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GZI Real Estate Investment Trust

*(a Hong Kong collective investment scheme authorised under section 104
of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))*

(Stock Code: 405)

Managed by GZI REIT Asset Management Limited Clarification Announcement

<p>This announcement is made in response to media reports appearing in various newspapers on 15 June 2006 regarding a possible injection of properties located in Guangdong Province and Pearl River Delta into GZI REIT by GZI early next year.</p>
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Clarification

In response to media reports appearing in various newspapers on 15 June 2006 regarding a possible injection of properties located in Guangdong Province and Pearl River Delta into GZI Real Estate Investment Trust (“**GZI REIT**”) by its single largest unitholder, Guangzhou Investment Company Limited (“**GZI**”), the board of directors (the “**Board**”) of GZI REIT Asset Management Limited, the manager of GZI REIT (the “**Manager**”), clarifies that at present there is no negotiation or concrete plan for the acquisition of further properties by way of issuance of new units or otherwise from GZI as reported by the media.

General

The Manager has noted the recent increase in the price of the units of GZI REIT and wishes to clarify that it is not aware of any reasons for such increase.

The Manager also confirms that there are no negotiations or agreements relating to intended acquisitions, realizations or other matters which are discloseable under Chapter 10.4 of the Code on Real Estate Investment Trusts (the “**REIT Code**”). The Board is not aware of any matter discloseable under the general obligation imposed by Chapter 10.3 of the REIT Code, which is or may be of a price-sensitive nature.

Unitholders and potential investors are reminded to exercise caution when dealing in the units of GZI REIT.

By order of the Board
GZI REIT Asset Management Limited
as manager of GZI Real Estate Investment Trust
Mr. Liang Ning Guang
Chairman of the Manager

Hong Kong, 15 June 2006

As at the date of this announcement, the board of directors of the Manager is comprised as follows:

The Executive Directors of the Manager are Mr. Liang Ning Guang (Chairman) and Mr. Liu Yong Jie. The Non-executive Director is Mr. Liang You Pan. The Independent Non-executive Directors are Mr. Chan Chi On Derek, Mr. Lee Kwan Hung Eddie and Mr. Chan Chi Fai Brian.