。

相對區內其他辦公大樓而言，財富廣場之布局設計合理。

2.6 越秀投資集團將出售之部分權益

越秀投資集團將出售該發展物業一部分，將出售之權益詳情列載如下：

編號	物業	用途	建築面積 (平方米)	套內面積 (平方米)
群樓，體育東路				
1.	118號109室	商業	1,007.4	968.9
2.	118號二層	商業	2,845.7	2,275.8
3.	118號三層	商業(見附註1)	4,275.1	3,593.0
4.	118號四層	商業(見附註1)	4,275.1	3,593.0
5.	118號五層	商業(見附註1)	4,275.1	3,593.0
東塔，體育東路				
6.	116號801室	辦公室	180.2	115.0
7.	116號802室	辦公室	124.7	79.5
8.	116號803室	辦公室	188.8	120.5
9.	116號805室	辦公室	191.7	122.3
10.	116號806室	辦公室	124.8	79.6
11.	116號808室	辦公室	188.8	120.5
12.	116號903室	辦公室	188.8	120.5
13.	116號905室	辦公室	191.7	122.3
14.	116號906室	辦公室	124.8	79.6
15.	116號908室	辦公室	188.8	120.5
16.	116號1101室	辦公室	180.2	115.0
17.	116號1102室	辦公室	124.7	79.6
18.	116號1108室	辦公室	188.8	120.5
19.	116號1201室	辦公室	179.7	115.2
20.	116號1202室	辦公室	125.0	80.2

2.4 私家車接駁及臨路部分

從體育東路可直達財富廣場，鄰近相關物業之行人隧道可通往廣州天河體育館。

通往市內主要地區之車程時間：

白雲國際機場	45分鐘
天河城	1分鐘
廣州火車東站	5分鐘

2.5 發展物業概述

財富廣場乃甲級商業綜合大樓，位於廣州市黃金地段商業區天河區體育東路114、116及118號。據越秀投資所提供資料，該發展物業之總建築面積約為80,419.1平方米

財富廣場之面積細分概括如下：

層數	用途	建築面積 (平方米)
地庫	停車場及機房	8,561.6
群樓—一層至六層 七層	群樓：一層至六層—商業 七層—機房	23,993.0
東塔	八層至三十六層—辦公室 三十七層—商業	28,900.3
西塔	八層至二十六層—辦公室 二十七層至二十八層—商業	18,964.2
	總計：	80,419.1

該樓宇之地盤包括一幅主要臨路部分面向體育東路之標準地皮，其上建有一幢於二〇〇三年落成之六層高商業裙樓連同兩幢辦公樓。東塔為裙樓以上第八層至三十七層，西塔則為裙樓以上第八層至二十八層。

2. 相關物業

2.1 情況及地點

財富廣場位於中國廣東省廣州市天河區體育東路114、116及118號，鄰近廣州火車東站及地鐵站。

天河區乃發展迅速之地區，目前是新甲級辦公室發展物業之集中地。位於廣州市東邊，區內大多數主要發展物業圍繞並俯瞰著天河體育館，該區在過去數年內崛起成為廣州市新中央商務區，並在商界日益受歡迎，導致商業大樓首先圍繞著體育館區迅速發展，稍後逐漸從這個中央廣場向外擴展。

2.2 周邊發展及環境問題

相關物業位於天河區，區內發展物業主要包括現代摩天商業大樓及低層零售購物中心，混雜一些較舊之中等高度住宅大樓。

由於位於天河體育館較繁忙一邊，該段體育東路之行人流量甚多。

吾等並不知悉主題地點及周圍地點存在任何環境問題或污染。由於中國之土地註冊制度，吾等無法追查有關過往建於主題地點上之物業任何資料，故此，吾等無法評論污染之可能性及其對價值之影響，亦無法確定該地點過往之用途。

2.3 公共交通便利程度及接駁

由於體育東路沿路有的士及巴士等公共交通工具，故此，財富廣場整體上交通方便。巴士站及地鐵站鄰近財富廣場。

財富廣場距離廣州火車東站約五分鐘車程。

12. 估值方法 : 收入資本化計算法(包括現金流量貼現分析), 以銷售比較法反覆檢查
13. 估值日 : 二〇〇五年九月三十日
14. 於估值日在現況下之市值 : 545,000,000港元
15. 單價價值, 按建築面積計 : 每平方米13,505港元
16. 於估值日之現時收入淨額 : 每年人民幣34,884,540元
17. 於估值日之全部租出收入淨額 : 每年人民幣49,234,404元
18. 於估值日之估計市值租金 : 每年人民幣54,835,620元
19. 貼現率(僅就現金流量貼現分析採用) : 11%
20. 於估值日之匯率 : 1港元=人民幣1.043元
21. 年期回報率 : 辦公室: 7.0%
零售: 9.5%
22. 復歸回報率 : 辦公室: 9.0%
零售: 11.5%
23. 於估值日之出租率 : 辦公室: 83.5%
零售: 14.9%
24. 空置撥備 : 辦公室: 5%
零售: 1%
25. 市場評述 : 鑑於其地點及交通接駁, 吾等認為相關物業之可銷性為合理。

附註: 用途以房地產權證及中國法律意見為基礎。

越秀投資有限公司(下文稱「越秀投資」)及其附屬公司(下文統稱「越秀集團」)位於中華人民共和國(「中國」)廣東省廣州市天河區體育東路114、116及118號財富廣場之物業多個單位(「相關物業」)之估值

1. 相關物業概要

根據中國法律意見，有關相關物業之83份房地產權證已發出。相關物業之持有情況如下：相關物業詳情概括如下：

1. 目前註冊擁有人 : 金峰有限公司
2. 土地使用權類別 : 出讓
3. 城市規劃用途分區 : 財富廣場所在土地之用途分區被描述為「商業／辦公室」。
4. 所評估權益 : 相關物業之租賃權益。
5. 物業概述 : 相關物業包括一幢六層高商業群樓及其上蓋兩幢辦公樓之部分。(見下文第2.5節)
6. 相關物業建築面積 : 總計 - 40,356.2平方米
(「建築面積」) 辦公室 - 36,503.1平方米
零售 - 3,853.1平方米
7. 租期 : 一層至五層、東塔三十七層及西塔二十七層 - 由二〇〇二年十一月二十六日起四十年、東塔八層至九層、十一層至十四層、十九層、二十五層至二十八層、三十四層至三十六層及西塔八層至十九層、二十四層至二十六層 - 由二〇〇二年十一月二十六日起五十年
8. 用途 : 一層至五層、東塔三十七層及西塔二十七層 - 商業
東塔八層至九層、十一層至十四層、十九層、二十五層至二十八層、三十四層至三十六層及西塔八層至十九層、二十四層至二十六層 - 辦公室
9. 相關物業套內面積 : 30,752.3平方米
10. 相關物業可出租面積 : 40,356.2平方米
11. 財富廣場建築工程 : 二〇〇三年
竣工日期

4.4 估值評述

吾等已指出，根據中國法律意見，相關物業若干部分之現有用途與房地產權證所述之用途不同。詳情及其各自估值基準列載下表。為進行估值，吾等已按此基準對相關物業進行估值。

單位	房地產權證 所載用途	現有用途	現有租約之 估值基準	租約期滿後之 估值基準
八層	辦公室	辦公室	辦公室	零售
七層	辦公室	倉庫	倉庫	零售
六層	辦公室	零售	零售	零售
五層	辦公室	零售	零售	零售
四層	部分作辦公室， 餘下部分作 商業用途	零售	零售	零售
一層至三層	商業	零售	零售	零售
地下低層	倉庫	公共範圍	不適用	不適用

據越秀投資所告知，地下低層(主要包括公共範圍連同樓梯)及八樓70.1平方米的面積(由白馬物業管理公司以相關物業的物業管理人的身份佔用)，而此等地方為不可出租。故此，吾等並無給予任何價值予相關物業地下低層八樓70.1平方米的面積。

5. 估值概要

下表概述吾等以各方法所計算之結果：

估值方法	價值 (港元)
收入資本化	2,503,000,000
現金流量貼現	2,580,000,000
銷售比較	2,303,000,000

依據吾等主要之估值法收入資本化計算法(包括現金流量貼現分析)，吾等認為相關物業(越投資集團將出售之物業權益)於估值日在其現況下之市值為二十五億四千一百五十萬港元(2,541,500,000港元)，並假設該物業(連同現有租戶及物業業權概無任何重大產權負擔或損壞之利益)在市場上可供銷售。相關物業之市值乃採用收入資本化計算法及現金流量貼現分析計算得出之價值平均數。

調整乃依據吾等本身之判斷及市場知識作出。吾等已考慮六項可資比較物業，以得出相關物業一層之市值。依據上表就時間、地點、樓宇質素、面積大小、行人流量等所作出之調整，該等可資比較物業之經調整單價市值介乎每平方米人民幣62,230元至人民幣78,300元。計算出全部六項可資比較物業之平均數將得出相關物業群樓一層之單價市值為每平方米人民幣73,000元。

透過給予不同折讓百分比予不同層數，不同層數之單價市值如下：

層數	給予折讓 (%)	單價市值 (每平方米人民幣)
一層	0%	73,000
二層	5%	69,350
三層	15%	62,050
四層	40%	43,800
五層	45%	40,150
六層	70%	21,900
七層	75%	18,250
八層	80%	14,600

基於上文所述，吾等評估相關物業之價值為2,303,000,000港元，並未考慮有關結構、稅項及其他業主成本之支銷。

概述如下：

物業	價值 (港元)	單價價值， 按建築面積計 (每平方米港元)
白馬大廈	2,303,000,000	45,877

吾等已對銷售證據就各項因素作出調整，例如地點、實用性及時間。詳情如下：

	可資比較物業一	可資比較物業二	可資比較物業三
地址	北京路步行街	北京路步行街	北京路步行街
地區	越秀區	越秀區	越秀區
交易日期	二〇〇五年九月	二〇〇五年九月	二〇〇五年十月
單位	B205	B107	B93、B95、B108 及B109
層數	一樓	一樓	一樓
建築面積(平方米)	15.6	16.5	90.7
落成日期	二〇〇五年	二〇〇五年	二〇〇五年
實用率	45%	45%	45%
交易性質	已交易	已交易	開價
開價/交易價格，按建築面積計(人民幣)	1,244,800	1,405,050	8,163,000
開價/交易價格，按建築面積計(每平方米人民幣)	79,795	85,155	90,000
經調整單價售價按建築面積計(每平方米人民幣)	71,200	75,650	75,600
	可資比較物業四	可資比較物業五	可資比較物業六
地址	北京路步行街	上下九路步行街	北京路步行街
地區	越秀區	荔灣區	越秀區
交易日期	二〇〇五年十月	二〇〇四年七月	二〇〇四年十二月
單位	B123、B125、 B126、B142、 B143及B145	不適用	臨街商舖
層數	一樓	一樓	一樓
建築面積(平方米)	80.0	350	313
落成日期	二〇〇五年	二〇〇〇年代	一九九〇年代
實用率	45%	65%	85%
交易性質	開價	已交易	已交易
開價/交易價格，按建築面積計(人民幣)	7,200,000	32,508,000	45,385,000
開價/交易價格，按建築面積計(每平方米人民幣)	90,000	92,880	145,000
經調整單價售價按建築面積計(每平方米人民幣)	75,600	62,230	78,300

吾等在現金流量貼現分析中依據越秀投資所提供之資料，吾等預測下列有關該大廈之支銷於未來十年按以下款額支出：

預測支銷項目	預測支銷
服務費(依據租賃服務協議)	租金收入總額3.0%
大規模維修保養成本 (據越秀投資所告知)	無
雜項開支	租金收入0.5%
保險	固定款額
營業稅	租金收入5.0%
防洪工程維修費	租金收入0.09%
城市房地產稅	樓宇原有價值 x 70% x 1.2%
印花稅	租金收入總額0.1%

參考《樓宇狀況調查報告》，預測支銷項目並無包括即時資本開支。

基於上文所述，吾等評估該物業之價值為2,580,000,000港元，並已考慮支銷、稅項及其他成本項目。

概述如下：

物業	資本化率	貼現率	單價價值，	
			價值 (港元)	按建築面積計 (每平方米港元)
白馬大廈	9%	11%	2,580,000,000	51,395

4.3 銷售比較法

按銷售比較法，吾等已考慮同類物業之銷售及有關市場數據，並透過對可資比較數據作出調整來釐定價值。整體上，相關物業與在公開市場上已交易之同類物業之銷售作比較。

吾等在編製相關物業之估值時已考慮到區內同類零售／批發發展物業之可資比較開價或已交易數據。

吾等在編製相關物業之估值時已考慮區內同類優質零售發展物業之可資比較開價或已交易租金。詳情請參閱本報告第4.1節。

吾等在進行評估時，利用下列假設以對該物業進行估值：

項目	百分比
最終資本化率	9%
貼現率	11%
增長率－第一年	2%
增長率－第二年	2%
增長率－第三年	2%
增長率－第四年	7%
增長率－第五年	7%
增長率－第六至十年	5%
空置虧損	1%
壞賬	0.5%

上述增長率乃依據吾等之當地市場研究，吾等亦已參考由Cushman & Wakefield (HK) Limited編製之《市場研究報告》。

空置虧損乃依據吾等對供求量之意見及吾等對於廣州相關物業市場之知識而計算。

在達致吾等編製之定期現金流量時，吾等已考慮租金年增長率，以評估於租期屆滿時用以釐定現金流量之預測租金收入。所採用之租金增長率與Cushman & Wakefield (HK) Limited編製之《市場研究報告》所載之預測一致。

吾等已估計相關物業未來十年內每年之租金增長。每項租賃之租金增長模式反映各租約之租金調整規定，包括分期加租(如適用)。吾等假設於租約期滿後將遵照新續訂租約之年期，一般為期四年或五年。新續訂租約期滿後，新訂或現有租約一般按三年租期及當時現有市值租金授出或續訂。

吾等在該物業組合中已考慮年度空置撥備及壞賬撥備，依據目前空置情況，相關物業之年度空置撥備約為1%。吾等參照過往壞賬比率，認為壞賬撥備應為已收租金淨額之0.5%。就白馬大廈單位而言，截至二〇〇五年六月三十日止六個月並無壞賬。

吾等已參考《樓宇狀況調查報告》，該份調查報告指出，由於相關物業維持在與其樓齡相符之合理狀況，故此將不會導致即時資本開支。越秀投資表示，二〇〇六年至二〇一五年並無必要進行大規模維修及保養。由於越秀投資向吾等表示用作維持相關物業目前狀況之維修保養成本由租戶支付之管理費彌補，故此並無就維修保養之預期成本作出扣除。據越秀投資所告知，不符規劃之處所導致之任何成本將由越秀投資清償。

據越秀投資所告知，相關物業七層及八層(原本佔用作倉庫及辦公室)將由二〇〇六年五月開始轉為零售用途。據越秀投資所提供資料，此翻新成本約5.8百萬港元，將由越秀投資承擔，故此，吾等進行估值時並無考慮任何翻新成本。

吾等亦已就營業稅、印花稅、城市房地產稅、防洪工程維修費、保險、物業管理費(適用於現有租約，但不適用於由二〇〇六年一月開始之新租約或預測租金收入)及服務費扣除款項。

吾等在進行計算時並無扣除任何收購成本及出售成本，吾等認為此乃未來買家之考慮因素。

4.2 現金流量貼現分析

根據國際評估準則委員會(第七版)之定義，現金流量貼現分析指就經營房地產物業日後產生現金流量採用明確假設之金融模型技巧。此分析涉及預測經營房地產物業之一連串定期現金流量，並就該一連串預測現金流量採用適當貼現率，以制訂關於該等物業租金收入現值之指標。在經營房地產物業之情況下，定期現金流量一般指估計租金收入總額減空置、壞賬、稅務影響(印花稅、城市房地產稅、防洪工程維修費及營業稅)、物業管理費(適用於現有租約，但不適用於由二〇〇六年一月開始之新租約或預測租金收入)、服務費及其他經營開支。然後，該一連串定期經營收入淨額，連同預計於預測期終時之終值估計金額，按貼現率貼現至現值，該貼現率乃資本成本或用以轉換日後應付或應收貨幣金額之回報率。

吾等已於十年投資年期每月進行現金流量貼現分析，第十一年之收入淨額於餘下所有權年期按適當回報率資本化。此分析衡量於假設投資年內之租金及資本增長，讓投資者或業主可對物業可能帶來之長期回報作出評估。此分析通常用於對提供投資收入之物業進行估值。

就相關物業而言，吾等進行計算時採用之最終資本化率為9%。此乃依據吾等對市場上適用年期回報率之分析(載於第4.1節)，並給予折讓以反映吾等將第十一年租金收入淨額資本化之事實，該折讓反映扣除前租金收入與租金收入淨額之差額，以及考慮到租金收入淨額較扣除前租金收入提供更佳保障。

吾等進行計算時已就相關物業採用11%貼現率，該貼現率乃用以轉換日後應付或應收貨幣金額至現值之回報率，理論上反映資本之機會成本。吾等在達致上述貼現率時，已研究一項商用物業於十年內所賺取投資回報之市場現況。吾等亦已調查活躍物業投資者在市場上購買購物中心及辦公樓所需回報率。基於上文所述，吾等認為市場對批發及零售物業之預期回報率約為10%至12%。吾等注意到，由香港金融管理局發行之十年期外匯基金票據之孳息率於二〇〇五年九月三十日約為4.17%，顯示上述物業之風險溢價介乎5.83%至7.83%。依據吾等對國際市場上可資比較銷售之分析，溢價較高反映中國相關內在投資風險及物業風險。吾等認為，由於香港是最鄰近中國之成熟市場，故此就中國物業投資採用香港無風險回報率較為恰當。

復歸年期內大多數新租約已簽訂之事實(表示收入較有保障)後，吾等採用9.5%作為相關物業零售部分之復歸回報率，9.5%乃在市場上可資比較交易之範圍內，詳情如下：

零售市場：

單位	地址	建築面積 (平方米)	交易日期	實際 交易價格 (人民幣)	每平方米 售價 (每平方米人民幣)	於交易日之 估計單價年度 市值租金淨額 (每平方米人民幣) (附註1)	於交易日 之出租 狀況	市場 回報率 (附註2)
全層	保密	35,000	二〇〇四年底	265,000,000	7,571	796	20年 售後租回	10.5%
全層	體育西路	1,147	二〇〇四年九月	51,608,075	44,994	4,752	空置	10.6%
B205	保密	15.6	二〇〇五年九月	1,244,800	79,795	9,600	空置	12.0%
B107	保密	16.5	二〇〇五年九月	1,405,050	85,155	10,260	空置	12.0%
三個商舖 單位	體育東路	463	二〇〇四年九月	10,645,780	22,993	2,688	空置	11.7%

附註：

- 1) 估計市值租金淨額乃依據吾等對可資比較物業近期出租之分析。
- 2) 市場回報率乃年度估計市值租金淨額除以實際交易價格。

該等可資比較數據源自高力國際物業顧問(香港)有限公司之數據庫，並依據可資比較整體地點計算。由於全幢樓宇銷售數目有限，吾等亦採用較小單位之銷售。

吾等評估相關物業之價值為2,503,000,000港元。

概述如下：

物業	年期回報率	復歸回報率	單價價值， 價值 (港元)	按建築面積計 (每平方米港元)
白馬大廈	8%	9.5%	2,503,000,000	49,861

由於給予不同層數之折讓百分比不同，不同層數之單價市值租金收入如下：

層數	給予折讓 (%)	單價市值租金 (每平方米人民幣)
一層	0%	650
二層	5%	618
三層	15%	553
四層	40%	390
五層	45%	358
六層	70%	195
七層	75%	163
八層	80%	130

於估值日，現有每月租金淨額為人民幣9,754,587元，預期該發展物業將維持目前100%出租水平，較市場上同類樓宇之出租率為高。

吾等進行評估時，所採用之年期回報率為8%，復歸回報率為9.5%。所採用之年期回報率低於下文計算得出之市場回報率，原因是相關物業之目前現時租金收入低於估計目前市值租金收入。

於估值日，年期回報率用來將於估值日之目前現時租金收入資本化，而復歸回報率用來轉換復歸租金收入。此方法通常用於對提供收入之物業進行估值。

復歸回報率乃依據單價市值租金及為相關物業搜集之可資比較單價市值之分析，據過往分析，零售裙樓一層之單價市值租金為每平方米人民幣650元。於第4.3節，一層之單價市值為每平方米人民幣73,000元，市場回報率為10.5%。經進一步扣除1%以反映

	可資比較物業十三	可資比較物業十四	可資比較物業十五	可資比較物業十六
地址	站南路	站南路	環市西路	站南路
地區	越秀區	越秀區	越秀區	越秀區
交易日期	二〇〇五年七月	二〇〇五年七月	二〇〇五年十月	二〇〇五年十月
單位	1321	1419	116	1079
層數	一樓	一樓	一樓	一樓
建築面積(平方米)	81.5	76.5	14	20
落成日期	一九九〇年	一九九〇年	一九九〇年代	二〇〇四年
實用率	60%	60%	60%	60%
交易性質	已交易	已交易	開價	已交易
租期(年)	5	5	1	2
租約開始日期	二〇〇六年一月一日	二〇〇六年一月一日	不適用	二〇〇五年中
租約期滿日期	二〇一〇年 十二月三十一日	二〇一〇年 十二月三十一日	不適用	二〇〇七年中
租金收入淨額， 按建築面積計 (人民幣)	55,155	51,818	9,100	13,000
租金收入淨額， 按建築面積計 (每平方米人民幣)	677	677	650	650
經調整租金收入 淨額， 按建築面積計 (每平方米人民幣)	677	677	713	675

吾等已考慮十六項可資比較物業，以得出相關物業一層之租值。依據上表就時間、地點、樓宇質素、面積大小、行人流量等所作出之調整，該等可資比較物業之經調整單價租值介乎每平方米人民幣533元至人民幣799元。計算出全部十六項可資比較物業之平均數將得出相關物業一層之單價月租為每平方米人民幣650元，此租金水平為相關物業一層之平均租金水平每平方米人民幣599元(就二〇〇六年一月起之新訂租約而言)提供支持理據，故此，吾等在估值中採納新訂租約各層之平均租金水平。

租賃協議新訂租金／預測新訂租金
(兩者均不包括物業管理費)
(每平方米人民幣)

層數	
一層	599
二層	572
三層	524
四層	366
五層	361
六層	190
七層	160
八層	131

	可資比較物業五	可資比較物業六	可資比較物業七	可資比較物業八
地址	北京路步行街	北京路步行街	北京路步行街	北京路步行街
地區	越秀區	越秀區	越秀區	越秀區
交易日期	二〇〇五年十月	二〇〇五年九月	二〇〇五年十月	二〇〇五年十月
單位	141	105	145	125
層數	一樓	一樓	一樓	一樓
建築面積(平方米)	81.4	55	25	35
落成日期	二〇〇五年	二〇〇四年	二〇〇四年	二〇〇〇年
實用率	50%	65%	65%	55%
交易性質	開價	已交易	開價	開價
租期(年)	2至3	2	2至3	2至3
租約開始日期	不適用	二〇〇五年八月	不適用	不適用
租約期滿日期	不適用	二〇〇七年八月	不適用	不適用
租金收入淨額， 按建築面積計 (人民幣)	56,966	33,000	15,000	24,500
租金收入淨額， 按建築面積計 (每平方米人民幣)	700	600	600	700
經調整租金收入 淨額， 按建築面積計 (每平方米人民幣)	620	533	566	537
	可資比較物業九	可資比較物業十	可資比較物業十一	可資比較物業十二
地址	北京路步行街	站南路	站南路	站南路
地區	越秀區	越秀區	越秀區	越秀區
交易日期	二〇〇五年十月	二〇〇五年七月	二〇〇五年七月	二〇〇五年七月
單位	123	1102	1203	1301
層數	一樓	一樓	一樓	一樓
建築面積(平方米)	57.2	71.3	57.1	87.6
落成日期	二〇〇四年	一九九〇年	一九九〇年	一九九〇年
實用率	55%	60%	60%	60%
交易性質	開價	已交易	已交易	已交易
租期(年)	2	5	5	5
租約開始日期	不適用	二〇〇六年一月一日	二〇〇六年一月一日	二〇〇六年一月一日
租約期滿日期	不適用	二〇一〇年 十二月三十一日	二〇一〇年 十二月三十一日	二〇一〇年 十二月三十一日
租金收入淨額， 按建築面積計 (人民幣)	45,760	45,418	38,630	59,305
租金收入淨額， 按建築面積計 (每平方米人民幣)	800	637	677	677
經調整租金收入 淨額， 按建築面積計 (每平方米人民幣)	614	637	677	677

吾等認為一層至六層各層目前平均單價月租淨額整體上較平均新訂單價現時月租低37%至70%，由於七層及八層目前被佔用作倉庫及辦公室，該兩層之目前平均單價月租淨額分別較平均新訂單價預測月租低89%及60%。

為了組成市場上可資比較數據，吾等從吾等之數據庫（以吾等所得最新數據為基礎）中辨認出多項可資比較物業。由於所得實際交易數目有限，故此吾等分析區內不同樓宇之出租。

可資比較租金詳情如下：

可資比較零售租金物業：

	可資比較物業一	可資比較物業二	可資比較物業三	可資比較物業四
地址	北京路步行街	北京路步行街	北京路步行街	北京路步行街
地區	越秀區	越秀區	越秀區	越秀區
交易日期	二〇〇五年十月	二〇〇五年十月	二〇〇五年十月	二〇〇五年九月
單位	B202	B51	B123、B125、B126、 B142、B143及 B145	101
層數	一樓	一樓	一樓	一樓
建築面積(平方米)	14.0	13.3	80.0	81.5
落成日期	二〇〇五年	二〇〇五年	二〇〇五年	二〇〇五年
實用率	45%	45%	45%	50%
交易性質	已交易	已交易	開價	已交易
租期(年)	2	2	2至3	2
租約開始日期	二〇〇五年底	二〇〇五年底	不適用	二〇〇五年九月
租約期滿日期	二〇〇七年底	二〇〇七年底	不適用	二〇〇七年九月
租金收入淨額， 按建築面積計 (人民幣)	11,200	11,970	64,000	48,900
租金收入淨額， 按建築面積計 (每平方米人民幣)	800	900	800	600
經調整租金 收入淨額， 按建築面積計 (每平方米人民幣)	711	799	675	559

按此估值方法，租金收入總額分為年期價值及復歸價值。年期價值涉及將目前現有租期內之現時租金收入資本化。於租期滿後，復歸價值於剩下土地使用期內被視作目前市值租金，並按全部租出基準資本化，然後貼現至估值日。

為了使復歸價值折現至現時日期，吾等已使用與相關物業特定部分之復歸回報率相同之現值率。現值乃未來現金流量之現時貨幣價值，並反映於相似資產中投資之機會成本，預期該項相似資產賺取之有利回報將與相關物業差不多。

吾等在編製估值時已考慮到區內同類零售／批發發展物業之可資比較開價或已交易租金。

就相關物業而言，於估值日，一層至八層之一般月租淨額及預測租金如下：

層數	目前平均單價 現時月租總額 (包括物業 管理費) (每平方米 人民幣) (a)	平均單價 月租淨額 (不包括物業 管理費) (每平方米 人民幣) (b)	租賃協議之 平均新訂單價 現時月租／ 二〇〇六年 預測新訂租金 (兩者均不包括 物業管理費) (每平方米 人民幣) (c)		(a)與(c)比較 (低於或高於 市值租金)
一層	384	340	599	(b)低於(c)	
二層	373	359	572	(b)低於(c)	
三層	323	278	524	(b)低於(c)	
四層	203	158	366	(b)低於(c)	
五層	155	110	361	(b)低於(c)	
六層	140	95	190	(b)低於(c)	
七層	63	18	160(預測)	(b)低於(c)	
八層	97	52	131(預測)	(b)低於(c)	

越秀投資向吾等表示，相關物業七層及八層(原本佔用作倉庫及辦公室)將由二〇〇六年五月起轉為零售用途。

3.14 物業管理

3.14.1 租賃服務協議

管理人、柏達投資有限公司(「物業公司」)與白馬物業管理有限公司(「租賃代理」)簽訂一份租賃服務協議，最初年期為三年。根據此協議，租賃代理(亦為白馬大廈之物業管理人)每年將收取之報酬為物業公司從經營相關物業中應收總收入3.0%(「服務費」)。租賃代理作為該樓宇之物業管理人，有權保留租戶就該樓宇之經營開支所作供款的10%。租賃代理同意，只要它一直是白馬大廈之物業管理人，支付予租賃代理之服務費亦將清償物業管理費，根據物業管理協議，租賃代理有權向物業公司就相關物業任何空置單位收取物業管理費。

3.14.2 物業管理費

據管理人所告知，租戶目前每月支付之管理費為每平方米人民幣45元，而租戶由二〇〇六年一月一日起每月應付之管理費為每平方米人民幣50元，較區內同類發展物業之市場水平為高。

樓宇名稱	每月管理費 (每平方米人民幣)
新大地服裝	35
金寶(外貿)服裝批發市場	30
廣州服裝滙展中心	30
廣安毛織服裝市場	30

4. 估值

4.1 收入資本化計算法

此方法透過資本化過程將來自該物業之實際及預期收入淨額轉換成價值，將收入淨額轉換成價值之最常用方法乃「年期及復歸」法。

此方法考慮目前來自現有空置之現時租金及日後潛在收入，透過按全部租出基準將租金淨額資本化，按公開市場基準估計相關物業之價值。

根據已續訂租約，租期屆滿概況詳情如下：

將於下列各年期滿之租約百分比	按數目計 (%)	按建築面積計 (%)
二〇〇五年	4.7	8.3
二〇〇九年	45.0	26.7
二〇一〇年	50.3	65.0
總計	100.0	100.0

3.12 重要租金調整規定概要

吾等明白相關物業並無重要租金調整規定。吾等指出99%以上租約將於二〇〇五年十二月三十一日期滿。根據所提供之文件及租賃協議，95%以上租約已續訂，由二〇〇六年一月一日起，租期介乎四年至五年不等。二〇〇六年預測租金收入淨額約為人民幣252,626,168元，不包括物業管理費。吾等之估值已考慮續租租金。

吾等並不知悉有任何可能影響相關物業價值之分租或租約及重大選擇權或優先購買權。吾等已考慮七層及八層由二〇〇六年五月起轉為零售用途(據越秀投資所告知)，而吾等在估值中已考慮此事，以釐定收入資本化計算法中之復歸租金收入及現金流量貼現分析中之租金預測。

3.13 過往支銷

據越秀投資所告知，租戶目前每月支付之物業管理費為每平方米人民幣45元，物業管理收入總額能彌補物業管理開支總額。

吾等認為目前物業管理費高於區內同類發展物業之市場水平。(見第3.14.2一節)

3.10 出租率

根據中國法律意見，於估值日，總建築面積約49,007.2平方米之相關物業大部分已租予多名租戶，即越秀投資集團將出售之相關物業之出租率為100%。

3.11 租賃周期期限及租期屆滿概況

整體上，該等租約之租期一般介乎一年至五年不等，並按照當地正常商業條款訂立，現有現時租金(包括物業管理費)整體上介乎每平方米人民幣113元至每平方米人民幣437元，全部現有租戶之整體平均單價月租淨額為每平方米人民幣241元。

租期期限詳情如下：

租期多於 (年)	租期少於或等於 (年)	按數目計 (%)	按建築面積計 (%)
零	一年	6.3	4.2
一年	兩年	31.6	28.9
兩年	三年	11.7	12.2
三年	四年	50.2	54.4
四年	五年	0.2	0.3
		100.0	100.0
		100.0	100.0

吾等明白該等租約99%以上將於二〇〇五年十二月三十一日期滿。

整體上，據越秀投資所告知，已簽訂新租約之租期一般介乎四年至五年不等，由二〇〇六年一月一日起，並按照當地正常商業條款訂立。一層至六層已簽訂新租約之二〇〇六年經同意平均月租淨額整體上介乎每平方米人民幣190元至每平方米人民幣599元，而七層及八層(假設轉為零售用途)之二〇〇六年預測新訂月租淨額整體上介乎每平方米人民幣131元至每平方米人民幣160元，上述租金不包括物業管理費，平均單價月租收入淨額為每平方米人民幣473元。

相關物業不同類別租金收入列載如下：

租金收入	每月
目前現時租金收入總額總數(包括物業管理費)	人民幣11,811,843元
所計算目前租金收入淨額總數(不包括物業管理費)	人民幣9,754,587元
目前估計市值租金總數(不包括物業管理費)	人民幣21,177,076元

目前現時租金收入淨額總數較估計市值租金淨額總數低44%至46%。然而，經同意續租租金與優質零售發展物業之市場水平一致(從兩者租金中扣除物業管理費後)。

據越秀投資所提供資料，相關物業95%以上租約已續訂，將於二〇〇六年一月一日起，租金顯著較目前現時租金為高。與於估值日之目前市值月租(不包括物業管理費)作相互參照後，吾等認為新租約之續租月租(不包括物業管理費)與估計市值月租(不包括物業管理費)並無重大差別。

據越秀投資所告知，於估值日，相關物業並無有關連人士之出租。

相關物業包括各租戶，主要佔用作成衣批發中心及附屬辦公室。

租戶組合詳情如下：

行業	建築面積 (平方米)	百分比
成衣	44,600.1	88.8%
銀行	329.6	0.7%
其他	12.2	0.0%
食品及餐廳	1,337.4	2.7%
辦公室及倉庫	3,920.0	7.8%
將出售總面積	<u>50,199.3</u>	<u>100%</u>

吾等並不知悉有任何可能影響相關物業價值之分租或租約及重大選擇權或優先購買權。

於估值日，相關物業租予969名租戶。

據所提供資料，吾等明白目前現時租金收入(根據現有租約)包括物業管理費。據越秀投資所告知，吾等已扣除每月每平方米人民幣45元之物業管理費，以評估租金收入淨額。

根據於二〇〇六年一月開始續訂租賃協議，吾等明白租金收入不包括物業管理費及其他支銷，例如水電、煤氣、電話及冷氣費。

於估值日，相關物業內首十份主要租約(按租金收入計)佔用總建築面積1.9%，佔已收租金收入總額3.4%。租約之詳情如下：

單位	建築面積 (平方米)	月租總額 (包括 管理費)		單位 月租淨額 (每平方米 人民幣)	估計單價 月租淨額 (每平方米 人民幣)	估 目前月租 收入淨額 之百分比	租期	
		月租淨額 (人民幣)	月租淨額 (人民幣)				由	至
部分一層	235.2	65,734	55,150	235	650	0.6%	二〇〇二年 一月一日	二〇〇五年 十二月三十一日
1323	92.2	38,424	34,275	372	650	0.4%	二〇〇二年 一月一日	二〇〇五年 十二月三十一日
1301	87.6	36,507	32,565	372	650	0.3%	二〇〇二年 一月一日	二〇〇五年 十二月三十一日
1305	81.5	33,961	30,294	372	650	0.3%	二〇〇二年 一月一日	二〇〇五年 十二月三十一日
1321	81.5	33,952	30,285	372	650	0.3%	二〇〇五年 四月一日	二〇〇五年 十二月三十一日
1325	80.8	33,660	30,024	372	650	0.3%	二〇〇三年 九月一日	二〇〇五年 十二月三十一日
1302	80.7	33,618	29,987	372	650	0.3%	二〇〇二年 一月一日	二〇〇五年 十二月三十一日
1331	79.7	33,215	29,629	372	650	0.3%	二〇〇二年 十月一日	二〇〇五年 十二月三十一日
1405	77.7	32,372	28,876	372	650	0.3%	二〇〇三年 七月一日	二〇〇五年 十二月三十一日
1322	77.5	32,315	28,828	372	650	0.3%	二〇〇二年 一月一日	二〇〇五年 十二月三十一日

於上表，月租淨額乃從月租總額中扣除物業管理費計算得出。據越秀投資所告知，物業管理費為每平方米人民幣45元。估計單價月租收入淨額乃依據第4.1節所載不同層數之單價月租收入淨額。

就按租金收入計之首十份主要租約而言，目前單價月租淨額(不包括物業管理費)，顯著低於估計單價市值租金(不包括物業管理費)。

該樓宇維持在與其樓齡相符之合理狀況。該樓宇由廣州白馬物業管理有限公司管理，白馬物業管理有限公司負責向租戶收取所有管理費，並處理有關該發展物業之日常運作及支銷。

消防安全措施包括整幢樓宇安裝了自動灑水頭、煙霧偵測器、火警警報系統、滅火器等。關於樓宇狀況之進一步資料，請參考《樓宇狀況調查報告》。

3.8 發展物業樓宇狀況

根據《樓宇狀況調查報告》，該樓宇維持在合理狀況。白馬大廈及其汽車出入口整體上符合廣州市城市建設開發有限公司所提供之竣工圖。

至於不符規劃之處，樓宇測量師發現某些輕微偏差，例如收費處及機房遷離其獲批准地點。

關於樓宇狀況之進一步資料，請參考《樓宇狀況調查報告》。

吾等認為該等不符規劃之處對相關物業之價值並無重大影響。

3.9 目前租金收入

於估值日，相關物業已全部租出。

根據於估值日所提供之租金登記冊，吾等已檢查其中20%租約之樣本（即相等於現時月租收入總額約20%）並認為它們妥當正常，現有月租收入淨額及相等之年租收入淨額如下：

建築面積 (平方米)	現時月租 收入總額 (包括管理費) (人民幣)	月租 收入淨額 (人民幣)	年租 收入淨額 (人民幣)
50,199.3	11,811,843	9,754,587	117,055,044

3.6 越秀投資集團將出售之部分權益

越秀投資集團現正出售該發展物業一部分，將出售之權益詳情列載如下：

層數	用途	建築面積 (平方米)	套內面積 (平方米)
地庫一層	倉庫	1,121.7	1,081.1
一層	商業	7,667.0	7,342.6
二層	商業	7,199.8	6,892.2
三層	商業	7,684.9	7,359.8
四層	商業／辦公室	7,695.6	7,370.0
五層	辦公室	7,466.4	7,149.2
六層	辦公室	7,443.9	7,127.5
七層	辦公室	2,003.5	1,931.0
八層	辦公室	1,916.5	1,847.2
	總計：	50,199.3	48,100.6

附註：建築面積及用途之細分乃以房地產權證及中國法律意見為基礎。

在吾等實地視察後，吾等注意到一層至六層目前佔用作零售商舖，七層及八層分別佔用作倉庫及辦公室。據越秀投資所告知，地下低層主要包括樓梯及倉庫地方等公共範圍，公共範圍被視為不可出租地方。

據越秀投資所告知，七層及八層將於現有租約期滿後由二〇〇六年五月起轉為零售用途。

3.7 發展物業規格、服務設施及裝修

白馬大廈由強化混凝土建成，外牆部分鋪上瓷磚及部分鋪上紙皮石，主要大堂之牆壁及地面用雲石或花崗岩裝飾。主要服務設施包括水電及電訊。

該樓宇全部層數再分為多個單位，八部載客升降機及兩部載貨升降機供一層至六層使用，一部載客升降機及一部載貨升降機供七層至八層使用，兩部扶手電梯供一層至四層使用，十七條樓梯供一層至八層使用。

相比區內其他批發中心，該發展物業之服務設施及裝修水平乃屬合理。

通往市內主要地區之車程時間：

廣州火車站	2分鐘
白雲國際機場	40分鐘
天河城	20分鐘
廣州火車東站	25分鐘

3.5 發展物業概述

白馬大廈乃一幢10層高成衣商業批發中心，包括地面上八層、地下低層一層及一層設有停車場之地庫，位於廣州傳統批發商業區越秀區站南路14、16及18號。據越秀投資所提供之資料，該發展物業之總建築面積為61,703.0平方米。

白馬大廈之面積細分概括如下：

層數	用途	建築面積 (平方米)
地庫一層	停車場、機房	5,690.9
地下低層	倉庫	6,934.5
一層	商業	7,667.0
二層	商業	7,199.8
三層	商業	7,684.9
四層	商業／辦公室	7,695.6
五層	辦公室	7,466.4
六層	辦公室	7,443.9
七層	辦公室	2,003.5
八層	辦公室	1,916.5
	總計：	61,703.0

該批發中心地盤包括一幅主要臨路部分面向站南路之標準地皮。白馬大廈約於一九九〇年首先落成，然後於一九九五年至一九九七年期間及一九九八年至二〇〇〇年期間分兩期擴建。

由於站南路沿路有巴士及的士等公共交通工具，故此，白馬大廈整體上交通方便。

停車場設施設於地庫一層。

相對區內其他批發中心而言，白馬大廈之布局設計合理。

3. 相關物業

3.1 情況、地點及用途分區

白馬大廈乃一幢10層高成衣商業批發中心，包括地面上八層、地下低層一層及一層設有停車場之地庫，位於中國廣東省廣州市越秀區站南路14、16及18號，鄰近廣州火車站及巴士總站。

相關物業位於越秀區，被視為交通方便。廣州主要成衣批發中心位於越秀區站南路附近，由於其地點（鄰近廣州火車站及主要高速公路）而深受批發商歡迎。

根據一份於二〇〇五年六月二十八日簽訂之國有土地使用權出讓合同，以及中國法律意見，白馬大廈所在土地之用途分區被描述為「商業／辦公大樓」。

3.2 周邊發展及環境問題

相關物業位於越秀區，區內發展物業主要包括商業大樓及零售購物及批發中心，混雜一些較舊之中等高度住宅大樓。

由於位於巴士總站對面及鄰近廣州火車站，該段站南路西之行人流量甚多。

吾等並不知悉主題地點及周圍地點存在任何環境問題或污染。由於中國之土地註冊制度，吾等無法追查有關過往建於主題地點上之物業任何資料，故此，吾等無法評論污染之可能性及其對價值之影響，亦無法確定該地點過往之用途。

3.3 公共交通便利程度及接駁

由於站南路沿路有的士及巴士等公共交通工具，故此，白馬大廈整體上交通方便。巴士站距離白馬大廈兩分鐘步行路程。

3.4 私家車接駁及臨路部分

從站南路可直達白馬大廈，鄰近相關物業之行人天橋可通往廣州火車站，廣州火車站亦連接地鐵2號線。

17. 於估值日之全部租出 : 每年人民幣117,055,044元
收入淨額
18. 於估值日之估計 : 每年人民幣254,124,912元
目前市值租金
19. 貼現率(僅就現金 : 11%
流量貼現分析採用)
20. 於估值日之匯率 : 1港元=人民幣1.043元
21. 年期回報率 : 8%
22. 復歸回報率 : 9.5%
23. 於估值日之出租率 : 100%
24. 空置撥備 : 1%
25. 市場評述 : 鑑於其地點及交通接駁，吾等認為相關物業之可銷性
為合理。

附註：用途以房地產權證及中國法律意見為基礎。

2. 業權調查

根據中國法律意見，有一座公安辦公樓建於白馬大廈南側，建築面積為2,700平方米。一九九四年二月七日，廣州市城市建設開發集團有限公司與廣州市公安局簽訂協議。廣州市城市建設開發集團有限公司負責設計、獲取批文及興建公安辦公樓，而廣州市公安局則負責建設成本、支付予廣州市城市建設開發集團有限公司之地價人民幣950,000元。而廣州市公安局可於餘下土地使用權年期使用公安辦公樓。中國法律顧問認為相關物業之業主並無權使用公安辦公樓，亦並無擁有公安辦公樓之業權所有權，惟這不會影響柏達投資有限公司對相關物業之業權。

7. 租期 : 地下低層一由二〇〇五年六月七日起五十年
一層一由二〇〇五年六月七日起四十年
二層一由二〇〇五年六月七日起四十年
三層一由二〇〇五年六月七日起四十年
四層一7,164.2平方米一由二〇〇五年六月七日起四十年
四層一531.4平方米一由二〇〇五年六月七日起五十年
五層一由二〇〇五年六月七日起五十年
六層一由二〇〇五年六月七日起五十年
七層一由二〇〇五年六月七日起五十年
八層一由二〇〇五年六月七日起五十年
8. 用途 : 地下低層一倉庫
一層一商業
二層一商業
三層一商業
四層一商業／辦公室
五層一辦公室
六層一辦公室
七層一辦公室
八層一辦公室
9. 相關物業套內面積 : 48,100.6平方米
10. 相關物業可出租總面積 : 49,007.2平方米
11. 白馬大廈建築工程竣工日期 : 一九九〇年，於一九九五年至一九九七年期間及一九九八年至二〇〇〇年期間進行擴建及翻新
12. 估值方法 : 收入資本化計算法(包括現金流量貼現分析)，以銷售比較法作反覆核實
13. 估值日 : 二〇〇五年九月三十日
14. 於估值日在現況下之市值 : 2,541,500,000港元
15. 單價價值，按建築面積計 : 每平方米50,628港元
16. 於估值日之現時收入淨額 : 每年人民幣117,055,044元

越秀投資有限公司(下文稱「越秀投資」)及其附屬公司(下文統稱「越秀投資集團」)位於中華人民共和國(「中國」)廣東省廣州市越秀區站南路14、16及18號白馬大廈之物業多個單位(「相關物業」)之估值

1. 相關物業概要

根據中國法律意見，有關相關物業之九份房地產權證已發出。相關物業詳情概括如下：

1. 目前註冊擁有人 : 柏達投資有限公司
2. 土地使用權類別 : 出讓
3. 城市規劃用途分區 : 根據二〇〇五年六月二十八日簽訂之國有土地使用權出讓合同，白馬大廈所在土地之用途分區被描述為「商業／辦公室」。
4. 所評估權益 : 相關物業之租賃權益
5. 物業概述 : 相關物業乃一幢10層高批發成衣購物中心(包括地下以上八層、地下低層一層及設有停車場之地庫)之組成部分(詳情參閱第3.5節)
6. 相關物業建築面積 : 總計 - 50,199.3平方米
(「建築面積」)
零售 - 46,279.3平方米
辦公室 - 3,920.0平方米

地下低層 - 1,121.7平方米
一層 - 7,667.0平方米
二層 - 7,199.8平方米
三層 - 7,684.9平方米
四層 - 7,695.6平方米
五層 - 7,466.4平方米
六層 - 7,443.9平方米
七層 - 2,003.5平方米
八層 - 1,916.5平方米

一層、二層、三層、四層、五層、六層、七層、八層指白馬大廈的二樓、三樓、四樓、五樓、六樓、七樓、八樓及九樓。

- (f) 吾等頗大程度上倚賴有關人士所提供資料：
- 包括租金登記冊、樓面平面圖、物業詳情等物業資料由越秀投資提供；及
 - 中國法律顧問。
- (g) 吾等並無進行詳細的實地量度以核實相關物業的地盤及樓面面積是否正確，但假設交予吾等之文件及正式地盤平面圖所示之地盤及樓面面積乃屬正確。吾等已量度商業群樓樓面及辦公室樓面平面圖上多個單位樣本，以確定此分析乃屬正確。根據吾等對中國類似物業進行評估的經驗，吾等認為所作之假設合理。一切文件及合約僅供參考，而所有尺寸、量度及面積僅為約數，並無進行實地量度。
- (h) 吾等無理由懷疑越秀投資及中國法律顧問向吾等所提供資料之真實性及準確程度。越秀投資已向吾等確定，所提供資料並無遺漏任何重大事實。吾等對越秀投資及中國法律顧問提供之不準確資料及其後因該等數據及資料所得結論概不承擔責任。
- (i) 其他可能發展方案及有關經濟之研究不屬本報告範圍內。

5. 滙率

除另有說明外，本報告內所有貨幣金額均以港元呈列。於估值日，對物業進行估值時所採用之滙率為1港元=人民幣1.043元。估值日至本函件刊發日期內，滙率並無重大變動。

6. 解釋及假設

此估值乃根據以下解釋及假設。

- (a) 吾等曾視察相關物業之外貌及其內部。吾等並無對任何樓宇設施進行測試。然而，可參考獨立之《樓宇狀況調查報告》。
- (b) 根據中國法律意見，吾等假設相關物業並無及已償清任何及所有可能影響其價值（不論是現有或其他情況下之價值）之繁重抵押、留置權及負擔，除非另有說明。吾等概不對法律事宜負上責任，亦不會對業權（假設為良好及具可銷性）提供任何意見。吾等並不知悉任何可能影響相關物業之地役權或通道權，而吾等之估值亦假設上述權利概不存在。
- (c) 吾等假設相關物業在建築、佔用及使用上完全符合及並無違反所有條例，另有說明者除外。就任何本報告所依據之相關物業用途而言，吾等進一步假設已取得任何及全部所需執照、許可證、證書及授權書，另有說明者除外。
- (d) 吾等之估值乃假定業主將相關物業在公開市場出售，並無連同遞延條款合約、售後租回、合營企業、管理協議或任何類似安排等可影響相關物業價值之利益。此外，吾等之估值並無假設任何形式之被強迫出售情況。
- (e) 吾等之估值並無考慮於出售成交時可能導致相關物業之任何抵押、按揭或欠款，或任何開支或稅項。除另有說明外，吾等假定相關物業並無可影響其價值之繁重負擔（包括重大樓宇損毀）、限制及支銷。

吾等在進行評估時假設相關物業於第十年底售出，售價依據第十一年收入預測計算，並按餘下物業租期之最終資本化率資本化。此分析乃假設以現金購買，並無就利息及其他融資成本撥備。

3.3 銷售比較法

此方法乃透過比較鄰近地區之一幢或多幢樓宇中類似權益之近期銷售以估計該等物業之價值。

透過分析符合自願買家與賣家之「公平」交易之銷售，當比較該等銷售與該等物業時，可就面積大小、地點、時間、康樂設施及其他相關因素作出調整。此方法常用於在取得可靠銷售證據時對標準物業進行估值。

4. 業權詳情

4.1 業權調查

吾等獲提供相關物業之業權文件摘錄，然而，吾等並無搜查文件正本，以核實所有權或核實是否存在任何並無出現在交予吾等之副本中之租約修訂。關於福達有限公司、柏達投資有限公司、金峰有限公司及京澳有限公司持有中國相關物業之業權有效性，吾等倚賴中國法律意見。

4.2 中國法律意見

吾等進行估值時，在相關物業業權有效性上依賴中國法律意見。

吾等依據中國法律顧問之意見對相關物業在其現況下進行估值，根據中國法律顧問之意見，該等物業可在市場上自由轉讓、按揭及出租，並已取得全部正式所有權證書及已悉數償還地價。

本報告並未考慮任何有關相關物業之抵押、按揭或欠款。除另有說明外，吾等假設相關物業並無可影響其價值之繁重負擔、限制及支銷。

3.1 收入資本化計算法

收入資本化計算法考慮目前來自現有租約之現時租金及日後潛在復歸收入之市場水平，將全部租出物業之租金淨額資本化，以按公開市場基準估計該等物業之價值。在計算租金淨額時，吾等並無從現時租金淨額(不包括物業管理費)作出扣除。

按此估值方法，租金收入總額分為於目前現有租期內之現時租金收入(年期收入)及餘下土地使用期內之日後潛在復歸租金收入(復歸收入)。年期價值涉及將目前現有租期內之現時租金收入資本化。於租期滿後，復歸價值於剩下土地使用權期內被視作目前市值租金，並按全部租出基準資本化，然後貼現至估值日。

按此方法，吾等已考慮年期回報率及復歸回報率，採用年期回報率將於估值日之目前現時租金收入資本化，而採用復歸回報率來轉換復歸租金收入。

3.2 現金流量貼現分析

根據國際評估準則委員會(第七版)之定義，現金流量貼現分析指就物業日後產生現金流量採用明確假設之金融模型技巧。此分析涉及預測經營物業之一連串定期現金流量，並就該一連串預測現金流量採用適當貼現率，以制定關於該等物業收入現值之指標。在經營房地產物業之情況下，定期現金流量一般指收入總額減空置、經營開支及其他支銷。該一連串定期經營收入淨額，連同預計於預測期終時之終值估計金額，按貼現率貼現至現值，該貼現率乃資本成本或用以轉換日後應付或應收貨幣金額之回報率。

吾等已於十年投資年期每月進行現金流量貼現分析，第十一年之收入淨額於餘下所有權年期按適當回報率資本化。此分析衡量於假設投資年期內之租金及資本增長，讓投資者或業主可對物業可能帶來之長期回報作出評估。此分析通常用於對提供收入之物業進行估值。

吾等在進行計算時並無扣除任何收購成本及出售成本，吾等認為此乃未來買家之考慮因素。

2. 估值基準

市值

吾等已遵照香港測量師學會頒佈之香港測量師學會物業估值準則(二〇〇五年第一版)進行估值。

吾等乃按市值基準進行估值，所謂「市值」，就吾等所下定義而言，擬指「物業於估值當日，一名自願買方與一名自願賣方在經適當市場推銷後的公平交易中進行交易的估計金額，而雙方均在知情及自願的情況下審慎交易」。

吾等依據中國法律顧問廣東正平天成律師事務所提供之意見(「中國法律意見」)對相關物業在其現況下進行估值，依據中國法律意見，該等物業可在市場上自由轉讓、按揭及出租，並已取得全部正式所有權證書及已悉數償還地價。

3. 估值方法

吾等進行估值時，已對相關物業進行估值，而當中之面積乃依據正式業權文件及中國法律意見。在達致吾等對估值之意見時，吾等已考慮現行市場狀況(尤其是關於辦公室、批發及零售物業市場之市況)。吾等亦已研究租約之復歸潛力，例如日後續租金額、租賃周期期限及租期屆滿概況。達致吾等價值意見所採用之主要估值方法乃收入資本化計算法，包括現金流量貼現分析。吾等亦以銷售比較法將該價值與市場上可資比較價值作反覆核實。

收入資本化計算法反映相關物業之特定特質，例如租期屆滿概況、現有租戶公約及現時和復歸租金水平。故此，吾等認為此方法與持作投資之可提供收入物業尤其相關。

現金流量貼現分析反映相關物業之其他物業特定特質，例如租限及租金增長潛力、續租租金、空置率及全部支銷。

就銷售比較法而言，吾等已取得市場上可資比致價值以進行計算，並認為此方法能反映該等物業市值。在對該等物業進行估值時，此方法在例如租期屆滿概況、現有租戶公約質素及空置率等特定因素方面存在局限。按此方法，上述全部因素均須以每平方米單位費用率呈列。

在對相關物業進行估值時，吾等採用收入資本化計算法及現金流量貼現分析計算得出之價值平均數，並採用銷售比較法作核實。

1. 報告摘要

1.1 估值師資格

此估值由霍嘉禮編製，霍嘉禮乃皇家特許測量師學會資深會員、香港測量師學會資深會員，以及根據香港特別行政區（「香港」）之測量師註冊條例（第417章）乃註冊專業測量師。

彼擁有合適資格進行此估值，在此規模及性質物業估值方面擁有逾25年經驗，並在中國物業估值方面擁有逾17年經驗。

彼由李智強及林浩文協助，李智強及林浩文乃皇家特許測量師學會會員、香港測量師學會會員，以及根據測量師註冊條例（第417章）乃註冊專業測量師。

吾等並無擁有可被合理視為能夠影響吾等對該等價值提供公平公正意見之能力或可能與對相關物業進行恰當估值發生衝突之金錢利益。

1.2 資料來源

所有調查均獨立進行，在各方面概無受任何第三方影響。本報告所提供之資料乃從越秀投資有限公司（「越秀投資」）、廣東正平天成律師事務所（「中國法律顧問」）、有關當局、廣州市人民政府及其他公眾消息來源取得。

1.3 指示

吾等接受越秀投資之指示，就越秀投資集團出售相關物業於估值日對相關物業進行估值。

吾等已遵照香港聯合交易所有限公司發布之證券上市規則第5章及應用指引第12條所載規定及香港測量師學會（HKIS）於二〇〇五年一月頒佈之香港測量師學會物業估值準則（二〇〇五年第一版）進行估值。吾等亦已參照國際評估準則委員會於二〇〇五年頒佈之國際評估準則（第七版）。

相關物業檢查於二〇〇五年六月、七月及九月進行，吾等確定吾等已作出有關查詢並取得吾等認為進行估值所需之資料。

本報告乃供下列收件人使用，並為所示用途而編製，概不對任何第三方就本文件全部或任何部分內容負上責任。在未經高力國際物業顧問(香港)有限公司事先書面批准下，本估值報告全部或任何部分或任何有關參考(不論其以任何形式及在任何情況下出現)均不得載入任何其他刊發文件、通函或聲明內，亦不得以任何形式刊發。

吾等謹此確定：

- i) 吾等於相關物業中並無現有或未來權益；
- ii) 吾等為認可執業估值師，並在相同類別物業估值方面擁有所需專業知識及經驗；
- iii) 吾等過往並無對相關物業進行估值；
- iv) 是次估值乃按公平公正之基準進行；及
- v) 按香港測量師學會(「HKIS」)頒佈的香港測量師學會物業估值準則(二〇〇五年第一版)所界定，估值師為獨立估值師。

吾等謹此證明，進行該等估值之估值師為認可執業估值師。

此致

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越秀大廈24樓
越秀投資有限公司
董事會 台照

代表
高力國際物業顧問(香港)有限公司
估值及顧問
地區總監
霍嘉禮
BSc (Hons) FRICS FHKIS RPS (GP) MAE
謹啟

二〇〇五年十一月二十五日

附註：霍嘉禮為特許測量師，在中國物業估值方面擁有17年經驗，在香港及亞太區物業估值方面擁有21年經驗。

以下為獨立物業估值師高力國際物業顧問(香港)有限公司就越秀投資集團於二〇〇五年九月三十日所持若干中國物業權益之估值而編撰之估值報告全文。



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敬啟者：

越秀投資有限公司(下文稱「越秀投資」)及其附屬公司(下文統稱「越秀投資集團」)位於中華人民共和國(「中國」)廣東省廣州市白馬大廈、財富廣場、城建大廈及維多利廣場之物業(「相關物業」)多個單位之估值

茲遵照越秀投資就對越秀投資集團將出售位於中華人民共和國(「中國」)的相關物業進行估值之指示，吾等確認曾進行視察、作出有關查詢，並蒐集吾等認為需要之其他資料，以便向閣下提供相關物業於二〇〇五年九月三十日(「估值日」)之市值之意見。

禹銘函件

推薦建議

經考慮上文所載的主要因素及理由後，吾等認為重組契約的條款及條件、獨立上市及與獨立上市相關的其他事宜對股東屬公平合理，且重組契約、分派、選擇權、獨立上市及與獨立上市相關的其他事宜符合貴公司及股東整體利益。因此，吾等建議股東投票贊成將於股東特別大會上提呈批准分派、選擇權、獨立上市及與獨立上市相關的其他事宜的決議案。然而，倘本函件所討論的條款有任何重大修訂將影響吾等就重組契約的條款及條件、分派、選擇權、獨立上市及與獨立上市相關的其他事宜向獨立董事委員會及股東提供的意見，則須另行取得股東批准。在該情況下，將向股東發出補充通函。

此致

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越秀投資有限公司
獨立董事委員會及列位股東 台照

代表董事會
禹銘投資管理有限公司
董事
李華倫
謹啟

二〇〇五年十一月二十五日

(ii) 最低最終代價(即初步代價加調整)與可比較公司的市賬率相比可予接受，並較越秀投資集團現時的市賬率有溢價；及

(iii) 於獨立上市後每股有形資產淨值將會因出售所獲收益而有所增加；

吾等認為獨立上市的好處超出對越秀投資集團應佔越秀房地產投資信託基金權益由100%攤薄至約40%的影響，而基於上述(i)、(ii)及(iii)項因素，股東應接受有關攤薄。此外，從股東的角度分析，倘股東選擇接納基金單位而不行使選擇權，分派將減低獨立上市的攤薄影響。然而，務請股東留意於超額配售權獲行使或於獨立上市後透過越秀投資集團所持越秀房地產投資信託基金的權益可能進一步攤薄至約30%。由於大部分集資額超過100,000,000港元的首次公開發售均有與超額配售權相似的調整機制，吾等認為全球發售的超額配售權乃市場的慣常做法。上述做法可於全球發售反應熱烈時滿足基金單位的未滿足需求。因此，授出超額配售權可予接受，且符合股東及貴公司整體利益。

6. 全球發售的條件

謹請閣下參閱本通函所載董事會函件內「獨立上市」一節第八段「條件」。越秀房地產投資信託基金將於向聯交所正式申請根據重組契約將發行及全球發售將發行的基金單位上市及買賣。除獨立上市須獲股東在股東特別大會上批准外，全球發售及獨立上市亦須待(其中包括)批准、上市委員會授出上市批准、包銷商根據越秀房地產投資信託基金、貴公司及包銷商就全球發售訂立的包銷協議須履行的責任成為無條件以及包銷協議未被終止等條件達成後方可作實。因此，倘上述及其他相關條件未能達成或獲豁免，則獨立上市未必進行。股東於買賣股份時務請審慎行事，亦建議股東細閱貴公司就獨立上市最新發展的公司公佈。因此，無法保證建議分拆上市及建議中的全球發售將會進行。

禹銘函件

務請合資格股東注意，根據分派應獲基金單位既定配額的買賣單位未必為每手2,000個基金單位的倍數，而零碎單位或會按低於現行市價買賣。基金單位配額不得轉讓，而未繳配額不得在聯交所買賣。根據分派發行的任何基金單位視為繳足，且在各方面與當時其他已發行基金單位享有同等權利。貴公司將委任滙豐證券(亞洲)有限公司處理因分派產生的零碎基金單位。根據預期時間表，為確定股東根據分派應獲基金單位配額，貴公司將於二〇〇五年十二月九日暫停辦理過戶登記手續，過戶登記手續將於二〇〇五年十二月十二日重新開放。上述期間不會辦理任何股份過戶登記。為符合分派資格，所有過戶表格必須不遲於二〇〇五年十二月八日下午四時正交回過戶登記處。然而，倘押後進行獨立上市，其後董事會可能另訂日期暫停辦理貴公司過戶登記手續以確定應得分派配額，亦會於稍後再行公佈以知會股東及其他投資者。

由於分派符合應用指引第15項的既定配額規定，合資格可選擇基金單位或透過行使選擇權換取現金付款，故吾等認為分派及授出選擇權就股東而言公平合理。

(ii) 越秀房地產投資信託基金權益的攤薄

根據現時預計的全球發售架構，全球發售對股東應佔越秀房地產投資信託基金權益的潛在攤薄影響載述下表：

	越秀投資集團應佔 越秀房地產 投資信託基金權益 (百分比)
全球發售前	100
緊隨全球發售後 (並未計及因行使超額配售權而須發行的基金單位)	40

按上表所示，越秀房地產投資信託基金將不再為附屬公司，並成為越秀投資集團的聯營公司，而越秀投資集團於獨立上市後不再持有越秀房地產投資信託基金大部分股權。經考慮：

(i) 「1.獨立上市的背景及理由」及「4.獨立上市對越秀投資集團的影響」所述因素；

整體而言，經考慮上述定量因素，吾等認為獨立上市將為越秀投資集團帶來有利的財務影響，因此吾等認為獨立上市公平合理，符合股東及貴公司整體利益。

5. 獨立上市對股東的影響

(i) 分派及選擇權

根據上市規則應用指引第15項，股東必須獲得既定配額，以實物分派方式取得越秀房地產投資信託基金現有基金單位，或取得越秀房地產投資信託基金現有或新基金單位的任何發售優先申請權。董事會於二〇〇五年十一月二十三日宣佈進行有條件分派，向於記錄日期名列越秀投資股東名冊的股東，以分派一筆由董事釐定的金額的特別股息，即本公司儲備進賬額的一部分，而該進賬額相當於將佔全球發售約2.5% (假設超額配售權獲全數行使) 至2.9% (假設超額配售權未獲行使) 及基金單位在聯交所上市當時越秀房地產投資信託基金的已發行基金單位總數約1.7%的有關數目的基金單位的價值。董事建議以實物分派向合資格股東分派基金單位，按於記錄日期的營業時間結束時，合資格股東每持有400股股份，均按比例獲派發一個基金單位。零碎配額將由 貴公司保留，於基金單位在聯交所開始可買賣時在市場出售，而有關所得款項淨額則由 貴公司保留，利益歸 貴公司所有。

為了讓各合資格股東可選擇是否保留根據分派所獲的基金單位，越秀投資建議給予各合資格股東選擇權。選擇權一經行使，合資格股東將獲現金付款而非根據分派應得的基金單位配額。

對於不獲轉讓分派任何基金單位的不合資格海外股東 (如有)，有關股東原應獲基金單位配額，將由聯席全球協調人根據國際發售提呈銷售。經扣除相關稅項、印花稅、證監會交易徵費、聯交所交易費及投資者賠償徵費 (如有) 後，按有關不合資格海外股東根據分派原應獲分派配額的基金單位數目，乘以發售價減上述所有開支的銷售有關基金單位所得款項淨額，將用作應付向不合資格股東支付的現金付款。

分派須待達成董事會函件內「獨立上市」一節第八段「條件」所載建議中的獨立上市的條款後方可作實。

(ii) 對盈利的影響

於獨立上市後，越秀投資將獨立上市所得款項淨額用作償還銀行貸款，預期可減低越秀投資集團的利息支出。此外，越秀投資集團於獨立上市後除獲租賃代理費用外，將就所持越秀房地產投資信託基金的權益獲取股息分派及管理人的管理費收入。董事向吾等表示，管理人會由二〇〇六年至二〇〇八年各財政年度，向基金單位持有人分派相等於越秀房地產投資信託基金可分派收入總額100%的款項，而其後相等於可分派收入總額最少90%，作為股息。然而，越秀投資集團將放棄來自物業的租金收入。物業截至二〇〇三年及二〇〇四年十二月三十一日止兩個財政年度及截至二〇〇五年六月三十日止半年期的未經審核除稅前溢利分別約為344,000,000港元、133,000,000港元及663,000,000港元⁶。

基於上文所述，且計及越秀投資集團於建議中的全球發售後的有形資產淨值狀況有所改善，總括而言，吾等認為上文所述貴公司股東應佔溢利可能減少的預測可予接受。

(iii) 對資產負債水平的影響

於動用建議的獨立上市全部所得款項淨額作償還銀行貸款及因出售物業獲得收益而令資產淨值增加後，越秀投資集團於二〇〇五年六月三十日的資產負債水平（按與越秀投資二〇〇四年年報一致的方式計算，即銀行借貸（不包括銀行透支）除以資產淨值（經扣除少數股東權益後）及銀行借貸）將由建議的獨立上市前約41%有所減少。吾等認為，低資產負債比率及低利息支出均對貴公司及股東有利及符合其整體利益。

(iv) 對越秀投資集團營運資金的影響

於獨立上市後，越秀投資集團的營運資金因低利息支出而有所改善。此外，經考慮越秀房地產投資信託基金向越秀投資集團提供的股息收入及越秀房地產投資信託基金日後向越秀投資集團支付的管理費，吾等認為越秀投資集團的流動資產將有所改善。流動負債方面，越秀投資集團將與越秀房地產投資信託基金獨立經營，並無提供交叉公司擔保及公司之間的融資。因此，吾等認為越秀投資集團的營運資金將於獨立上市後有所改善。

⁶ 截至二〇〇三年及二〇〇四年十二月三十一日止兩個年度及截至二〇〇五年六月三十日止六個月的除稅前溢利包括投資物業的公平值收益分別約為246,000,000港元、5,000,000港元及594,000,000港元。

吾等相信上表徹底涵蓋受限於上述附註所載規定而於香港上市而從事中國投資或發展業務的公司。平均而言，在聯交所上市而從事中國物業投資或發展業務的公司按約72%折讓至約279%溢價的市賬率買賣，平均約為溢價29%。作出極端例子調整後，上述可比較公司的平均市賬率溢價約為17%⁴，較物業最高價格估值比率折讓約10%為優勝。可是，於最後實際可行日期，越秀投資集團按市賬率約32%的折讓價買賣。

經考慮上文，越秀投資集團將物業轉讓予Holdco所定的最低價格估值比率，吾等認為公平合理，符合股東及貴公司整體利益。然而，倘全球發售的最終條款導致獨立上市將籌集的所得現金淨額下降至低於2,400,000,000港元⁵（假設超額配售權未獲行使），則於本通函所述的獨立上市的分析及影響將不再適用其後可能再須就獨立上市取得股東批准。

4. 獨立上市對越秀投資集團的影響

本節中，獨立上市的財務影響基於以下假設作出分析：(i)建議的全球發售已於二〇〇五年六月三十日完成；(ii)獨立上市所得現金淨額將不少於2,400,000,000港元；及(iii)越秀投資集團所持越秀房地產投資信託基金的權益於獨立上市後將由100%減至約40%（假設超額配售權未獲行使）。

(i) 對資產淨值的影響

由於物業於二〇〇五年六月三十日的賬面總值約為3,204,000,000港元（按人民幣1.04元兌1港元之匯率兌換以供參考），而初步代價加調整不少於約3,600,000,000港元，越秀投資集團因出售物業獲得收益，故預期越秀投資集團的未經審核經調整綜合資產淨值（經扣除少數股東權益後）將於獨立上市後將較二〇〇五年六月三十日的7,739,000,000港元有所增加。經參考物業於建議分拆上市前的賬面總值後，上述收益主要來自於二〇〇五年九月三十日的物業重估公平值收益及於獨立上市完成後解除物業的遞延稅項。就此而言，吾等相信股東將受惠於獨立上市後每股資產淨值的增加。

⁴ 極端例子調整導致消除超出上述例子平均市賬率溢價兩個標準偏差的一項數據。

⁵ 獨立上市所得現金淨額約2,400,000,000港元指出售所持越秀房地產投資信託基金60%權益減成本後的所得款項淨額（即初步代價加調整不低於3,600,000,000港元）。

禹 銘 函 件

最後，吾等已考慮在聯交所上市而從事中國物業投資或發展的公司的平均市賬率溢價及折讓，並對22間在聯交所上市從事中國物業投資或發展的公司進行分析，分析結果概述下表：

股份代號	公司	於最後實際可行日期的 市賬率(折讓)/溢價 (百分比)
1125	麗豐控股有限公司	(72)
29	達力集團有限公司	(66)
169	正輝中國集團有限公司	(63)
28	天安中國投資有限公司	(62)
1124	沿海綠色家園有限公司	(55)
63	榮豐國際有限公司	(55)
917	新世界中國地產有限公司	(50)
115	鈞濠集團有限公司	(47)
258	湯臣集團有限公司	(37)
535	星獅地產(中國)有限公司	(29)
588	北京北辰實業股份有限公司	(21)
649	世茂國際控股有限公司	(12)
1109	華潤置地有限公司	5
1207	上海置業有限公司	17
2868	首創置業股份有限公司	55
688	中國海外發展有限公司	83
2337	復地(集團)股份有限公司	104
149	中國高速(集團)有限公司	109
563	中新集團(控股)有限公司	139
754	合生創展集團有限公司	181
766	中盈控股有限公司	233
2777	廣州富力地產股份有限公司	279
	平均	29(未計極端例子調整) /17(已作極端例子調整)
	越秀房地產投資信託基金	最高價格估值比率折讓10%

資料來源：彭博資訊

附註：上述例子摘錄自彭博資訊對在聯交所上市公司「房地產營運/發展」的搜尋類別。僅以最近財務報表中超逾50%營業額來自中國物業相關業務及超逾50%資產總值為中國物業相關業務的公司為例子，以確保例子可與越秀房地產投資信託基金業務比較。

禹銘函件

由於在最後實際可行日期並無房地產投資信託基金在聯交所上市，故吾等已參考吾等認為可與越秀房地產投資信託基金作比較的七項在新加坡交易所上市的房地產投資信託基金，並審閱市賬率以評定物業的建議中的代價是否公平合理。

下表為吾等的調查概要：

房地產投資信託基金	房地產投資信託基金類別	市賬率 (倍)*
Mapletree Logistics Trust	綜合	1.58
Ascendas Real Estate Investment Trust	綜合	1.40
CapitaMall Trust	購物中心	1.36
Macquarie MEAG Prime REIT	購物中心	0.99
CapitaCommercial Trust	綜合	0.97
Suntec Real Estate Investment Trust	綜合	0.85
Fortune Real Estate Investment Trust	購物中心	0.78
	平均	1.13
越秀房地產投資信託基金	綜合	最低價格估值比率0.90

資料來源：彭博資訊

附註：上述例子摘錄自彭博資訊對在新加坡交易所上市的房地產投資信託基金「房地產投資信託基金－綜合」、「房地產投資信託基金－購物中心」及「房地產投資信託基金－辦公室物業」的搜尋類別。吾等相信上述例子可為越秀房地產投資信託基金提供公平合理的比較，原因是其物業組合僅包括購物中心及辦公室物業。

* 市賬率乃根據最後實際可行日期有關基金單位的收市價及於最近財政期間結束時的每股賬面值計算。

上述可比較公司的市賬率由約0.78倍至1.58倍不等，平均約為1.13倍。物業的最低價格估值比率0.90倍較上述平均數低，但在可比較公司的範圍內。市場普遍認同，首次公開發售股份的牽頭管理人及包銷商議定較市場為低的市賬率（或適用於從事持有投資物業業務的公司的市賬率），以提升對公眾投資者的吸引力。根據吾等的研究，上述新加坡上市的房地產投資信託基金於各自的首次公開發售日期的最高平均市賬率為1.05倍。最後，吾等亦已考慮上述其他房地產投資信託基金的比較，投資者會因所有物業均位於中國而認為此乃新興及高風險市場。因此，吾等認為最低價格估值比率較在第二市場上市的房地產投資信託基金平均者為低可予接受。

禹銘函件

- (v) 任何BVI公司或Holdco因下列事項而可能合理及正當引致的一切行動、索償、損失、賠償、費用(包括一切法律費用)、收費、開支、利息、罰款或其他負債：
- 就任何有關索償進行的調查、評估或抗辯；
 - 清償任何有關索償；
 - 任何BVI公司或Holdco根據或就契約作出索償及任何BVI公司或Holdco將獲判得直的任何法律訴訟；或
 - 執行任何有關清償或判決。

彌償保證契約將不包括有關稅項或負債的任何索償，其中包括已在BVI公司於緊接上市日期前日期的合併管理賬目作出撥備、儲備或備抵者。

上市日期起計滿六年後不得向GCCD BVI或越秀投資提出索償，除非於上市日期起計滿六年內之前獲Holdco書面通知提供有關索償的合理詳情，否則GCCD BVI及越秀投資毋須就索償負責。

由於所履行的彌償保證契約僅關於截至上市日期的事項，故吾等認為GCCD BVI及越秀投資提供彌償保證公平合理，符合股東及貴公司整體利益。

3. BVI公司的代價及獨立上市的最低所得現金淨額

視乎最終發售價，預期獨立上市所得現金淨額將不少於約2,400,000,000港元(假設超額配售權未獲行使)。於二〇〇五年六月三十日物業的賬面總值及於二〇〇五年九月三十日的估值分別約為3,204,000,000港元(按人民幣1.04元兌1港元之匯率兌換以供參考)及4,005,000,000港元。預計最終代價(即初步代價加調整)估計不會低於約3,600,000,000港元，或較物業估值折讓約10%。因此，將按不低於約1.13倍²的市賬率向Holdco轉讓物業。有關代價按物業不低於約0.9倍³的價格估值比率釐定(或會因最終發售價調整)。在吾等的分析中，由於市賬率適宜用於從事持有投資物業業務的公司，故吾等相當依賴市賬率而非其他方法。

² 根據估計最終代價不少於約3,600,000,000港元，除以物業於二〇〇五年六月三十日的賬面總值約3,204,000,000港元(按人民幣1.04元兌1港元之匯率兌換)。

³ 根據估計最終代價不少於約3,600,000,000港元，除以物業於二〇〇五年九月三十日的估值約4,005,000,000港元。

減少獨立上市所得款項金額，或最終令全球發售無法完成。吾等相信執行禁售安排可解決因資訊提供的不平等而引致上述越秀投資集團與越秀房地產投資信託基金的準投資者的矛盾。就此而言，越秀投資集團的禁售安排對股東而言屬公平合理，且符合股東及貴公司整體利益。

d. 彌償保證契約

作為完成重組契約的先決條件，GCCD BVI及越秀投資將向Holdco(本身及代表BVI公司)、管理人及信託人履行彌償保證契約，據此，GCCD BVI及越秀投資將共同及個別向BVI公司、Holdco及信託人承諾就(其中包括)中國或全球其他地區的任何收益、關稅、財政、法定或政府或其他機構提出的任何索償而就彼等各自所持BVI公司或Holdco資產價值的一切損耗或減值、或因負債增加、失去或被扣減任何稅項優惠而向BVI公司及Holdco各自提供彌償保證，包括但不限於：

- (i) 任何BVI公司或Holdco或物業截至該通函日期就所賺取、累積、收取或於上市日期或之前進行的任何收入、溢利、收益、交易、事件、事項或事情而可能須支付的任何或全部稅項，不論有關稅項為單獨出現或連同其他任何情況出現，亦不論該等稅項是否應由任何其他人士、機構或公司承擔或引致，包括BVI公司或Holdco因收取GCCD BVI或越秀投資根據彌償保證契約支付的任何款項所產生的任何或全部稅項；及
- (ii) 任何BVI公司或Holdco因未能就物業於若干指定日期徵收印花稅及／或註冊任何租約而引致中國任何收益、關稅、財政、法定或政府或其他機構施加的任何及所有罰款或懲罰金額或任何BVI公司或Holdco蒙受的任何虧損或損失；
- (iii) 因轉讓物業予任何BVI公司或Holdco或任何於上市日期或之前進行的任何交易所產生的任何及所有稅項的金額；
- (iv) 任何BVI公司或Holdco因物業(或其任何部分)不符合相關樓宇規格而引致中國任何法定或政府或其他機構施加的任何及所有罰款或懲罰金額或任何BVI公司或Holdco蒙受的任何虧損或損失，如有關機構規定須就上述違規事宜進行修正，則包括有關修正費用；及

業交易將依據獨立測量師或其他物業顧問進行的估值，確保該等交易對有關各方均公平合理（有關優先購買權契約的基本營運模式載於董事會函件的「獨立上市相關文件」一節）。此外，授出優先購買權予擬上市之房地產投資信託基金為市場慣常做法（上文分節(a)所述八個房地產投資信託基金中有四個均有上述規定），由於可提升全球發售的吸引力，故亦視為房地產投資信託基金的主要特色之一，從而提高獲得最高所得款項淨額的可能性。此外，對於越秀房地產投資信託基金的準基金單位持有人，優先購買權可能為越秀房地產投資信託基金帶來發展商機。就此而言，授出優先購股權符合股東、貴公司及越秀房地產投資信託基金利益。最後，由於越秀投資集團及越秀房地產投資信託基金均從事房地產行業的業務，授出優先購買權有助減輕越秀房地產投資信託基金準投資者對越秀投資集團日後可能與越秀房地產投資信託基金有競爭的疑慮。上述疑慮可削弱投資者對全球發售的信心，並減少獨立上市所得款項金額，或最終令全球發售無法完成。

已於二〇〇五年十一月十四日就其基金單位在聯交所首次發售及上市刊發發售通函的領匯房地產投資信託基金（「領匯」）亦有類似安排。香港房屋委員會、領匯的信託人及管理人經已協定，倘香港房屋委員會計劃出售若干物業，則領匯將獲授優先購買權，可按兩個獨立估值的較高價格購買有關物業，以保證於十年內物業價格合理。同理，計劃出售的物業須由特許測量師或其他物業顧問進行獨立估值，以證明越秀投資集團在上述若干情況下向越秀房地產投資信託基金提供的價格合理。經考慮上述因素，吾等認為越秀投資集團向越秀房地產投資信託基金授出的優先購買權公平合理，符合股東及貴公司整體利益。

c. 禁售安排

建議越秀投資於上市日期起計六個月內訂立禁售安排。禁售安排詳情將載於發售通函。

在分析禁售安排的影響時，吾等已考慮所述禁售期只是其他在聯交所上市的新申請人的控股股東所必須遵守者。因此，該安排並非不利於越秀投資集團。此外，倘無禁售安排，吾等憂慮越秀房地產投資信託基金的準投資者可能因緊隨完成全球發售後越秀投資集團可進一步出售股權而質疑越秀投資集團對越秀房地產投資信託基金的業務基礎缺乏信心。上述疑慮可削弱投資者對全球發售的信心及

根據上表，租賃代理的酬金包括提供物業管理服務、租賃管理服務、市場推廣及市場推廣協調服務的酬金，而上述大部分在新加坡上市的房地產投資信託基金按佣金制個別收取市場推廣服務費。根據吾等對新加坡上市的房地產投資信託基金的研究，包括一切的(固定加浮動部分)物業管理人費介乎彼等各自最近兩個財政期間租金收入的2.52%至5.39%¹，(Mapletree Logistics Trust並無在年報中披露其實際物業管理人費用及Fortune REIT在計算物業管理人費用時並無披露其收益總額細明表則除外)。因此，付予租賃代理的酬金屬於付予新加坡上市的房地產投資信託基金物業管理人的範圍內，因此，吾等認為租賃代理的酬金並非低於市場水平。此外，憑藉怡城及白馬物業管理公司分別自一九九七年十二月及一九九八年十一月以來所累積管理物業的經驗，租賃代理具備優勢處理有關物業的一切事宜。就此而言，越秀房地產投資信託基金付予租賃代理的建議中的管理費公平合理，符合股東及貴公司整體利益。

b. 優先購買權

待建議分析上市獲達成後，越秀投資集團建議根據優先購買權契約，向越秀房地產投資信託基金授出優先購買權，使其可從越秀投資集團購買若干物業，惟基金單位須持續在聯交所上市或越秀房地產投資信託基金的管理人公司仍為越秀投資集團、越秀及其附屬公司的附屬公司，由上市日期起計為期五年。根據此項安排，越秀房地產投資信託基金將獲授優先購買權，每當越秀投資集團建議向第三方出售任何位於中國廣州的甲級辦公室或商業大廈，可向越秀投資集團購買若干物業，惟該物業須(i)符合(或將被合理地視為符合)投資條件及物業特色，並與管理人對越秀房地產投資信託基金的物業投資方面的投資目標及政策一致或合理地視為一致；(ii)由越秀投資集團擁有或發展的物業及其擁有95%權益或以上的該項物業；及(iii)由獨立估值師或其他物業顧問評估為價值20,000,000美元(或約156,000,000港元)或以上。(詳情請參閱董事會函件內「優先購買權契約」分節的第一段)。

倘越秀投資與管理人就越秀投資建議向第三方出售相關物業的條款是否優越於給予越秀房地產投資信託基金者(從越秀房地產投資信託基金的角度分析)而出現任何糾紛，則於獨立上市後越秀投資集團與越秀房地產投資信託基金之間的物

¹ 根據彼等各自的年報所披露實際物業管理費與有關財政期間的相關租金收入計算。

禹銘函件

房地產投資信託

基金名稱	物業管理費／租賃服務費
CapitaCommercial Trust	(i) 每年未計物業管理人的物業管理費的物業收入淨額的3% (ii) 浮動租賃佣金(視乎有關租約年期及性質，由四分之一個月至一個月租金總額不等)
CapitaMall Trust	(i) 每年收益總額的2% (ii) 每年物業收入淨額的2% (iii) 每年物業收入淨額(以代替租賃佣金)的0.5%
Fortune REIT	(i) 每年物業收益總額的3% (ii) 浮動市場推廣服務費(視乎有關租約年期及性質，由半個月至一個月基本租金不等)
Mapletree Logistics Trust	(i) 每年收益總額的3% (ii) 浮動市場推廣服務費(視乎有關租約年期及性質，由半個月至兩個月租金總額不等)及項目管理費(視乎有關項目的規模而定)
Macquarie MEAG Prime REIT	(i) 每年收益總額的3% (ii) 浮動租賃佣金(視乎有關租約年期及性質，由十二分之一個月至一個月基本租金不等)
Suntec REIT	(i) 每年收益總額的2.5% (ii) 每年100,000,000新加坡元以上至130,000,000新加坡元的部分收益總額的3% (iii) 每年130,000,000新加坡元以上的部分收益總額的3.5%
越秀房地產投資 信託基金	(i) 每年給予怡城財富廣場單位、城建大廈單位及維多利廣場單位租金收入的4% (ii) 每年給予白馬物業管理公司白馬單位租金收入的3%

資料來源：相關招股書

禹 銘 函 件

房地產投資

信託基金	基本費用	表現／服務費	收購資產費用	出售資產費用
越秀房地產投資信託基金	每年存置資產價值的 0.3%	每年物業收入淨額的 3.0%	準資產總購買價的 1%，毋須就收購物業 及日後根據優先購買 權而收購的物業支付 任何費用；倘有關賣 方為管理人的關連人 士，亦毋須支付任何 費用。	已出售資產總售價的 0.5%。倘買方為管理人 的關連人士，則毋須支 付費用。

資料來源：一家跨國證券行於二〇〇五年六月的投資研究報告及相關招股書

附註：存置資產界定為有關房地產投資信託基金的資產總值。

根據上表，管理人的酬金(即基金費用、表現費用、收購資產費用及出售資產費用)均在新加坡上市的房地產投資信託基金的收費範圍內，因此吾等相信管理人的酬金並非低於市場水平。就此而言，越秀房地產投資信託基金向管理人支付建議中的收費公平合理，符合股東及 貴公司整體利益。

此外，吾等亦已評估越秀房地產投資信託基金須向租賃代理支付的租賃代理費用的合理程度。越秀投資建議管理人委任怡城就城建大廈單位、維多利廣場單位及財富廣場單位提供若干租約管理、租賃管理、市場推廣及市場推廣協調服務。越秀投資亦建議管理人委任白馬物業管理公司就白馬單位提供類似服務。下表顯示在新加坡交易所上市的所有房地產投資信託基金所收取的物業管理／租賃服務費：

房地產投資信託

基金名稱	物業管理費／租賃服務費
Ascendas REIT	(i) 每年收益總額的3% (ii) 浮動市場推廣服務費(視乎有關租約年期及性質，由半個月至兩個月租金總額不等)及項目物業服務費(視乎有關項目的規模而定)

禹 銘 函 件

房地產投資

信託基金	基本費用	表現／服務費	收購資產費用	出售資產費用
Macquarie MEAG Prime REIT	每年信託資產價值的 0.5%	<p>第一層：信託基金指標 累計回報超逾標準指標 的金額，乘以 Prime Real Estate Investment Trust 市值之 5%</p> <p>第二層：僅當信託基金 指標的累計回報超出標 準指標的累計回報每年 2% (每半年 1%) 以上。 此層按信託基金指標的 累計回報超出標準指標 的累計回報 2% 以上的金 額，乘以 Prime Real Estate Investment Trust 市值之 15%</p>	準資產購買價的 1%， 毋須就收購初步物業組 合支付任何費用	已出售資產售價的 0.5%
Suntec REIT	每年存置資產價值的 0.3%	每年物業收入淨額的 4.5%	準資產購買價的 1%， 毋須就收購初步物業組 合支付任何費用	已出售資產售價的 0.5%

禹銘函件

為評定越秀房地產投資信託基金向貴公司的全資附屬公司管理人所付的管理費是否合理，吾等參考下表所示所有在新加坡交易所上市的房地產信託基金所收取的管理費。吾等選擇新加坡交易所是因為新加坡交易所是與香港相近，均位於亞太區及均為以英語為基礎的新興市場。

房地產投資 信託基金	基本費用	表現／服務費	收購資產費用	出售資產費用
Ascendas REIT	每年存置資產價值的 0.5%	每年存置資產的0.1%， 惟每個基金單位的分派 年度增長必須超過 2.5%，倘每個基金單位 的分派增長超過5%，則 另加每年0.1%	準資產購買價的1%， 毋須就收購初步物業 組合支付任何費用	已出售資產售價的0.5%
CapitaCommercial Trust	每年存置資產價值的 0.1%	每年未計管理費及非經 營收入(例如：物業重 估)的投資收入淨額的 5.25%	準資產購買價的1%， 毋須就收購初步物業 組合支付任何費用	已出售資產售價的0.5%
CapitaMall Trust	不超過每年資產價值的 0.25%	不超過每年收益總額的 2.85%	不超過準資產購買價 的1%	已出售資產售價的0.5%
Fortune REIT	每年資產價值的0.3%	每年資產收入淨額的 3%	準資產購買價的1%， 毋須就收購初步物業 組合支付任何費用	已出售資產售價的0.5%
Mapletree Logistics Trust	每年存置資產價值的 0.5%	每年未計及表現費會計 處理的物業收入淨額的 3.6%	準資產購買價的1%， 毋須就收購初步物業 組合支付任何費用	已出售資產售價的0.5%

a. 管理人及租賃代理

於獨立上市後，越秀房地產投資信託基金的相關資產將由信託人擁有及管理，而管理人則負責為單位持有人之利益管理資產。管理人將制定越秀房地產投資信託基金之策略方針及風險管理政策，並根據越秀房地產投資信託基金的既定投資策略管理有關資產。同時，管理人將委任租賃代理提供若干租約管理、租賃管理、市場推廣及市場推廣協調服務。

按董事表示，管理人的董事會將由六名董事組成，包括兩名執行董事、一名非執行董事及三名獨立非執行董事。兩名執行董事當中，只有一名（即梁凝光先生）因現時擔任執行董事及副總經理的職務而直接擔任越秀投資集團的職務，就管理及租賃事宜構成越秀投資集團與越秀房地產投資信託基金之間的潛在利益衝突。為減輕上述利益衝突，越秀投資建議梁凝光先生於基金單位上市前將辭任董事會，但維持出任越秀及越秀交通有限公司原有職務。除梁凝光先生外，管理人的其他執行董事不會從事越秀投資集團旗下的物業部。就此而言，董事會及管理人的董事會將無共同執行董事，將管理人的董事會組成導致越秀投資集團與越秀房地產投資信託基金的利益衝突減至最低，因此上述安排公平合理，符合股東及貴公司整體利益。

就越秀投資集團與越秀房地產投資信託基金在營運層面的潛在利益衝突而言，董事會函件內「與越秀投資集團的關係」一節第3段已詳述一連串安排加以解決，當中說明內部重組將導致租賃代理與越秀投資物業管理人的若干營運職能獨立分開以及租賃代理與越秀投資物業管理人實施的資訊分隔措施等事項。亦將實行其他合約措施，包括租賃代理致力透過以下方法避免越秀投資集團與越秀房地產投資信託基金發生競爭：(i)於有關租賃代理進行下述計劃或商機前向管理人屬下租賃部呈交在租賃代理合理秉誠行事下認為會與越秀投資集團任何成員公司競爭或可能競爭的所有業務計劃以待審批及確認；或(ii)向獨立於越秀投資集團的第三方租賃代理外判以執行有關業務計劃。就此而言，管理人及租賃代理採納的合規措施符合證監會所頒佈的指引所訂明的準則（見《用於證券及期貨事務監察委員會的註冊人或持牌人的管理、監督及內部監控指引》的規定），當中訂明重要職責及職能應獨立分開，以免濫用職權或疏忽錯誤。因此，吾等認為將有充足的措施實行以減輕越秀投資集團與越秀房地產投資信託基金在營運層面的任何潛在利益衝突，而上述措施公平合理，符合股東及貴公司整體利益。有關措施將於上市日期起計六個月內實行。

約30% (假設超額配售權獲全數行使) 至約40% (假設超額配售權未獲行使) 股權，越秀投資集團將繼續受惠於越秀房地產投資信託基金分拆上市後的業務發展。就此而言，吾等認為獨立上市對越秀投資集團及越秀房地產投資信託基金均有顯著商業利益。

同時，管理人建議就管理越秀房地產投資信託基金收費，估計每年約22,000,000港元。此外，租賃代理建議就物業若干租約管理、租賃管理、市場推廣及市場推廣協調服務收費。估計租賃代理每年收費約12,000,000港元。管理人及租賃代理的收費收入將於越秀投資集團損益賬內綜合確認。

基於上文所述，吾等相信獨立上市將有助推動越秀投資集團及越秀房地產投資信託基金發展，且符合股東及貴公司整體利益。

2. 於獨立上市後越秀投資集團與越秀房地產投資信託基金的關係

(i) 越秀投資集團所保留業務與越秀房地產投資信託基金業務區分

雖然越秀投資集團及越秀房地產投資信託基金將於獨立上市後繼續從事物業相關業務，但兩間公司的投資目標從根本上不同。越秀投資集團的投資組合將包括住宅物業、購物商場、辦公室、停車場、其他商用物業及多間店舖。此外，越秀投資集團將針對發展及重建住宅物業，而非長遠投資黃金地段辦公室及商用物業。相反，越秀房地產投資信託基金僅會收購可持續提供收入的物業（一般為辦公室、零售及其他商業大廈）作長期投資。吾等認為越秀投資集團所保留的業務與越秀房地產投資信託基金者不同，可減輕越秀投資集團與越秀房地產投資信託基金之潛在競爭。從策略角度分析，越秀投資集團與越秀房地產投資信託基金業務不同，這符合股東及貴公司整體利益。

(ii) 越秀房地產投資信託基金獨立於越秀投資集團運作

越秀投資集團與越秀房地產投資信託基金於獨立上市後的關係將涵蓋四大範疇。第一，越秀房地產投資信託基金將由管理人管理，而物業若干租約、租賃及市場推廣方面將由越秀投資集團的租賃代理負責。第二，貴公司已就越秀投資集團所持符合若干規定的物業向越秀房地產投資信託基金授出優先購買權。第三，越秀投資已向越秀房地產投資信託基金履行彌償保證契約。最後，越秀投資集團計劃持有越秀房地產投資信託基金約30% (假設超額配售股獲全數行使) 至約40% (假設超額配售股未獲行使) 的權益，惟須受禁售安排所規限。

建議中向Holdco轉讓的物業資料如下：

- (i) 城建大廈單位，位於中國廣州天河區體育西路185、187及189號的28層高甲級商業大廈城建大廈內；
- (ii) 財富廣場單位，位於中國廣州天河區體育東路114、116及118號的甲級商業綜合大廈財富廣場內；
- (iii) 維多利廣場單位，位於中國廣州天河區體育西路101號的黃金地段購物商場維多利廣場內；及
- (iv) 白馬單位，位於中國廣州越秀區站南路14、16及18號的10層高商業成衣批發中心白馬大廈內。

物業合計的總建築面積約為160,651平方米，作零售、辦公室、購物及批發用途。於最後實際可行日期，物業為越秀投資集團所持的全部投資物業，屬於甲級辦公室及黃金地段商用物業，符合越秀房地產投資信託基金所述投資目標。

獨立上市後，越秀房地產投資信託基金的主要目標為持有及投資可持續提供收入的零售物業、辦公樓及商業大廈的綜合物業組合作長期投資。除非基金單位持有人在管理人召開的大會上以特別決議案另行批准，否則投資初步為位於廣東省的物業。根據房地產投資信託基金守則，越秀房地產投資信託基金不得投資空置地皮或從事物業發展業務。相比之下，越秀投資集團將主力從事住宅及商業物業發展，業務主要位於廣州，亦向越秀投資集團發展的物業或其擁有權益的物業提供物業管理、租賃管理及市場推廣服務。此外，越秀投資集團將繼續從事收費公路及橋樑業務及新聞紙製造業務。獨立上市令越秀投資集團可就其核心業務重新分配人力及財務資源、透過減低債項以提高財政靈活性同時將持有越秀房地產投資信託基金重大權益。越秀投資集團將仍擁有不符合越秀房地產投資信託基金所述投資目標的住宅物業、購物商場、辦公室、停車場、其他商用物業及多間商舖等若干物業的權益。

越秀投資集團在財政上將受惠於獨立上市，包括但不限於增加資產淨值、減低資產負債水平、利息支出及改善營運資金，此等影響將詳載下文。長遠而言，上述財務靈活性可讓越秀投資集團於新投資機會出現時及時靈活應變。

另外，越秀房地產投資信託基金可於獨立上市後直接利用資本市場集資，這對日後收購物業籌措資金尤其重要。此外，營運及財務透明度提高後，越秀投資集團更為清晰的架構可讓其市值更接近內在價值。由於越秀投資集團計劃保留持有越秀房地產投資信託基金

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吾等的職權範圍亦不包括就合資格股東應否申請全球發售的基金單位向彼等提供意見，且不包括就全球發售基金單位的定價及按現行市況或任何市況作出全球發售的時間作出考慮或提供意見。就此而言，吾等建議合資格股東諮詢彼等的專業顧問，並參閱本通函及發售通函所載資料。

吾等在達致意見時，乃依賴該通函所載的陳述、資料、意見及聲明及董事向吾等提供的資料、意見及聲明。吾等假設該通函所載或引述的所有陳述、資料、意見及聲明，以及董事所提供的一切資料、意見及聲明(董事須就此承擔全部責任)就董事所知在作出時至本函件日期一直真確無訛。

吾等認為已獲充份資料，作為吾等意見的合理根據。吾等並無任何理由懷疑有關資料被隱瞞，亦不知悉有任何事實或情況會導致吾等所獲資料、聲明及意見失實、不確或有所誤導。董事在作出一切合理查詢後進一步確認，就彼等所知，彼等相信並無遺漏任何其他事實或聲明，致使該通函(包括本函件)的任何陳述有所誤導。然而，吾等並無就董事所提供的資料進行任何獨立查證，亦無就越秀投資集團及越秀房地產投資信託基金的業務及財政狀況進行獨立調查。

主要考慮因素及理由

1. 獨立上市的背景及理由

自一九九二年十二月在主板上市以來，越秀投資集團一直積極從事商業、住宅物業發展，業務主要位於廣州，亦向越秀投資集團發展的物業或其擁有權益的物業提供物業管理、租賃管理及市場推廣服務。另外，越秀投資集團亦從事新聞紙製造及收費公路及橋樑業務，業務主要位於中國。

越秀房地產投資信託基金的獨立上市是越秀投資集團嶄新的集資方法。獨立上市將為越秀投資集團現時所持甲級辦公室及優質商用投資物業制訂清晰的業務策略。越秀房地產投資信託基金的基本營運模式載於董事會函件內「房地產投資信託基金概述」分節。

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構及其他投資者進行國際配售。就上市規則而言，發行有關新基金單位將導致 貴公司根據上市規則第14.29條視為進行出售。因此，獨立上市須待股東批准方可作實。

越秀投資集團將於獨立上市前進行重組，(其中包括)將BVI公司全部權益轉讓予Holdco (此公司於註冊成立後將成為越秀房地產投資信託基金的全資附屬公司)換取初步代價，詳情載於董事會函件內「重組」一節。

貴公司計劃將獨立上市絕大部分所得現金淨額(預計不少於約2,400,000,000港元)(假設超額配售權未獲行使)，用作償還越秀投資集團銀行貸款，以改善資本架構及減低利息支出。

就獨立上市建議而言，因香港上市公司須向股東提供既定配額以符合上市規則，待越秀房地產投資信託基金(其中包括)取得上市批准，越秀投資建議透過分派按比例向合資格股東分派基金單位(相當於全球發售可供認購的基金單位約2.5%(假設超額配售權獲全數行使)至2.9%(假設超額配售權未獲行使)及緊隨越秀房地產投資信託基金上市後已發行基金單位總數約1.7%)。合資格股東於記錄日期營業時間結束時所持每400股現有股份將獲發一個基金單位。合資格股東亦將獲授選擇權，於行使時可收取現金付款代替基金單位。不合資格海外股東僅享有現金付款而非選擇權的權益。

吾等已獲委任為獨立財務顧問，就重組契約的條款及條件、分派、選擇權、獨立上市及與獨立上市相關的其他事宜是否公平合理及重組契約、分派、選擇權、獨立上市及與獨立上市相關的其他事宜是否符合貴公司及股東整體利益向獨立董事委員會及股東提供建議，亦會就如何在股東特別大會上投票批准分派、選擇權、獨立上市及與獨立上市相關的事宜的決議案提供意見。

吾等並無考慮獨立上市對股東在稅務方面的影響，稅務影響因個別股東各自情況而互異。須就買賣證券繳交海外稅項的股東務請特別考慮本身就分派基金單位的稅務狀況，如有疑問，應諮詢彼等的專業顧問。

吾等的職權範圍並不包括向合資格股東就應否保留從分派獲發的基金單位或應否行使選擇權換取現金付款提供意見。就此而言，吾等建議合資格股東諮詢彼等的專業顧問，並參閱本通函及發售通函所載資料。

以下為禹銘就重組契約、分派、選擇權、獨立上市及與獨立上市相關的其他事宜致獨立董事委員會及股東的意見函件全文，以供載入本通函。



禹銘投資管理有限公司

香港皇后大道中29號怡安華人行10樓1001室

敬啟者：

有關越秀房地產投資信託基金 在香港聯合交易所有限公司主板 獨立上市的重大交易

緒言

董事會於二〇〇五年十一月二十四日公佈，現正考慮越秀房地產投資信託基金的建議分拆上市及獨立上市。越秀投資（「越秀投資」或「貴公司」）將向證監會申請批准，而越秀房地產投資信託基金將向聯交所正式申請基金單位建議在主板上市。建議中的全球發售基金單位包括在香港以公開發售形式提呈以供認購及向專業、機構及其他投資者進行國際配售，建議亦包括分派及授予合資格股東選擇權。

吾等已獲委任就越秀房地產投資信託基金的獨立上市向閣下提供意見，獨立上市的詳情載於二〇〇五年十一月二十五日致股東的通函（「該通函」，本函件為其中部分）。除非文義另有所指，該通函已界定詞語在本通函中具相同涵義。

全球發售後，獨立上市將令基金單位在主板獨立上市，緊隨分派及完成全球發售後越秀投資集團所持越秀房地產投資信託基金權益將由100%減至約40%（假設超額配售權未獲行使），或減至約30%（假設超額配售權獲全數行使）。因此，預計越秀房地產投資信託基金經全球發售擴大後約60%的基金單位初步可在香港以公開發售形式提呈以供認購及向專業、機



越秀投資有限公司
GUANGZHOU INVESTMENT COMPANY LIMITED

(在香港註冊成立的有限公司)

(股份代號：123)

敬啟者：

有關越秀房地產投資信託基金
在香港聯合交易所有限公司主板
獨立上市的重大交易

吾等謹此提述於二〇〇五年十一月二十五日致股東的通函(「該通函」，本函件為其中部分)。除非文義另有所指，該通函已界定詞語在本函件中具相同涵義。

為遵守上市規則，吾等已獲董事會委任，就根據上市規則屬於本公司重大交易的獨立上市向股東提供意見。就此而言，禹銘已獲委任為獨立財務顧問，就(其中包括)重組契約的條款、分派、選擇權、獨立上市及與獨立上市相關的其他事宜對本公司及股東是否公平合理，且重組契約、分派、選擇權、獨立上市及與獨立上市相關的其他事宜是否符合本公司及股東整體利益提供意見。有關重組、分派、選擇權、獨立上市及與獨立上市相關的其他事宜的詳情及理由，連同股東將採取的行動載於該通函第11頁至第48頁所載董事會函件內。

身為獨立董事委員會成員，吾等與本公司管理層已討論重組、分派、選擇權、獨立上市及與獨立上市相關的其他事宜的理由。亦請閣下注意該通函第50頁至第71頁所載的禹銘函件。吾等亦與禹銘討論其向吾等提供意見的基礎。吾等亦已閱覽該通函所載函件及意見，並已考慮(其中包括)該函件所載多項因素。吾等認為，重組契約的條款及條件、分派、選擇權、獨立上市及與獨立上市相關的其他事宜對本公司及股東屬公平合理，且重組契約、分派、選擇權、獨立上市及與獨立上市相關的其他事宜符合本公司及股東整體利益。因此，身為獨立董事委員會成員，吾等建議股東投票贊成將於股東特別大會上提呈以投票表決方式批准分派、選擇權、獨立上市及與獨立上市相關的其他事宜的普通決議案。

此致

列位股東 台照

越秀投資有限公司

獨立董事委員會

余立發

李家麟

劉漢銓

謹啟

二〇〇五年十一月二十五日

董事會函件

就全球發售而言，或會根據證券及期貨條例穩定基金單位價格。任何計劃穩定價格及如何受證券及期貨條例所規管的詳情將載於發售通函。

謹請閣下參閱本通函附錄所載的其他資料。

此致

列位股東 - 台照

承董事會命
越秀投資有限公司
董事長
區秉昌

二〇〇五年十一月二十五日

推薦建議

董事(包括獨立非執行董事)認為，重組、分派、選擇權、獨立上市均符合本公司及股東利益，因此建議股東投票贊成將於股東特別大會上提呈批准分派、選擇權、獨立上市及獨立上市相關的其他事宜的普通決議案，股東特別大會通告載於本通函第278頁至第281頁。股東的獨立財務顧問禹銘認為，重組契約、分派、選擇權、獨立上市及與獨立上市相關的其他事宜對本公司及股東屬公平合理，而重組契約的條款及條件、分派、選擇權、獨立上市及與獨立上市相關的其他事宜符合本公司及股東整體利益。因此，禹銘建議股東投票贊成將於股東特別大會上提呈批准分派、選擇權、獨立上市及與獨立上市相關的其他事宜的有關決議案。禹銘函件全文載於本通函第50頁至第71頁，當中載有禹銘有關(其中包括)重組、分派、選擇權、獨立上市及與獨立上市相關的其他事宜的意見及所考慮主要因素及理由。

一般事項

香港上海滙豐銀行有限公司已獲委任為上市代理，連同Citigroup Global Markets Asia Limited及星展銀行有限公司香港分行亦已獲委任為全球發售的聯席全球協調人及聯席賬簿管理人。董事會預期於稍後將向合資格股東寄發發售通函，惟須受有關海外司法權區的有關法例及規例所規限。

倘越秀投資將收取的所得現金淨額由於(其中包括)進行全球發售期間基金單位發售價有變而低於本通函所述金額，或在其他情況下，本公司及其專業顧問認為本通函所述條款會有重大修改，而有關修改會對根據本通函所述條款獲取股東批准的基礎構成影響，則越秀投資會(其中包括)刊發補充通函並就上述修訂徵求股東批准。

其他資料

本通函會派發予股東，並非亦不視為認購或購買證券的邀請或建議。本通函及當中所載資料概不構成任何合約或承諾的基礎。

董事會函件

根據中期報告，越秀投資於二〇〇五年六月三十日的資產淨值(經扣除少數股東權益後)約為7,739,000,000港元。此外，越秀投資於二〇〇五年六月三十日的資產負債比率(按與越秀投資二〇〇四年年報一致的方式計算，即銀行借貸(不包括銀行透支)除以資產淨值(經扣除少數股東權益後)及銀行借貸)約為41%。

由於進行獨立上市，物業的財務業績不會綜合計入越秀投資的賬目，令越秀投資的資產總值有所減少。越秀投資將可利用越秀投資根據獨立上市將收取的所得款項償還若干銀行借貸，令越秀投資集團的負債有所減少。於獨立上市時，越秀投資將向越秀房地產投資信託基金收取股息付款(如有)。由於無法預測越秀投資、越秀房地產投資信託基金或物業的財務業績，故預測有關影響不切實際。根據物業的未經審核業績，截至二〇〇四年十二月三十一日止年度及截至二〇〇五年六月三十日止六個月來自有關物業的純利分別約為89,000,000港元及454,000,000港元。

完成獨立上市時，越秀投資可確認來自出售物業約1,500,000,000港元至2,100,000,000港元的收益(根據(其中包括)基金單位的最終發售價釐定)。經參考物業於建議分拆上市前的賬面總值後，上述收益主要來自於二〇〇五年九月三十日的物業重估公平值收益及於獨立上市完成後解除物業的遞延稅項。

股東特別大會

將於二〇〇五年十二月十日上午九時三十分假座香港灣仔駱克道160號越秀大廈26樓舉行的股東特別大會的通告載於本通函第278頁至第281頁。

本通函隨附適用於股東特別大會的代表委任表格。無論閣下能否出席大會，務請根據隨附代表委任表格上印備的指示，填妥表格及盡快交回本公司股份過戶登記處雅柏勤證券登記有限公司(地址為香港灣仔告士打道56號東亞銀行港灣中心地下)，惟無論如何最遲須於大會或其任何續會的指定舉行時間四十八小時前交回。填妥及交回代表委任表格後，閣下仍可親身出席股東特別大會或其任何續會，並於會上投票。

股東特別大會上，以下人士或會要求以投票表決：主席；或不少於五位有權在有關大會投票的股東；或一位或多位佔所有可在有關大會投票股東的投票權總額不少於十分之一的股東；或一位或多位持有可在大會投票的股份佔所有獲賦予該權利的股份已繳股本總額不少於十分之一的股東。

董事會函件

截至二〇〇五年 六月三十日止六個月	白馬單位 千港元	財富廣場 單位 千港元	城建大廈 單位 千港元	維多利 廣場單位 千港元	總計 千港元
營業額－租金收入及管理費收入					
－零售	65,105	4,145	2,471	3,363	75,084
－辦公樓	811	6,175	10,574	－	17,560
	<u>65,916</u>	<u>10,320</u>	<u>13,045</u>	<u>3,363</u>	<u>92,644</u>
其他收益淨額	5,385	127	163	188	5,863
直接開支	(16,050)	(4,546)	(2,787)	(3,664)	(27,047)
其他經營開支	－	(1,026)	(748)	(672)	(2,446)
投資物業公平值收益	437,944	143,899	12,444	－	594,287
除稅前溢利	493,195	148,774	22,117	(785)	663,301
所得稅開支					<u>(209,083)</u>
期內溢利					<u><u>454,218</u></u>

上述金額已按人民幣1.07元兌1港元之匯率兌換為港元以供參考。

就會計目的而言，由於BVI公司僅於二〇〇五年九月及十月成為物業的實益擁有人，故於報告期內並無錄得溢利。

獨立上市的財務影響

物業於二〇〇五年六月三十日的賬面總值約為3,204,000,000港元（該金額已按人民幣1.04元兌1港元之匯率兌換為港元以供參考），而物業於二〇〇五年九月三十日的估值總額則約為4,005,000,000港元。

按上文「獨立上市」一段「擬定所得款項用途」分段所述，預計越秀投資將收取的所得款項淨額（或會因發售價及有關開支調整）約為2,400,000,000港元至3,200,000,000港元。董事現時計劃將獨立上市所得款項淨額用作償還銀行借貸，從而減低資產負債水平及利息支出，以及改善越秀投資的流動資產及財政狀況。

董事會函件

截至二〇〇四年 十二月三十一日止年度	白馬單位 千港元	財富廣場 單位 千港元	城建大廈 單位 千港元	維多利 廣場單位 千港元	總計 千港元
營業額－租金收入及管理費收入					
－零售	103,175	979	6,977	24,397	135,528
－辦公樓	1,562	8,063	26,927	—	36,552
	<u>104,737</u>	<u>9,042</u>	<u>33,904</u>	<u>24,397</u>	<u>172,080</u>
其他收益淨額	8,072	255	648	506	9,481
直接開支	(35,309)	(6,623)	(4,187)	(4,891)	(51,010)
其他經營開支	—	(705)	(730)	(1,364)	(2,799)
投資物業公平值收益／(虧損)	53,705	8,411	(119,626)	62,617	5,107
除稅前溢利	131,205	10,380	(89,991)	81,265	132,859
所得稅開支					(44,273)
年內溢利					<u><u>88,586</u></u>

上述金額已按人民幣1.07元兌1港元之匯率兌換為港元以供參考。

董事會函件

物業的未經審核財務資料

下表載述物業截至二〇〇四年十二月三十一日止兩個年度及截至二〇〇五年六月三十日止六個月的未經審核財務資料。

截至二〇〇三年 十二月三十一日止年度	白馬單位 千港元	財富廣場 單位 千港元	城建大廈 單位 千港元	維多利 廣場單位 千港元	總計 千港元
營業額－租金收入及管理費收入					
－零售	88,263	－	6,754	7,580	102,597
－辦公樓	1,491	150	25,157	－	26,798
	<u>89,754</u>	<u>150</u>	<u>31,911</u>	<u>7,580</u>	<u>129,395</u>
其他收益淨額	11,154	10	476	91	11,731
直接開支	(31,796)	(1,205)	(3,194)	(3,881)	(40,076)
其他經營開支	－	(608)	(1,065)	(1,254)	(2,927)
投資物業公平值收益／(虧損)	(3,154)	205,914	(27,103)	70,684	246,341
除稅前溢利	65,958	204,261	1,025	73,220	344,464
所得稅開支					(109,608)
期內溢利					<u><u>234,856</u></u>

上述金額已按人民幣1.07元兌1港元之匯率兌換為港元以供參考。

董事會函件

稅項彌償保證並不包括有關稅項或負債的任何索償，其中包括已在BVI公司於緊接上市日期前的合併管理賬目作出撥備、儲備或備抵者。

上市日期起計滿六年後不得向GCCD BVI或越秀投資提出索償，除非於上市日期起計滿六年內之前獲Holdco書面通知提供有關索償的合理詳情，否則GCCD BVI及越秀投資毋須就索償負責。

越秀投資集團的財政及經營前景

按越秀投資集團截至二〇〇四年十二月三十一日止年度的年報（「年報」）所披露，越秀投資集團的營業額增加約15.3%至約4,526,700,000港元，當中來自物業業務的收入佔營業額約63.8%。廣州及香港物業總銷售約為1,987,200,000港元，佔越秀投資營業額約43.9%。此外，按越秀投資集團截至二〇〇五年六月三十日止六個月的中期報告（「中期報告」）所披露，越秀投資集團的營業額約為1,588,200,000港元，當中來自物業業務的收入佔營業額約48.3%，而來自中國業務的溢利佔營業額約90%。截至二〇〇五年六月三十日止六個月越秀投資股東應佔溢利約為132,400,000港元。

按中期報告所披露，於二〇〇五年六月三十日越秀投資集團的資產負債比率（即銀行借貸總額除以總資本負債比率）約為41%。

於二〇〇五年六月三十日，越秀投資集團約有7,250名僱員，當中約7,120名僱員主要從事物業、收費公路及新聞紙業務。越秀投資集團頗為依賴行業慣例（包括公積金及其他員工福利）給予僱員酬金。越秀投資集團亦已採納購股權計劃，按越秀投資集團及個別僱員的表現獎勵其僱員。

按中期報告所披露，於二〇〇五年六月三十日越秀投資集團的銀行貸款約為5,341,000,000港元（「銀行貸款」），當中約2,980,000,000港元換算為港元，其餘主要換算為人民幣。此外，於二〇〇五年六月三十日，當中約1,597,000,000港元的銀行貸款須於一年內償還，而50%以上的銀行貸款須於二〇〇五年六月三十日起計第三年至第五年償還。上述銀行貸款均按每年約2.8%至5.9%計息。此外，越秀投資集團獲准於獲准從事外匯業務的銀行兌換人民幣為其他貨幣。

於二〇〇五年六月三十日，越秀投資集團就授予越秀投資集團物業若干買家之按揭融資擔保約126,000,000港元，而經營租約承擔約341,000,000港元。

董事會函件

(其中包括)由於或就中國或全球其他地區的任何收益、關稅、財政、法定或政府或其他機構提出的任何索償而就彼等各自所持BVI公司或Holdco彼等各自資產價值的一切或任何損耗或減值、或因負債增加、失去或被扣減任何稅項優惠而向各BVI公司及Holdco提供彌償保證，包括但不限於：

- 各BVI公司或Holdco或物業截至本通函日期就所賺取、累積、收取或於上市日期或之前進行的任何收入、溢利、收益、交易、事件、事項或事情而可能須支付的任何或全部稅項，不論有關稅項為單獨出現或連同其他任何情況出現，亦不論該等稅項是否應由任何其他人士、機構或公司承擔或引致，包括BVI公司或Holdco因收取GCCD BVI或越秀投資根據彌償保證契約支付的任何款項所產生的任何或全部稅項；
- 任何BVI公司或Holdco因未能於若干指定日期就物業訂立及／或註冊任何租約而引致中國任何收益、關稅、財政、法定或政府或其他機構施加的任何及所有罰款或懲罰金額及任何BVI公司或Holdco承受的任何虧損或損失；
- 轉讓物業予任何BVI公司或Holdco或於上市日期或之前進行的任何交易產生之任何及所有稅務款項；
- 任何BVI公司或Holdco因任何(或其任何部分)物業不符合相關樓宇規格而引致中國任何法定或政府或其他機構施加的任何及所有罰款或懲罰金額及任何BVI公司或Holdco承受的任何虧損或損失，如有關機構規定須就上述違規事宜進行整改，則包括有關整改費用以及任何BVI公司或Holdco因而產生的任何虧損、損失或成本；及
- 任何BVI公司或Holdco因下列事項而可能引致一切合理及正確的行動、索償、損失、賠償、費用(包括一切法律費用)、收費、開支、利息、罰款或其他負債：
 - 就任何有關索償進行的調查、評估或抗辯；
 - 清償任何有關索償；
 - 任何BVI公司或Holdco根據或就契約作出索償及任何BVI公司或Holdco將獲判得直的任何法律訴訟以及的任何法律訴訟；或
 - 執行任何有關清償或判決。

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何糾紛，而獨立估值師或其他物業顧問就糾紛事宜作出的決定在無欺詐或明顯錯誤下應為最終決定，並對管理人及越秀投資有約束力，且有關獨立估值師或其他物業顧問應視為專業人士而非仲裁人。委任獨立估值師或其他物業顧問的成本（如有）應由越秀房地產投資信託基金及越秀投資共同承擔。

倘管理人（代表越秀房地產投資信託基金行事）選擇收購越秀投資根據優先購買權契約提供的有關物業，買賣有關物業須待越秀投資及越秀房地產投資信託基金取得一切必要批准及同意，管理人對有關物業進行的盡職審查完滿結束及有關物業的相關買賣協議所載其他條件後方告完成。

越秀投資向越秀房地產投資信託基金授出的優先購買權，將由上市日期起直至最早發生以下任何一事件時終止：

- (i) 上市日期後五年；
- (ii) 基金單位終止於聯交所上市（臨時暫停買賣除外）；或
- (iii) 越秀房地產投資信託基金的資產管理人公司基於任何原因終止成為越秀投資集團或越秀或其附屬公司任何成員公司之附屬公司。

此外，倘越秀投資或其附屬公司計劃就有關物業訂立合營企業，據此越秀投資（或視乎情況而定，其附屬公司）須持有50.0%以上但低於95.0%的擁有權，而預期上述有關物業於優先購買權的年期經已落成，則越秀投資將採取一切合理商業措施，與有關合營方或多個合營方進行磋商，使合營企業的條款可將上述有關物業納入優先購買權的範圍內。

董事會認為本公司向越秀房地產投資信託基金授出優先購買權符合本公司及越秀房地產投資信託基金利益，並將以部分獨立上市的決議案向股東提呈，以考慮授出批准。

倘越秀房地產投資信託基金選擇行使優先購買權向本公司收購任何物業，則本公司將於有關時間遵照上市規則第14章的規定及其他相關規定，並在上市規則有所規定的情況下於有關時間另行刊登公佈，以披露上述出售的詳情。

2. 彌償保證契約

GCCD BVI及越秀投資將向Holdco（本身及代表各BVI公司）、管理人及信託人履行彌償保證契約，據此GCCD BVI及越秀投資將共同及個別向BVI公司、Holdco及信託人各自承諾

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廣場裙樓(該物業已由越秀房地產投資信託基金擁有)目前在建中的兩幢塔樓，預期於二〇〇七年落成及珠江新城雙塔的西塔的商业部分(位於廣州珠江新城地鐵3號線附近約400,000平方米的發展中辦公樓、零售及酒店綜合大樓，預期於二〇〇九年落成)。

當越秀投資首次給予越秀房地產投資信託基金優先購買權，以供越秀房地產投資信託基金根據優先購買權契約收購維多利廣場之時，越秀投資亦給予越秀房地產投資信託基金收購維多利廣場西塔有關數目的停車位(「額外停車位」)的優先購買權。倘越秀房地產投資信託基金選擇收購維多利廣場西塔，且額外停車位的買賣交易與維多利廣場的買賣交易同時完成及其完成為先決條件，方可作實，則越秀房地產投資信託基金於維多利廣場裙樓及西塔總建築面積佔有的權益加上額外停車位後，將使到越秀房地產投資信託基金控制維多利廣場總建築面積超過50%。然而，倘越秀房地產投資信託基金選擇不收購額外停車位，或額外停車位的買賣交易並未能如期完成，則越秀投資將可自由處置額外停車位，毋須受優先購買權契約的出售限制所規限。

越秀投資將就任何建議提呈出售有關物業予越秀房地產投資信託基金向管理人及信託人發出書面通知。倘越秀房地產投資信託基金於越秀投資的通知日期後30個營業日內並無選擇透過管理人購買，或買賣有關物業未有妥善完成，則越秀投資可：

- (i) 於十二個曆月內按不優越於給予越秀房地產投資信託基金的條款(從越秀房地產投資信託基金的角度分析)向第三方出售有關物業；或
- (ii) 保留有關物業作投資用途，倘越秀投資建議於較後日期出售有關物業，而優先購買權仍然存在，且該物業符合有關時間有關物業的條件，則優先購買權須重新適用於該物業。

倘越秀投資選擇向第三方出售有關物業，越秀投資將向管理人發出載有越秀投資建議向第三方出售的有關物業的價格及其他主要條款的書面通知。管理人(代表越秀房地產投資信託基金行事)可於10個營業日內僅基於條款優越於給予越秀房地產投資信託基金者(從越秀房地產投資信託基金的角度分析)的理由向越秀投資發出書面通知反對上述出售建議，而未能於期限內提出反對者將導致反對權失效。假設上述條款(從越秀房地產投資信託基金的角度分析)優越於給予越秀房地產投資信託基金者，倘越秀投資建議於較後日期出售有關物業，而優先購買權仍然存在，且該物業符合有關時間有關物業的條件，則優先購買權須重新適用於該物業。倘越秀投資與管理人(代表越秀房地產投資信託基金行事)就越秀投資建議向第三方出售有關物業的條款是否優越於給予越秀房地產投資信託基金者(從越秀房地產投資信託基金的角度分析)而出現任何糾紛，則須將有關事宜轉介予管理人與越秀投資協定選用的獨立估值師或其他物業顧問處理。上述獨立估值師或其他物業顧問須應要求處理任

4. 持續交易

預期日後越秀房地產投資信託基金、管理人(代表越秀房地產投資信託基金)及/或BVI公司(作為一方)與越秀投資集團成員公司(作為另一方)之間將會有多項持續交易。所有該等交易均會按公平基準及一般商業條款進行。待完成獨立上市後，越秀投資將於分派後擁有基金單位約30%至40%的權益，而越秀房地產投資信託基金的賬目將不會併入越秀投資的賬目內計算，因此，越秀房地產投資信託基金將不會成為越秀投資的附屬公司。由於越秀房地產投資信託基金(於建議分拆後)不會成為越秀投資的附屬公司，而越秀投資的主要股東(定義見上市規則)概無擁有越秀房地產投資信託基金10%以上的直接權益，故根據上市規則，越秀投資與越秀房地產投資信託基金之間訂立的交易不會被視作越秀投資的關連交易。

獨立上市的相關文件

1. 優先購買權契約

由於越秀投資集團與越秀房地產投資信託基金均從事房地產行業的業務，因此可能會基於若干市場狀況導致越秀投資在無其他可行選擇下，持有若干與越秀房地產投資信託基金所持物業的性質及質素相近的物業以作投資用途，以致雙方可能出現業務衝突。如上文所述，越秀投資集團的主要業務為(其中包括)物業發展、管理及投資，而越秀房地產投資信託基金則將會從事提供收入的房地產投資。

經衡量股東與基金單位持有人的利益後，為解決可能發生的業務衝突，並於越秀房地產投資信託基金成立初年為其提供支援，越秀投資建議向越秀房地產投資信託基金授出優先購買權(須待建議分拆上市後，方可作實)，在越秀投資建議向第三者出售任何(i)符合(或合理地被視為符合)投資標準及物業特色，以及貫徹(或合理地認為貫徹)管理人就越秀房地產投資信託基金物業投資之投資策略；(ii)越秀投資集團擁有或開發，及越秀投資集團擁有95.0%或以上擁有權(及越秀投資可磋商及協定有關合資公司方之條款，從而擴大授予越秀投資之優先購買權之涵蓋範圍至包括有關物業，即該合資公司的主體)；及(iii)物業價值達20,000,000美元(或約156,000,000港元)或以上(由獨立物業估值師評定)、位於中國廣州的已落成甲級辦公樓或商廈(「有關物業」)的情況下，可向越秀投資集團收購若干物業。

獲越秀投資授出優先購買權的物業包括越秀新都會廣場(位於廣州地鐵1號線地鐵站上蓋約86,000平方米的發展中商用物業，預期於二〇〇六年落成)、亞太世紀廣場(位於廣州天河北路約223,900平方米的發展中綜合酒店及商用物業，預期於二〇〇八年落成)、維多利

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- (iii) 租賃代理將落實管理人每年批核的年度業務計劃及財政預算，致力達致上述經批准的年度業務計劃及財政預算的收益目標；及
- (iv) 倘租賃代理成功物色任何有關物業租賃或市場推廣商機，而租賃代理合理及真誠認為與越秀投資集團任何成員公司競爭或可能競爭，則租賃代理將：
- 於有關租賃代理進行上述建議或商機前向管理人提交有關業務計劃以待審批；或
 - 向獨立於越秀投資集團的第三方租賃代理外判，以制定及執行有關業務計劃。

租賃代理的母公司越秀投資將向越秀房地產投資信託基金承諾，促使租賃代理遵照租賃服務協議在此方面的有關規定。

(iv) 過渡措施

越秀投資集團可於上市日期起計六個月的過渡期內完成上述重組，設立過渡期的原因在於：

- 重組將涉及重大人事變動及資源調配，因此需與受影響員工重新訂立（及可能續約）的僱傭合約數量將會相當龐大；及
- 預計亦會因重大人事變動而需重新分配多項僱員法定公積金，而處理上述程序需時頗長。

預期重組亦包括重新評估怡城及白馬物業管理公司營業執照需要，確保各租賃代理及越秀投資物業管理人繼續持有一切所需牌照，以經營相關物業管理業務及職能，如有需要，可能需要向中國相關機構申請續牌。

自上市日期起，將實施「資訊分隔措施」，將匯報分支及營運資訊獨立分隔。其後，租賃代理及越秀投資物業管理人的人事及資訊系統亦將會完全分隔（即辦公室物業及系統獨立分隔），預期將於上市日期後兩個月內完成上述分隔。

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有關BVI公司將基於管理人的建議決定租賃代理於新任期應收的費用。倘有關租賃代理不同意有關BVI公司的決定，則有關事宜將交由獨立專家評定，而該專家的意見將為最終決定，對雙方具有約束力。

租賃服務協議的其他詳情載於發售通函。

3. 利益衝突

由於租賃代理均為越秀投資集團的成員，而越秀投資積極從事主要位於廣州的商用及住宅物業發展、為越秀投資發展的物業或擁有權益的其他物業提供租約、租賃管理及物業管理服務，故可能因租賃及市場推廣的商機而引起利益衝突。為應付越秀投資與越秀房地產投資信託基金可能引起的利益衝突，將採取以下安排：

i) 若干職能營運獨立

越秀投資集團將進行內部重組，使租賃代理只負責向越秀房地產投資信託基金物業提供租賃及市場推廣服務，而越秀投資集團另一公司（「越秀投資物業管理人」）則負責向非越秀房地產投資信託基金物業提供上述服務。

ii) 「資訊分隔措施」

將實施「資訊分隔措施」，確保租賃代理與越秀投資物業管理人的資訊獨立分隔。上述措施包括租賃代理與越秀投資物業管理人設立獨立的經營物業及資訊系統以及獨立的匯報分支。

iii) 合約保障

管理人與柏達、金峰、福達或京澳（視乎情況而定）訂立的各租賃服務協議載有合約規定，而有關租賃代理亦規定：

- (i) 租賃代理隨時均按有關BVI公司的最佳利益行事，並根據當時信譽良好的租賃代理向廣州相若商用物業提供類似服務的情況在謹慎、熟練、審慎及努力方面達致合理表現；
- (ii) 租賃代理將遵照與管理人協定的架構圖及匯報分支，依據管理人的指示行事；

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管理人及福達、金峰及京澳各自與怡城訂立租賃服務協議，而管理人及柏達則與白馬物業管理公司訂立租賃服務協議。

(i) 租賃代理費用

有關財富廣場單位、城建大廈單位及維多利廣場單位的各份租賃服務協議須訂明有關物業須按每年租金收入4.0%支付每月費用予怡城，而有關白馬單位的各份租賃服務協議則須訂明有關物業須按每年租金收入3.0%支付每月費用予白馬物業管理公司。

租賃代理已同意，於彼等為有關物業的物業管理人的期間，彼等根據租賃服務協議收取的租賃代理費用將抵銷彼等就發售通函所述物業管理安排所涉物業當中的任何空置單位而應收有關BVI公司的物業管理費。

(ii) 不獲償付的開支

根據租賃服務協議，租賃代理不會獲補付以下應由租賃代理支付的費用：

- 租賃代理與第三方服務供應商、代表及代理就提供(其中包括)物業的管理、維修、市場推廣及其他服務而訂立的合約所涉費用與支出，而該等服務並非由租賃代理的僱員直接提供；
- 公用服務的費用與支出，包括但不限於物業的水、電、煤供應，惟不包括應由住客自付的該等費用與支出；及
- 就租賃物業向第三方服務供應商支付的市場推廣與租賃佣金。

(iii) 委任條款

租賃代理的首個任期為期三年(除非根據租賃服務協議的規定提早終止)。於任期結束前六個月，各租賃代理可要求按相同條款及條件將任期延長三年，惟應付予彼等的費用將按當時的市場價格調整及有關延長須獲得基金單位持有人之批准，方可作實。

董事會函件

管理人費用

以下為越秀房地產投資信託基金應付予管理人的若干費用最高金額概要：

- (i) 於各財政年度，按財政年度結束時存置資產經審核價值0.3%年率計算的基本費用，並於每半年支付一次。
- (ii) 於各財政年度，按經審核年度物業收入淨額3.0%年率計算的服務費。
- (iii) 按組成存置資產一部分的任何房地產(除非有關房地產的賣方為管理人或其任何關連人士，會包括根據越秀投資向越秀房地產投資信託基金授出的優先購買權收購的物業之外，詳情載於本通函「優先購買權契約」一段)的收購代價1.0%計算的交易費(為免生疑問，該費用不包括越秀房地產投資信託基金因上述收購而產生的任何稅項、預扣稅、實付開支或扣減)，須於有關收購後盡快支付。
- (iv) 按出售存置資產包含房地產的任何部份(除非有關房地產的買方為管理人或其任何關連人士)的總售價0.5%計算的交易費用(謹此指明，該費用不包括越秀房地產投資信託基金因上述出售而產生的任何稅項、預扣稅、實付開支或扣減)，須於有關出售房地產後盡快支付。

倘增加上述基本費用、服務費、收購費及出售費的百分比，或改變管理人酬金的結構，均須獲得基金單位持有人以特別決議案批准。

董事認為，建議管理人費用符合一般商業條款，亦符合越秀投資集團的利益。

2. 租賃代理

建議越秀房地產投資信託基金委任怡城就城建大廈單位、維多利廣場單位及財富廣場單位提供若干租賃、市場推廣及租賃管理服務。同時亦建議越秀房地產投資信託基金委任白馬物業管理公司就白馬單位提供類似服務。

董事會函件

高級行政人員

劉展天先生為管理人的擬任副行政總裁及其中一名負責人員，亦為管理人的合規經理，負責確保管理人遵照所採納的合規守則、房地產投資信託基金守則、信託契約及上市規則的規定。此外，劉先生亦負責管理越秀房地產投資信託基金的借貸、現金流量、資產及負債以及其他財政事宜。劉先生將獲邀參與管理人的金融及投資委員會，審閱收購與出售資產的財務事宜並就此推薦建議。劉先生現時兼任越秀及越秀投資財務及會計部副總經理。

蔡小平先生為管理人的擬任副行政總裁，將領導投資部，亦掌管督越秀房地產投資信託基金的人力資源及行政部門。蔡先生現任GCCD副總會計師。建議蔡先生於基金單位上市前辭任GCCD。預期蔡先生會將全部時間投放於管理越秀房地產投資信託基金。

高鏞麗女士為管理人的擬任財務總監，亦將監督越秀房地產投資信託基金的資訊科技職能。高女士現任越秀及越秀投資財務及會計部副總經理，以及越秀証券有限公司董事兼財務總監。建議高女士於基金單位上市前辭任越秀投資及越秀(越秀証券有限公司除外)相應職務。

基於上文所述，董事確認劉先生的調用不會影響越秀投資集團的業務，而越秀房地產投資信託基金與越秀投資集團亦將可獨立運作。

分攤非管理職務

管理人與本集團將分攤部分行政及非管理職務。本集團的法律顧問余達峯先生將負責監督管理人的企業服務部，該部門亦將聘任另外兩名成員。本集團資本管理部現任高級經理蕭少滔先生，將負責處理越秀房地產投資信託基金的投資關係事宜。

董事會確認，除上文所披露者外，所有重要行政職務將由越秀房地產投資信託基金執行而毋須本集團的支援。

董事會函件

管理人的董事會及管理

管理人的董事會負責管理人的整體管治，包括設定管理目標及監管該等目標的工作進度，並將為越秀房地產投資信託基金設立管理架構，包括內部監控制度與業務風險管理程序。

建議管理人的董事會應包括六名董事，而其中三名為獨立非執行董事。

建議委任的兩名管理人執行董事為梁凝光先生及劉永杰先生，建議委任的一名非執行董事為梁由潘先生，建議委任的三名獨立非執行董事為陳志安先生、李均雄先生及陳志輝先生。

董事

梁凝光先生為管理人的擬任主席兼執行董事。梁先生現時擔任越秀副主席，負責投資及資產管理的整體業務。梁先生為本公司的執行董事兼副總經理，亦為越秀交通有限公司的執行董事。上述兩間公司均在聯交所上市。

建議梁凝光先生於基金單位上市前將辭任越秀投資，以投放更多時間出任管理人，但將維持出任越秀及越秀交通有限公司的職務。董事會確認，建議辭任不會對越秀投資集團有任何重大不利影響。

劉永杰先生為管理人的擬任執行董事、行政總裁及其中一名負責人員。劉先生亦出任越秀的副總經理，但在越秀內無執行職務。

梁由潘先生為管理人的擬任非執行董事，現任越秀投資副總經理。

陳志安先生為管理人的擬任獨立非執行董事，現任大福融資有限公司董事總經理。

李均雄先生為管理人的擬任獨立非執行董事，現任胡關李羅律師行北京辦事處的合夥人兼首席代表。

陳志輝先生為管理人的擬任獨立非執行董事，現任僑福集團的財務總監，僑福集團旗下有兩間上市公司及集團其他成員公司，資產總值超逾100億港元。

董事會函件

GCCD BVI及越秀投資就重組契約所載聲明及保證的所有及任何索償以及根據或涉及彌償保證契約的任何索償的最高負債總額，不得超過根據重組契約轉讓已發行股份的最終代價。

股東應注意，進行以上所述的重組，並不受獨立上市或全球發售建議所影響。

信託人(如有)根據重組契約的負債限於越秀房地產投資信託基金的資產。

與越秀投資集團的關係

越秀投資集團及越秀房地產投資信託基金的剩餘業務及營運均由獨立的管理隊伍所管理。信託人將為獨立於越秀投資集團的專業信託人。

計劃中越秀房地產投資信託基金的管理人將為本公司的全資附屬公司，而本公司擁有85.7%的怡城及本公司擁有96.8%的白馬物業管理公司將為物業的租賃代理。由於租賃代理一直管理物業，對管理物業及其他事宜具有豐富經驗，因此董事認為繼續委任彼等符合越秀房地產投資信託基金的利益。

1. 管理人

管理人負責以基金單位持有人的利益管理越秀房地產投資信託基金的資產。管理人將制定越秀房地產投資信託基金的策略方針及風險管理政策，並根據越秀房地產投資信託基金訂定的投資策略及按照當中所載的合規守則管理該等資產。管理人將根據證監會規定向證監會申請批准從事資產的受規管活動。

管理人為越秀企業集團旗下越秀投資的全資附屬公司。越秀為廣州市人民政府於香港的旗艦貿易及投資工具，該企業集團持有物業投資及發展、收費公路及橋樑、新聞紙、水泥及預拌混凝土、高科技業務、乾電池製造、金融、股票經紀及保險服務以及酒店經營等多項業務及行業的權益。

越秀之主要附屬公司越秀投資於聯交所及新加坡證券交易所上市，活躍於從事開發主要位於廣州之商住物業，並從事提供物業管理、租賃管理及市場推廣服務予越秀投資集團開發之物業或其擁有權益之物業。

董事會函件

倘合併資產淨值增加，則Holdco須於上市日期起計四個月內向GCCD BVI或其代理人支付上述增幅。倘合併資產淨值減少，則GCCD BVI須於上市日期起計四個月內向Holdco支付上述減幅。

作出初步調整的主要目的在於確保初步代價能夠反映GCCD BVI應佔的發售價隱含的物業價值。

最終代價

最終代價為初步代價加調整(如為正數)或減調整(如為負數)。管理人將於釐定調整及最終代價時另行公佈。

於最後實際可行日期，預期最終代價不少於3,600,000,000港元。

保證、聲明及承諾

根據重組契約，Holdco、管理人及信託人將可獲得GCCD BVI作出及越秀投資擔保的若干有限保證、聲明及承諾(「保證」)。

保證就BVI公司的資產及負債、BVI公司的業務狀況、已發行股份的權屬、物業的業權、BVI公司並無披露的負債及若干其他事宜向Holdco、管理人及信託人給予某程度的保障。保證一概限於GCCD BVI或越秀投資向Holdco或管理人作出的披露(包括但不限於載於發售通函者)，並受到若干規限，且將於下列期限失效：(i)於上市日期72個月後(倘有關保證與BVI公司的股本、稅務、資產的權屬、物業的業權及遵照若干規範化合約責任有關)、(ii)除非在受限制的情況下，於所有其他情況下，則於上市日期24個月後。

於上述期間失效後，Holdco、管理人及信託人均不再享有權利針對重組契約向GCCD BVI及越秀投資追討責任，而收購已發行股份所涉風險(包括但不限於有關物業業權者)將全部由越秀房地產投資信託基金承擔。

根據重組契約，信託人於越秀投資就(其中包括)Holdco之妥為註冊成立及地位給予之若干聲明及保證中擁有利益。

董事會函件

(c) 貸款所得款項減GCCD BVI與Holdco協定的任何融資協議相關成本，

減以下各項總和：

- (a) 初步代價；
- (b) 首次公開發售交易成本；
- (c) 白馬物業管理公司向白馬單位租戶根據彼等各自之租約，收取由上市日期起計至二〇〇五年十二月三十一日止(包括首尾兩日)期間柏達應佔部分之總額(附註：白馬單位現有租賃協議的租金連同物業管理費由租戶向白馬物業管理公司支付。上市日期後，租金合法地歸越秀房地產投資信託基金所有，而物業管理費則由白馬物業管理公司保留，以應付物業管理開支)；及
- (d) 26,700,000港元，即GCCD BVI同意就白馬單位的建議裝修工程承擔的金額。

初步調整金額須按以下方式支付：

- (a) 如初步調整為正數，則Holdco須於上市日期向GCCD BVI或其代理人支付；及
- (b) 如初步調整為負數，則GCCD BVI須於上市日期向Holdco支付。GCCD BVI向Holdco支付的初步調整金額須將有關金額與承付票據的本金額抵銷，使Holdco根據承付票據的條款須付本公司的金額相當於承付票據的本金額與初步調整的差額。

合併資產淨值調整

合併資產淨值調整應為重組契約日期至緊接上市日期前之日期間合併資產淨值的增加或減少，不包括(i)物業價值的任何波動；(ii)全球發售及融資協議任何相關成本；及(iii)計算初步調整時已計及任何其他事宜，並採用相同會計政策、原則、準則及慣例。

董事會函件

GCCD BVI (作為賣方及福達已發行股份、京澳已發行股份、金峰已發行股份及柏達已發行股份等已發行股份的實益擁有人) 將與越秀投資 (作為GCCD BVI根據重組契約履行責任的擔保人) 及其他各方訂立重組契約，向Holdco轉讓已發行股份。福達、京澳、金峰及柏達分別為城建大廈單位、維多利廣場單位、財富廣場單位及白馬單位的註冊擁有人。

代價

根據重組契約Holdco就已發行股份應付之初步代價，將參考 (其中包括) 於二〇〇五年十月三十一日的合併資產淨值釐定 (但須作出下文所述之調整)。

初步代價按下列方式支付：

- (a) 發行越秀房地產投資信託基金有關基金單位 (將佔緊隨全球發售後將予發行基金單位總數約41.7%) 予GCCD BVI或其代理人；及
- (b) 餘額由Holdco向越秀投資簽立及交付承付票據 (將於上市日期或稍後交收)。

於最後實際可行日期，預期初步代價約為4,014,000,000港元。

根據重組契約賦予的權利，GCCD BVI計劃提名Dragon Yield為將獲發行組成初步代價的基金單位的公司。

倘上市日期為GCCD BVI、Holdco、管理人、越秀房地產投資信託基金及越秀投資協定的日期或之前，則按照重組契約計算及作出調整。

調整

初步調整

初步調整按以下方式計算的總和：

- (a) 首次公開發售所得款項，即根據全球發售發行基金單位所得款項總額，相等於根據全球發售發行的基金單位數目乘以發售價；
- (b) 越秀房地產投資信託基金向Dragon Yield發行的基金單位所佔初步代價有關部分；及

董事會函件

務請注意，不合資格海外股東根據分派原應獲發的基金單位(如有)將另作安排，以根據國際發售提呈銷售。銷售所得款項淨額，經扣除相關稅項、印花稅、證監會交易徵費、聯交所交易費及投資者賠償徵費(如有)後，將用作應付現金付款所需。

暫停辦理過戶登記手續

根據預期時間表，為確定股東根據分派應獲基金單位配額，本公司將於二〇〇五年十二月九日暫停辦理過戶登記手續，過戶登記手續將於二〇〇五年十二月十二日重新開放。截止過戶期間不會辦理任何股份過戶登記。為符合分派資格，所有過戶表格必須於二〇〇五年十二月八日下午四時正或之前交回過戶登記處。然而，倘押後進行獨立上市，其後董事會可能另訂日期暫停辦理本公司過戶登記手續，以確定應獲分派配額，並於稍後另行發佈公佈知會股東及其他投資者。

股東務請注意，分派及選擇權須待達成上文「獨立上市」的一段中「條件」分段所載建議獨立上市的條款達成後方可作實。倘屆時未能達成任何上述條件，則全部特別股息將完全失效且成為無條件。

股東亦請注意，根據所獲分派基金單位的實際數目將因應記錄日期已發行股份實際數目而變。

重組

作為越秀投資集團對其部份房地產物業組合進行內部重組的一部分，將設立越秀房地產投資信託基金。重組將按以下方式進行。

越秀房地產投資信託基金將根據越秀房託資產管理有限公司(越秀房地產投資信託基金的管理人)與HSBC Institutional Trust Services (Asia) Limited(越秀房地產投資信託基金的信託人)訂立的信託契約而設立。

Holdco將註冊成立，並由信託人(以越秀房地產投資信託基金信託人的身份行事)全資擁有。

重組契約

越秀投資及GCCD BVI將重組物業權益，以成立越秀房地產投資信託基金，由HSBC Institutional Trust Services (Asia) Limited擔任信託人，而管理人擔任其管理人。

董事會函件

無效，而有關合資格股東將視為無選擇收取現金付款，代替建議根據分派獲轉讓的基金單位。越秀投資將作出合理努力於股東屬於上述類別時通知股東。

3. 行使選擇權的程序

閣下如為合資格股東，並希望行使選擇權，如閣下選擇收取現金付款代替根據建議分派所獲轉讓的基金單位，請簽署於股東特別大會日期或之後寄發的選擇表格，並於選擇表格所載的日期及時間前交回所述地址。閣下如欲收取及保留有關基金單位，則毋須理會選擇表格亦毋須採取有關行動。

倘閣下並無於上述日期及時間將選擇表格交回過戶登記處，或選擇表格未有根據其列印的指示填妥，則閣下將視為並無選擇收取現金付款，代替根據建議分派所獲轉讓的基金單位，因而不獲收取現金付款。

聯席全球協調人會將不獲合資格股東認購的任何基金單位及不合資格海外股東根據分派原則獲取的基金單位配額分配至國際發售。

4. 不合資格海外股東

發售通函及隨附申請表格不會根據香港以外任何司法權區的證券或相關法例登記或提出。董事認為，在無遵照其他司法權區的登記或其他特別規定的情況下，越秀投資根據分派向不合資格海外股東分派基金單位及／或授出選擇權及／或作出現金付款在各情況下可能違法或不切實際。

越秀投資已作出合理努力，致力識別不合資格海外股東，確保僅向合資格股東寄發選擇表格。然而，越秀投資不會亦無法保證閣下因收到選擇表格而成為合資格股東。

閣下如屬不合資格海外股東並交回選擇表格，則閣下的選擇表格將視為無效。如發生上述情況，越秀投資將作出合理努力通知閣下。

合資格股東亦須注意選擇表格上印列的指示及條款。

1. 指示價格範圍

每個基金單位的指示價格範圍將於接近上市日期釐定，且約於發售通函寄發日期作出公佈（「公佈」）。公佈亦載有現金付款計算方式及本通函所載資料的任何重大變動（如有）。建議閣下僅於透徹了解公佈及／或發售通函所載指示價格範圍及其他資料（如有）時方作出選擇決定。倘閣下選擇於公佈前交回選擇表格，並在缺乏指示價格範圍及其他資料（如有）下作出選擇決定，則該決定仍具法律效力，且對閣下有約束力。亦建議閣下於作出選擇決定前細閱發售通函。謹此指明，閣下在行使選擇權後，方會釐定因行使選擇權所獲每個基金單位的最終價。現金付款支票（經扣除相關稅項、印花稅、證監會交易徵費、聯交所交易費及投資者賠償徵費（如有）後），預期約於基金單位開始買賣日後起計約一星期內寄發。

2. 行使選擇權的條件

行使選擇權須待：(a)分派成為無條件；(b)合資格股東嚴格遵照本通函及選擇表格所載指示妥善簽立及交回選擇表格；及(c)選擇表格所載條款及條件獲達成後，方可作實。

倘因有關地區法例限制或該等地區相關機構或證券交易所規定，且經董事作出合理查詢後認為不包括上述股東乃屬必要或適當，則有關股東概不獲授選擇權。因此，行使選擇權亦須待越秀投資信納股東並不屬於上述類別範圍後方可作實。

位於香港以外而有意行使選擇權的人士，有責任於行使選擇權時，遵照所有有關地區的法例及規例，包括取得任何政府機構或其他同意，並根據有關地區的規定支付所需稅項及徵稅。越秀投資保留權利在認為有關股東行使選擇權將違反任何司法權區的相關證券或其他法例或規例的情況下拒絕接納選擇表格。

對於行使選擇權的所有條件是否已達成，越秀投資所作決定將為最終決定。倘越秀投資全權認為選擇表格未能達成行使選擇權的所有條件，則交回選擇表格及選擇表格將視為

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為減低因出現零碎基金單位而產生的問題，本公司已同意安排經紀駐守市場按每個基金單位有關市價買賣合資格股東所持的零碎基金單位。滙豐證券(亞洲)有限公司將獲委任為經紀，就此開設證券交易賬戶。零碎基金單位持有人如欲利用此服務設施，應於稍後另行發出的公佈日期後三星期內與滙豐證券(亞洲)有限公司聯絡。務請合資格股東注意，並不保證零碎基金單位的買賣可獲成功對盤。有關安排的詳情將於稍後另行公佈。

對於不獲轉讓分派的任何基金單位的不合資格海外股東(如有)，有關股東原應獲取的基金單位配額，將由聯席全球協調人根據國際發售提呈出售。按有關不合資格海外股東根據分派原應獲取的配額所涉基金單位數目及發售價，銷售有關基金單位的所得款項淨額，經扣除相關稅項、印花稅、證監會交易徵費、聯交所交易費及投資者賠償徵費(如有)後，將用作應付向不合資格股東支付的現金付款。

分派須待達成上文「獨立上市」一段「條件」分段所載建議獨立上市的條件達成後方可作實。

選擇權

為了讓各合資格股東可選擇是否收取根據分派可獲的全部基金單位或選擇收取現金付款，建議給予各合資格股東選擇權。除香港中央結算(代理人)有限公司可就全部及部分建議根據分派所獲轉讓的基金單位行使選擇權外，各合資格股東僅可就全部(而非部分)建議根據分派所獲轉讓的基金單位行使選擇權，以換取現金付款。各合資格股東將於股東特別大會日期或之後獲寄發有關選擇權的選擇表格(「選擇表格」)。

任何以代名人、信託人或任何其他身份的登記持有人持有股份的合資格股東在處理上與其他登記持有人並無分別。任何股份的實益擁有人如以代名人、信託人或其他身份的登記持有人登記持有股份，必須就分派與該代名人、信託人或登記持有人作出安排。上述任何人士均可考慮是否擬安排於記錄日期前將相關股份以實益擁有人的名義登記。

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實。務請股東特別注意，於本通函刊發日期並未簽訂包銷協議。亦預期有關包銷協議（如簽訂）須待（其中包括）慣常先決條件達成後方可作實。因此，並不保證獨立上市及建議全球發售將會進行。

附註：預期BVI公司將於上市日期全數提取貸款融資，而其後向Holdco借出資金以支付承付票據的款項。

上市及買賣

股份於進行獨立上市後將繼續在聯交所上市。

將向證監會申請批准，亦將向聯交所正式申請根據重組契約將發行及涉及全球發售將發行的基金單位（包括因行使超額配售權將出售的任何基金單位）上市及買賣，詳情載於越秀房地產投資信託基金稍後刊發的發售通函。

待獲授上市批准後，以及符合香港結算的證券收納規定，基金單位將獲香港結算接納為合資格證券，可自基金單位買賣開始日期或香港結算可能釐定的其他日期在中央結算系統寄存、結算及交收。聯交所參與者之間在任何交易日進行交易後，須於下一個營業日在中央結算系統交收。中央結算系統進行的所有活動均須遵守不時生效的《中央結算系統一般規則》及《中央結算系統運作程序規則》。

分派

為達成應用指引第15項的既定配額規定，董事會於二〇〇五年十一月二十三日宣佈向於記錄日期營業時間結束時名列越秀投資股東名冊的股東有條件宣派一筆由董事釐定的金額的特別股息，即本公司儲備進賬額的一部分，而該進賬額相當於將佔全球發售約2.5%（假設超額配售權獲全數行使）至2.9%（假設超額配售權未獲行使）及獨立上市當時越秀房地產投資信託基金的基金單位總數約1.7%的有關數目的基金單位的價值。

董事建議按於記錄日期營業時間結束時每持有400股股份獲發1個基金單位的比例，向合資格股東以實物分派形式分派基金單位。基金單位將入賬列作繳足，且在各方面與全球發售時已發行基金單位享有同等權利。基金單位的零碎配額不會根據分派轉讓，但會由本公司保留，以於基金單位開始在聯交所買賣時在市場出售，所得款項淨額經扣除開支後將歸本公司所有。

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(v) 一般事項

合資格股東如對持有或出售或買賣基金單位的稅務影響有任何疑問，而不合資格海外股東如對收取現金付款有任何疑問，應諮詢彼等各自的專業顧問。謹此強調，本公司、其董事或參與獨立上市及全球發售的任何其他各方概不對基金單位持有人因持有或出售或買賣基金單位而引致的任何稅務影響或負債承擔責任。

7. 禁售安排

建議越秀投資於上市日期起計六個月內訂立禁售安排。有關禁售安排的詳情將載於發售通函。

8. 條件

獨立上市須待(其中包括)以下各項完成後方可作實：

- (a) 股東在股東特別大會上以投票表決方式通過批准獨立上市及與獨立上市相關的其他事宜的普通決議案；
- (b) 上市委員會授出上市批准；
- (c) 包銷商根據(其中包括)本公司與包銷商就全球發售而訂立的包銷協議的責任成為及繼續為無條件，且包銷協議並無於包銷協議所述日期及時間或之前根據其條款或其他條款終止(有關詳情載於發售通函)；
- (d) 融資協議^(附註)提取資金的先決條件已獲達成或豁免；及
- (e) 接獲批准。

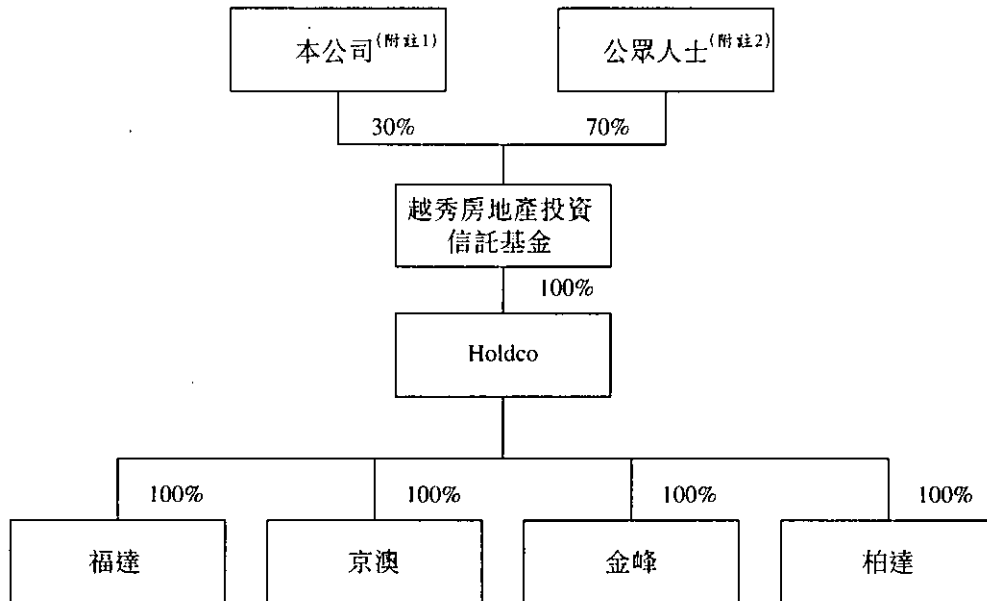
倘上述及其他相關條件於發售通函指定日期及時間前未達成或獲豁免，則全球發售將告失效，而本公司及／或越秀房地產投資信託基金將於有關失效後盡快刊發通告。

根據建議分拆上市及全球發售進行的獨立上市須待達成上述條件，並須視乎多項因素(包括但不限於訂立最終包銷協議、全球發售的其他法律文件及有關時間的市況)方可作

董事會函件

(ii) 越秀房地產投資信託基金於完成獨立上市後的建議基金單位擁有權架構

越秀房地產投資信託基金緊隨完成獨立上市及於分派後(假設超額配售權獲全數行使)後的基金單位擁有權架構簡表如下：



附註：

1. 本公司透過其全資附屬公司持有越秀房地產投資信託基金的權益。
2. 公眾人士包括根據分派獲發基金單位的合資格股東。

(iii) 利得稅

根據證券及期貨條例第104條，越秀房地產投資信託基金作為集體投資計劃，構成單位信託基金並獲批准，獲豁免繳納香港利得稅，然而管理人將須繳納香港利得稅。越秀房地產投資信託基金向基金單位持有人作出的分派在香港毋須繳納任何預扣稅。

(iv) 印花稅

越秀房地產投資信託基金毋須就發行新基金單位繳納香港印花稅。

5. 所得款項擬定用途

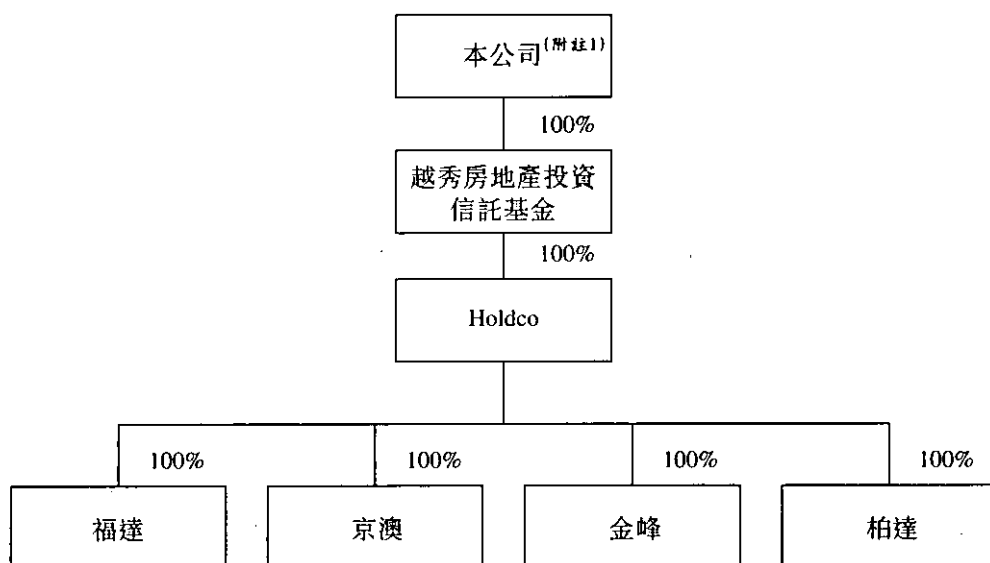
董事現正計劃將預計越秀投資將收取來自獨立上市的全部所得現金淨額(或會因發售價及有關開支調整)用作減低越秀投資集團的資產負債水平及利息支出，從而改善越秀投資集團的流動資金及財政狀況。董事估計，經參考物業估值後，預期越秀投資將收取的所得現金淨額(或會因發售價及有關開支調整)約於2,400,000,000港元至3,200,000,000港元。

倘來自獨立上市的最終所得現金淨額超過上述金額，則多出的餘額將用作減低越秀投資集團的資產負債水平及利息支出。

6. 獨立上市的影響

(i) 越秀房地產投資信託基金於獨立上市前的基金單位擁有權架構

越秀房地產投資信託基金緊隨重組後但於獨立上市前的基金單位擁有權架構簡表如下：



董事會函件

物業已由獨立物業估值師進行估值。於二〇〇五年九月三十日，物業的估值總額約為4,005,000,000港元。根據有關物業的管理賬目，物業於二〇〇五年六月三十日的賬面總值約為3,204,000,000港元（該金額已按人民幣1.04元兌1港元之匯率兌換為港元以供參考）。

4. 建議獨立上市的理由及好處

董事認為建議分拆上市將對本公司及越秀房地產投資信託基金有利，理由如下：

- (a) 獨立上市將提高越秀房地產投資信託基金的營運及財政透明度，並向投資者、投資市場及評級機構更清晰反映本公司及越秀房地產投資信託基金的業務及財政狀況；
- (b) 獨立上市將大幅減低本公司的資產負債比率及改善財政狀況；
- (c) 獨立上市將為越秀房地產投資信託基金提供額外及多元化資金來源（或因上述提高清晰度可以更佳條款獲得資金），以應付日後擴充需要。董事相信，此舉將為越秀房地產投資信託基金持續擴充提供財務資源，以免本公司因應付擴充而令資產負債比率上升；
- (d) 獨立上市亦可讓越秀房地產投資信託基金提升作為獨立上市實體的知名度，可利用債務及資本市場，以應付日後投資的需要；及
- (e) 獨立上市讓越秀房地產投資信託基金發揮其潛在價值，從而對股東整體有利。

完成獨立上市後，且假設超額配售權未獲行使，本公司於分派後將保留基金單位總數約40%權益，並繼續收取來自多元化現有業務（物業發展、管理及投資、新聞紙製造及經營收費公路及橋樑）的收入。

董事會函件

於二〇〇五年
九月三十日

物業名稱	地址	概述	建築面積	的估值
城建大廈單位	中國廣州天河區 體育西路 185、187及189號	城建大廈單位由28層 高甲級商業大樓內 裙樓首三層6項房產的 單位及獨立塔樓159項 房產的單位組成。 城建大廈單位佔城建 大廈總建築面積 約57.3%。	42,397.4平方米	385,500,000港元
維多利廣場單位	中國廣州天河區 體育西路101號	維多利廣場單位由綜合 辦公樓及零售大樓內 六層高裙樓9項房產的 單位及第一期部分地庫負 一層組成。裙樓上蓋兩幢 塔樓現正在建中，預期 於二〇〇七年落成。 兩幢塔樓及停車場並 不屬於維多利廣場單位。 維多利廣場單位佔 維多利廣場裙樓全部總 建築面積(不包括由 GCCD擁有的停車場)， 於兩幢塔樓落成後將佔 整個發展項目總建築 面積19.5%。	27,698.1平方米	533,000,000港元
		總計：	160,651平方米	4,005,000,000港元

董事會函件

將轉讓予越秀房地產投資信託基金的物業如下：

於二〇〇五年

九月三十日

物業名稱	地址	概述	建築面積	的估值
白馬單位	中國廣州 越秀區站南路 14、16及18號	白馬單位包括多層商業大樓內部分地下低層部分及2至9樓的9項房產的單位。該大樓由地下起計八層、地下低層及設有停車場的地庫組成。白馬單位佔白馬大廈總建築面積約81.4%。	50,199.3平方米	2,541,500,000港元
財富廣場單位	中國廣州天河區 體育東路 114、116及118號	財富廣場單位包括綜合用途甲級商業大樓中西塔35項房產的單位、東塔43項房產的單位及六層高裙樓內5項房產的單位。該大樓由裙樓及兩幢塔樓組成。財富廣場單位佔財富廣場總建築面積約50.2%。	40,356.2平方米	545,000,000港元

段所述選擇權的條件；及(iii)發售通函所載建議全球發售的條件。倘上述條件不獲達成或建議分拆上市並無進行，則不會進行分派及選擇權。

因此，預計本公司於緊隨全球發售及分派後所持越秀房地產投資信託基金權益將由100%分別減至約40% (假設超額配售權未獲行使) 及減至緊隨全球發售及分派後約30% (假設超額配售權獲全數行使)。

2. 基金單位獨立上市

股份於進行獨立上市後將繼續在主板上市。基金單位在主板上市須待下文「條件」分段所述條件獲達成後方可作實。

將向證監會申請批准，亦將向聯交所正式申請根據重組契約將發行及涉及全球發售將發行的基金單位 (包括因行使超額配售權而出售的任何基金單位) 上市及買賣，詳情載於越秀房地產投資信託基金稍後刊發的發售通函。

待獲授批准及上市批准後，以及符合香港結算的證券收納規定後，基金單位將獲香港結算接納為合資格證券，可自上市日期或香港結算可能釐定的其他日期在中央結算系統寄存、結算及交收。聯交所參與者之間在任何交易日進行交易後，須於下一個營業日在中央結算系統交收。中央結算系統進行的所有活動均須遵守不時生效的《中央結算系統一般規則》及《中央結算系統運作程序規則》。

3. 越秀投資集團及越秀房地產投資信託基金的業務

越秀投資集團的主要業務為物業發展、管理及投資、新聞紙製造及經營收費公路及橋樑。

管理人對越秀房地產投資信託基金的投資目標為投資位於廣東省的物業。為達致投資目標，管理人將執行以下政策：

- 初步投資位於廣東省，惟基金單位持有人於管理人召開的大會上以特別決議案另行批准者除外；
- 物業作為長期投資；及
- 投資各種可持續提供收入而主要用作辦公樓、零售及其他商業用途的物業組合。

董事會函件

任何分派期內，倘管理人認為越秀房地產投資信託基金應付業務所需後仍有剩餘資金，則可全權酌情向基金單位持有人分派高於房地產投資信託基金守則所規定的可分派收入總額百分比（現時為90.0%）。

根據信託契約，管理人必須在適用法例之規限下確保每個財政年度最少作出一次分派，且不得於有關財政年度結束起計五個月屆滿之日後支付。管理人的初步分派政策為各年度分派兩次，即截至六月三十日及十二月三十一日止六個月期間的分派。董事預期，中期及末期分派將分別於每年十一月及五月支付。然而，越秀房地產投資信託基金於上市日期至二〇〇五年十二月三十一日期間的分派將連同二〇〇六年一月一日至二〇〇六年六月三十日期間一併作出，並計劃於二〇〇六年十一月三十日或之前支付。

向基金單位持有人作出的分派將以港元宣派及支付。此外，管理人可採用其認為適當的規定，使基金單位持有人就越秀房地產投資信託基金作出的任何分派進行再投資，以換取新基金單位，但是基金單位持有人不會被強迫收取基金單位以代替現金分派。根據現時的香港稅法，分派毋須預扣或扣除香港稅項。按香港稅務局現行慣例理解，越秀房地產投資信託基金所作的分派毋須在香港繳納稅項。基金單位持有人應就其特定稅務狀況，徵詢其專業顧問的意見。

越秀房地產投資信託基金作出分派的能力乃視乎（其中包括）越秀房地產投資信託基金是否具備足夠現金支付所需的款項。房地產投資信託基金守則規定，用作當時為越秀房地產投資信託基金持有房地產及其他資產的各公司須按其註冊成立的相關司法管轄區的法例及規例，於每個財政年度向越秀房地產投資信託基金分派該公司所有此等收入。

獨立上市

1. 建議分拆上市及分派

建議越秀房地產投資信託基金將基金單位進行全球發售，包括在香港以公開發售形式提呈以供認購及向專業、機構及其他投資者進行國際配售，亦建議進行分派，此外亦向合資格股東授出選擇權。

建議分拆上市、分派及選擇權須待（其中包括）證監會根據房地產投資信託基金守則授出批准及聯交所就獨立上市及全球發售授出批准後方可作實。上述條件包括發售通函所載的(i)股東特別大會通告所載分派的條件；(ii)下文「選擇權」一段所述「行使選擇權的條件」分

3. 投資目標及政策

管理人對越秀房地產投資信託基金的投資目標為投資位於廣東省的物業。為達致投資目標，管理人將採納以下政策：

- 初步投資位於廣東省的房地產，惟基金單位持有人在管理人召開的大會上以特別決議案另行批准者除外；
- 物業作為長期投資；及
- 投資各種可持續提供收入而主要用作辦公樓、零售及其他商業用途的物業組合。

4. 分派政策

管理人的分派政策是於二〇〇六年至二〇〇八年每個財政年度，向基金單位持有人分派可分派收入總額的100.0%，而其後各財政年度則分派相等於可分派收入總額最少90.0%。

就上述分派而言，根據信託契約的建議條款，財政年度的「可分派收入總額」乃由管理人計算越秀房地產投資信託基金及其所控制的實體於該財政年度按照香港會計準則(HKAS)編撰的綜合經審核除稅後溢利金額，並作出會計調整，以消除自有關財政年度損益賬扣除或入賬的會計調整影響，包括：(i)未變現物業估值收益的影響，包括撥回減值撥備；(ii)出售物業的變現收益；(iii)金融工具的公平價值收益；(iv)有關物業估值變動的遞延稅項支出／抵免；(v)其他重大非現金收益；(vi)就發行新基金單位自存置資產撥付開支；及(vii)按照香港公認會計準則作出任何調整，而該等調整會增加該等以可分派現金賬目為基礎按照中國公認會計準則所記錄者(包括撥回投資物業的折舊支出)。

為免生疑問，當管理人計算可分派收入總額時，並無從越秀房地產投資信託基金的損益賬撥回非現金虧損(例如物業重估虧損)。管理人可(但並無責任)分派非現金虧損產生的任何剩餘現金(在該情況下，於二〇〇六年至二〇〇八年財政年度，可分派超過100.0%的越秀房地產投資信託基金可分派收入總額)或利用有關現金補充越秀房地產投資信託基金的資產基礎。此外，越秀房地產投資信託基金毋須分派非現金收益。

於管理人不時釐定為作出分派而並非財政年度的期間(「分派期間」)，「可分派收入總額」指由管理人酌情釐定的金額。

司)持有本公司於最後實際可行日期已發行股本約50.2%，就上市規則第2.16條而言並無擁有建議交易的重大權益，因此有權並已作出不可撤回的承諾投票贊成有關分派、選擇權、獨立上市及與獨立上市相關的其他事宜的決議案。

越秀房地產投資信託基金的資料

1. 房地產投資信託基金概述

房地產投資信託基金為集體投資計劃，以單位信託基金組成，主要投資於提供收入的房地產資產，並以收入向其基金單位持有人提供回報。投資者購買房地產投資信託基金的基金單位時，可分享房地產投資信託基金所持房地產資產的利益及分擔相關風險。在香港，投資於房地產投資信託基金的基金單位主要受房地產投資信託基金守則所規管，並具有下列優點：

- 業務重點明確；因為房地產投資信託基金不得從投資房地產以外業務，或擁有重大非房地產資產；
- 房地產投資信託基金守則規定，房地產投資信託基金於各財政年度須分派最少90.0%的經審核稅後收入淨額(或會根據房地產投資信託基金守則及信託契約作出調整)；
- 保守資本架構；房地產投資信託基金守則將房地產投資信託基金借貸限制於其合計資產總值的45.0%；
- 與直接投資於房地產相比，資金流動性增加；
- 證監會持續發牌認可及監管的管理人；及
- 具有法定及監管企業管治體制，並由獨立信託人監督內部企業管治體制。

2. 越秀房地產投資信託基金的目標

管理人管理越秀房地產投資信託基金的主要目標是為基金單位持有人的每個基金單位帶來穩定的分派，且該等分派具備潛在可持續長期增長的能力。管理人擬透過投資初步位於中國廣東省可提供收入而主要用作辦公樓、零售及其他商業用途的房地產，以達致上述目標。

董事會函件

徵求股東以投票表決方式批准分派、選擇權、獨立上市及與獨立上市相關的其他事宜；及(5)向股東發出股東特別大會通告，會上將提呈以投票表決方式批准分派、選擇權、獨立上市及與獨立上市相關的其他事宜的普通決議案。

建議分拆上市及全球發售須待(其中包括)上市委員會授出上市批准後方可作實。因此，股東務請注意，建議分拆上市及建議全球發售取決於(其中包括)多項因素，並須待多項未必達成的條件達成後方可作實。因此，並不保證上述交易將會進行。因此，股東或其他計劃買賣股份的人士於買賣本公司證券時，務請審慎行事，如對彼等的情況有任何疑問，亦建議徵詢專業顧問的意見。

董事確認，本公司已遵照應用指引第15項所載的所有規定。

背景

越秀投資集團的主要業務為物業發展、管理及投資、新聞紙製造及經營收費公路及橋樑。為預計進行的獨立上市，越秀投資集團現正考慮進行重組，據此向Holdco轉讓已發行股份以換取初步代價，詳情載於下文「重組」一段。

建議越秀房地產投資信託基金將根據全球發售發行新基金單位。就獨立上市而言，將向於記錄日期營業時間結束時名列越秀投資股東名冊的股東作出分派。

由於發行新基金單位，且假設超額配股權獲全數行使，越秀投資集團於緊隨全球發售完成後及於分派後所持越秀房地產投資信託基金權益將由100%減至約30%。上述發行新基金單位將導致本公司根據上市規則第14.29條視為進行出售。現時估計根據上市規則第14.32條的代價比率將超過25%但低於75%，故根據上市規則第14.06條，該交易屬於本公司的重大交易，根據上市規則第14.40條須取得股東批准。

由於所有股東(包括本公司控股股東(定義見上市規則))就分派、獨立上市及其他相關事宜的權益並非不同，所有股東均可在股東特別大會上就普通決議案投票。此外，在不影響上文所述的一般性情況下，本公司控股股東(定義見上市規則)越秀，(透過中介控股公



越秀投資有限公司
GUANGZHOU INVESTMENT COMPANY LIMITED

(在香港註冊成立的有限公司)

(股份代號：123)

執行董事：

區秉昌(董事長)

梁毅

陳光松

梁凝光

李飛

註冊辦事處：

香港

灣仔

駱克道160-174號

越秀大廈24樓

獨立非執行董事：

余立發先生

李家麟先生

劉漢銓先生

敬啟者：

有關越秀房地產投資信託基金
在香港聯合交易所有限公司主板
獨立上市的重大交易

緒言

董事會於二〇〇五年十一月二十四日公佈，現正考慮越秀房地產投資信託基金的建議分拆上市。將向證監會申請審批越秀房地產投資信託基金，而越秀房地產投資信託基金將向聯交所正式申請建議將基金單位在主板上市。建議將基金單位進行全球發售包括在香港以公開發售形式提呈以供認購及向專業、機構及其他投資者進行國際配售。

本通函旨在(1)向股東提供建議分拆上市的理由及好處(連同上市規則規定就本公司進行重大交易與獨立上市相關的其他資料)以及重組、分派及其他相關事宜的資料；(2)載述獨立董事委員會向股東提供的推薦建議；(3)載述禹銘意見函件，當中載有就分派、選擇權、獨立上市及與獨立上市相關的其他事宜如何投票給予獨立董事委員會及股東的推薦建議；(4)

參與建議分拆上市的各方

董事

執行董事

區秉昌(董事長)
梁毅
陳光松
梁凝光
李飛

獨立非執行董事

余立發
李家麟
劉漢銓

本公司財務顧問

金榜融資(亞洲)有限公司
香港
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力寶中心1座
39樓3902B室

獨立董事委員會及 股東的獨立財務顧問

禹銘投資管理有限公司
香港
皇后大道中29號
怡安華人行
10樓1001室

本公司法律顧問

香港法例
貝克·麥堅時律師事務所
香港
中環
夏慤道10號
和記大廈14樓

核數師

羅兵咸永道會計師事務所
執業會計師
香港
中環
太子大廈22樓

獨立物業估值師

高力國際物業顧問(香港)有限公司
香港
灣仔
港灣道18號
中環廣場5701室

過戶登記處

雅柏勤證券登記有限公司
香港
灣仔
告士打道56號
東亞銀行港灣中心地下

釋 義

「白馬單位」	指	白馬大廈合共9項房產的單位(位於中國廣州越秀區站南路14、16及18號)
「怡城」	指	廣州怡城物業管理有限公司，在中國註冊成立的公司，為越秀投資的附屬公司
「越秀」	指	越秀企業(集團)有限公司，在香港註冊成立的公司
「禹銘」	指	禹銘投資管理有限公司，獨立董事委員會及股東的獨立財務顧問，根據證券及期貨條例視為獲准從事第1、4、6及9類受規管活動的公司
「港元」	指	香港法定貨幣港元
「人民幣」	指	中國法定貨幣人民幣
「美元」	指	美國法定貨幣美元
「%」	指	百分比

於本通函內，除另有指明外，若干以港元為單位的金額已按7.80港元兌1.00美元之匯率兌換為美元，而於二〇〇五年六月三十日或之前的若干以人民幣為單位的金額已按人民幣1.07元兌1港元之匯率兌換為港元，於二〇〇五年六月三十日之後的若干以人民幣為單位的金額則按人民幣1.04元兌1港元之匯率兌換為港元，僅供參考。上述兌換並不表示有關港元金額已經或可能已經按該等匯率或任何其他匯率兌換為美元，或有關人民幣金額已經或可能已按該等匯率或任何其他匯率兌換為港元。

倘本通函所述中國實體的中文名稱與英文譯名有任何歧異，概以英文本為準。

除另有指明外，本通函所載未經審核數字乃按香港公認會計準則編撰。

釋 義

「證監會」	指	香港證券及期貨事務監察委員會
「證券及期貨條例」	指	香港法例第571章的現行證券及期貨條例(經修訂、補充或以其他方式修改)
「股份」	指	本公司股本中每股0.10港元的股份
「股東」	指	本公司股東
「特別決議案」	指	由親身或委派代表出席及有權投票的基金單位持有人的75.0%或以上大多數票通過的決議案(惟與會人數須為兩名或以上持有不少於25.0%已發行基金單位的基金單位持有人)
「聯交所」	指	香港聯合交易所有限公司
「附屬公司」	指	具有公司條例第2條所賦予的涵義
「租賃服務協議」	指	管理人及福達、金峰、京澳與怡城各自訂立，及管理人及柏達與白馬物業管理公司將訂立的租賃服務協議，而「租賃服務協議」指上述任何一項
「可分派收入總額」	指	具有董事會函件「越秀房地產投資信託基金的資料」一段「分派政策」分段所賦予的涵義
「信託契約」	指	信託人與組成越秀房地產投資信託基金的管理人將訂立的信託契約(經任何補充契約修訂)
「信託人」	指	HSBC Institutional Trust Services (Asia) Limited，將擔任越秀房地產投資信託基金的信託人
「基金單位」	指	越秀房地產投資信託基金的基金單位
「基金單位持有人」	指	現時基金單位的註冊持有人，亦包括聯名註冊持有人
「維多利廣場單位」	指	維多利廣場合共9項房產的單位(位於中國廣州天河區體育西路101號)
「白馬物業管理公司」	指	廣州白馬物業管理有限公司，在中國註冊成立的公司，其96.8%權益由本公司擁有

釋 義

「柏達已發行股份」	指	柏達一股已發行股份，即柏達全部已發行股本
「應用指引第15項」	指	上市規則應用指引第15項
「中國」	指	中華人民共和國。除文義另有所指外，本通函所指的中國不包括香港、中國澳門特別行政區或台灣
「物業」	指	白馬單位、財富廣場單位、城建大廈單位及維多利廣場單位，而「物業」指上述任何一項
「建議分拆上市」	指	越秀房地產投資信託基金的建議分拆及獨立上市
「合資格股東」	指	於記錄日期營業時間結束時名列越秀投資股東名冊的股份持有人(不合資格海外股東除外)
「記錄日期」	指	二〇〇五年十二月九日(或董事會可能釐定的其他日期)，即確定參與分派的股東配額的記錄日期
「過戶登記處」	指	本公司股份過戶登記處雅柏勤證券登記有限公司，地址為香港灣仔告士打道56號東亞銀行港灣中心地下
「房地產投資信託基金」	指	房地產投資信託基金
「房地產投資信託基金守則」	指	證監會頒佈的房地產投資信託基金守則(以經不時修訂、補充或以其他方式修改者為準)
「租金收入」	指	來自物業租賃的租金收入
「重組」	指	GCCD BVI向Holdco轉讓已發行股份的內部重組
「重組契約」	指	GCCD BVI、越秀投資、Holdco、管理人及信託人將訂立的重組契約，詳情載述於本通函「重組」一段
「優先購買權」	指	本公司建議向越秀房地產投資信託基金授出的優先購買權
「獨立上市」	指	建議基金單位在主板獨立上市

釋 義

「上市規則」	指	聯交所證券上市規則
「貸款融資」	指	貸款銀行將授予BVI公司為數165,000,000美元(約等於1,287,000,000港元)的三年期浮動息率貸款融資
「貸款所得款項」	指	根據貸款融資借取的總金額
「主板」	指	聯交所經營的證券交易所(不包括期權市場),與聯交所經營的創業板市場同時獨立經營
「管理人」	指	越秀房託資產管理有限公司
「金峰已發行股份」	指	金峰一股已發行股份,即金峰全部已發行股本
「金峰」	指	金峰有限公司,在BVI註冊成立的公司,亦為本公司的全資附屬公司
「發售價」	指	每個基金單位的最終港元價格(不包括1.0%經紀佣金、0.005%香港聯交所交易費、0.005%證監會交易徵費及0.002%投資者賠償徵費(如有)),而基金單位將根據發售通函詳述的全球發售按最終港元價格發行及配發
「發售通函」	指	越秀房地產投資信託基金建議就全球發售刊發的發售通函
「選擇權」	指	各合資格股東獲授及可予行使的選擇權,可按照本通函及將於股東特別大會日期或之後向合資格股東寄發有關行使選擇權的選擇表格所載條款及條件,選擇收取現金付款代替建議根據分派獲轉讓的全部(如屬香港中央結算(代理人)有限公司,則全部或部分)基金單位
「超額配售權」	指	作為國際發售的一部份,建議越秀投資向聯席全球協調人授出選擇權,以向投資者提呈發售最多達某特定數目的基金單位,僅為補足基金單位的超額配發(如有)
「柏達」	指	柏達投資有限公司,在BVI註冊成立的公司,亦為本公司的全資附屬公司

釋 義

「國際發售」	指	建議按發售價向機構、專業及其他投資者發售除香港公開發售基金單位以外的基金單位(包括因選擇行使選擇權的合資格股東建議獲轉讓的基金單位及不合格海外股東根據分派原應獲取的基金單位)以換取現金，詳情載於發售通函
「首次公開發售交易成本」	指	管理人或信託人因代表越秀房地產投資信託基金進行全球發售而產生的一切成本及開支
「已發行股份」	指	福達已發行股份、京澳已發行股份、金峰已發行股份及柏達已發行股份，即BVI公司的全部已發行股本
「聯席全球協調人」	指	Citigroup Global Markets Asia Limited、香港上海滙豐銀行有限公司及星展銀行有限公司香港分行
「京澳」	指	京澳有限公司，在BVI註冊成立的公司，亦為本公司的全資附屬公司
「京澳已發行股份」	指	京澳一股已發行股份，即京澳全部已發行股本
「最後實際可行日期」	指	二〇〇五年十一月二十一日，即確定本通函所載資料的最後實際可行日期
「租賃代理」	指	白馬物業管理公司及怡城，而「租賃代理」指上述任何一方
「貸款銀行」	指	花旗銀行香港分行、香港上海滙豐銀行有限公司及星展銀行有限公司香港分行
「上市批准」	指	聯交所上市委員會批准根據重組契約將發行及因全球發售將發行的所有基金單位上市及買賣
「上市委員會」	指	聯交所上市委員會
「上市日期」	指	基金單位首次上市的日期，自此獲准在聯交所進行買賣

釋 義

「香港結算」	指	香港中央結算有限公司
「Holdco」	指	越秀房託(控股)2005有限公司，將在香港註冊成立的公司，將於重組完成後由為越秀房地產投資信託基金以信託方式持有的信託人全資擁有
「香港」	指	中國香港特別行政區
「香港公開發售」	指	根據發售通函及有關申請表格詳述的條款及條件建議按發售價在香港公開發售基金單位以換取現金
「獨立董事委員會」	指	余立發先生、李家麟先生及劉漢銓先生(均為獨立非執行董事)已獲委任為本公司獨立董事委員會的成員，以就如何就批准分派、選擇權、獨立上市及與獨立上市相關的其他事宜的決議案向股東提供意見
「不合資格海外股東」	指	於記錄日期越秀投資股東名冊所列地址位於香港以外，因有關地區法例限制或該等地區相關監管機構或證券交易所規定不得包括在分派及選擇權內的股東，而經董事作出合理查詢後認為不包括上述股東乃屬必要或適當
「初步調整」	指	根據重組契約所述條款計算及對初步代價作出的初步調整
「初步代價」	指	Holdco須根據重組契約就已發行股份支付的初步代價，詳情載於董事會函件「重組」一段「代價」分段
「中期報告」	指	本公司截至二〇〇五年六月三十日止六個月及於二〇〇五年九月二十三日刊發的中期報告

釋 義

「融資協議」	指	BVI公司、Holdco及貸款銀行將就貸款融資訂立的融資協議
「福達已發行股份」	指	福達一股已發行股份，即福達於最後實際可行日期的全部已發行股本
「財政年度」	指	(i) 就首個財政年度而言，由成立越秀房地產投資信託基金日期(包括該日)起至二〇〇五年十二月三十一日止期間； (ii) 就最後財政年度而言，由越秀房地產投資信託基金終止日期前最接近的一月一日起至越秀房地產投資信託基金終止日期(包括該日)止期間；及 (iii) 在所有其他情況下，每年截至十二月三十一日止的十二個月期間
「財富廣場單位」	指	財富廣場合共83項房產的單位(位於中國廣州天河區體育東路114、116及118號)
「福達」	指	福達地產投資有限公司，在BVI註冊成立的公司，亦為本公司的全資附屬公司
「GCCD」	指	廣州市城市建設開發有限公司，在中國註冊成立的公司，由本公司間接擁有95%權益
「GCCD BVI」	指	城市建設開發集團(中國)有限公司，在BVI註冊成立的公司，為福達、京澳、金峰及柏達全部已發行股份的實益擁有人，而福達、京澳、金峰及柏達分別為城建大廈單位、維多利廣場單位、財富廣場單位及白馬單位的註冊擁有人。GCCD BVI為本公司的全資附屬公司
「全球發售」	指	香港公開發售及國際發售
「越秀投資集團」	指	越秀投資及其附屬公司
「越秀房地產投資信託基金」	指	越秀房地產投資信託基金，將組成單位信託基金並將根據證券及期貨條例第104條獲證監會批准的集體投資計劃

釋 義

「本公司」或「越秀投資」	指	越秀投資有限公司，在香港註冊成立的有限公司，其股份在主板及新加坡證券交易所有限公司上市
「公司條例」	指	香港法例第32章現行的公司條例(經修訂、補充或以其他方式修改)
「完成」	指	根據重組契約完成轉讓已發行股份
「彌償保證契約」	指	預期於完成時由Holdco、管理人、信託人、GCCD BVI及越秀投資就GCCD BVI及越秀投資向Holdco(為本身及作為各BVI公司的信託人)、管理人及信託人作出(其中包括)稅項彌償保證而訂立的契約
「存置資產」	指	越秀房地產投資信託基金的全部資產
「董事」	指	本公司董事
「分派」	指	本公司以下述方式有條件向股東派付特別股息： (a) 向於記錄日期營業時間結束時名列本公司股東名冊的股東(不合資格海外股東除外)作出基金單位的實物分派；及 (b) 向不合資格股東支付現金付款(經扣除相關稅項、印花稅、證監會交易徵費、聯交所交易費及投資者賠償徵費(如有))， 惟在任何一種情況下均須遵守本通函所載條款及條件
「Dragon Yield」	指	Dragon Yield Holding Limited，在BVI註冊成立的公司，亦為本公司的全資附屬公司
「股東特別大會」	指	本公司將於二〇〇五年十二月十日上午九時三十分假座香港灣仔駱克道160號越秀大廈26樓舉行的股東特別大會，大會通告載於本通函第278頁至第281頁

釋 義

在本通函內，除非文義另有所指，否則以下詞語具有以下涵義：

「調整」	指	初步調整及合併資產淨值調整
「聯繫人士」	指	具有上市規則賦予的涵義
「核數師」	指	本公司核數師羅兵咸永道會計師事務所(執業會計師)，地址為香港中環太子大廈22樓
「批准」	指	證監會根據證券及期貨條例第104條給予越秀房地產投資信託基金的批准
「董事會」	指	董事會
「BVI」	指	英屬處女群島
「BVI公司」	指	柏達、金峰、福達及京澳，即白馬單位、財富廣場單位、城建大廈單位及維多利廣場單位各自的擁有人，而「BVI公司」指上述任何一方
「現金付款」	指	向(i)選擇行使選擇權的合資格股東；及(ii)不合資格海外股東支付的現金款項，經參考發售價(經扣除相關稅項、印花稅、證監會交易徵費、聯交所交易費及投資者賠償徵費(如有))後釐定
「中央結算系統」	指	香港結算設立及經營的中央結算及交收系統
「城建大廈單位」	指	城建大廈合共165項房產的單位(位於中國廣州天河區體育西路185、187及189號)
「高力」或 「獨立物業估值師」	指	獨立物業估值師高力國際物業顧問(香港)有限公司
「合併資產淨值」	指	BVI公司的合併資產淨值
「合併資產淨值調整」	指	因重組契約日期至緊接上市日期之日期間合併資產淨值的增加或減少(視乎情況而定)而對初步代價作出的調整，乃按重組契約計算及作出

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預期時間表

二〇〇五年

本通函寄發日期.....	十一月二十五日
買賣分派未除權股份的最後日期.....	十二月六日
買賣分派除權股份的首日.....	十二月七日
遞交分派未除權股份過戶表格的最後時限.....	十二月八日下午四時正
交回股東特別大會代表委任表格的最後時限.....	十二月八日上午九時三十分
確定分派配額的記錄日期.....	十二月九日
本公司暫停辦理過戶登記.....	十二月九日
股東特別大會.....	十二月十日上午九時三十分
本公司重新開放辦理過戶登記.....	十二月十二日

所有時間均指香港本地時間。

謹請注意，上述時間表可作修訂。倘上述時間表有變，本公司將盡快刊發公佈。

此 乃 要 件 請 即 處 理

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閣下如已售出或轉讓全部名下的越秀投資有限公司（「本公司」或「越秀投資」）股份，應立即將本通函連同代表委任表格交予買主或承讓人，或經手買賣或轉讓的銀行、股票經紀或其他代理商，以便轉交買主或承讓人。

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越 秀 投 資 有 限 公 司

GUANGZHOU INVESTMENT COMPANY LIMITED

(在香港註冊成立的有限公司)

(股份代號：123)

有 關 越 秀 房 地 產 投 資 信 託 基 金
在 香 港 聯 合 交 易 所 有 限 公 司 主 板
獨 立 上 市 的 重 大 交 易

越 秀 投 資 有 限 公 司 財 務 顧 問



金 榜 融 資 (亞 洲) 有 限 公 司

獨 立 董 事 委 員 會 及 股 東
有 關 獨 立 上 市 的 獨 立 財 務 顧 問



禹 銘 投 資 管 理 有 限 公 司

越秀投資有限公司獨立董事委員會及股東的獨立財務顧問禹銘投資管理有限公司的函件，載於本通函第50頁至第71頁。

本公司謹訂於二〇〇五年十二月十日(星期六)上午九時三十分假座香港灣仔駱克道160號越秀大廈26樓舉行股東特別大會，大會通告載於本通函內。無論閣下能否出席大會，務請根據隨附代表委任表格上印備之指示，填妥該表格及盡快交回本公司股份過戶登記處雅柏勤證券登記有限公司(地址為香港灣仔告士打道56號東亞銀行港灣中心地下)，惟無論如何最遲須於大會或其任何續會之指定舉行時間四十八小時前交回。填妥及交回代表委任表格後，閣下仍可親身出席股東特別大會或其任何續會，並於會上投票。

二〇〇五年十一月二十五日