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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**

This announcement is made in response to a media report appearing in the South China Morning Post on 16 October 2006 regarding a possible plan of GZI Real Estate Investment Trust to raise up to US\$150 million by selling bonds backed by commercial properties before the end of the year.

#### **Clarification**

In response to a media reports appearing in the South China Morning Post on 16 October 2006 regarding a possible plan of GZI Real Estate Investment Trust (“**GZI REIT**”) to raise US\$150 million by selling bonds backed by commercial properties, the manager of GZI REIT (“**Manager**”), clarifies that at present while GZI REIT is contemplating various options of raising funds in the debt market to refinance its existing loan facilities in the amount of US\$165 million due in December 2008 with costs savings, currently no firm decision has been made and no binding agreement has been entered into for and on behalf of GZI REIT on any such options. Further announcement will be made as and when appropriate.

#### **General**

The Manager has noted the recent increase in the trading volume of the units of GZI REIT on 16 October 2006. The Manager wishes to clarify that, save as disclosed above, it is not aware of any reasons for such increase.

The Manager also confirms that, save as disclosed above, 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 (“**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 of GZI REIT (“Unitholders”) and potential investors should note that GZI REIT may or may not proceed with the options currently under consideration as described above. Accordingly, 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, 16 October 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.*