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## **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 your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all of your units in GZI REIT, you should at once hand this Circular, together with the accompanying form of proxy, to the purchaser or 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 transferee.

The Securities and Futures Commission of Hong Kong, The Stock Exchange of Hong Kong Limited and Hong Kong Exchange and Clearing Limited take no responsibility for the contents of this Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

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### **越秀房地產投資信託基金** **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**



**越秀房託資產管理有限公司**  
**GZI REIT Asset Management Limited**

## **CIRCULAR TO UNITHOLDERS**

### **(1) EXTENSION OF EXISTING CONNECTED PARTY TRANSACTION WAIVERS AND PROPOSED NEW ANNUAL LIMITS FOR CERTAIN CONNECTED PARTY TRANSACTIONS AND (2) NOTICE OF EGM AND UNITHOLDER REGISTER CLOSURE**

**Independent Financial Adviser to the Independent Board Committee  
of the REIT Manager, the independent Unitholders and the Trustee**



禹銘投資管理有限公司  
YU MING INVESTMENT MANAGEMENT LIMITED

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A letter from the Board is set out on pages 6 to 13 of this Circular.

A notice convening the EGM to be held at 10:30 a.m on 6 January 2011 at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong is set out on pages N-1 to N-2 of this Circular. Whether or not you are able to attend and vote at the EGM in person, please complete and return the accompanying form of proxy to the Unit Registrar of GZI REIT, Tricor Investor Services Limited at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong in accordance with the instructions printed thereon 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 adjournment 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.

17 December 2010

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## CORPORATION INFORMATION

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GZI REIT	GZI Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO subject to applicable conditions from time to time, or GZI Real Estate Investment Trust and the companies controlled by it, as the context requires
REIT Manager	GZI REIT Asset Management Limited 24/F., Yue Xiu Building 160 Lockhart Road Wanchai Hong Kong
Directors of the REIT Manager	<i>Executive Directors:</i> Mr. LIANG Ningguang ( <i>Chairman</i> ) Mr. LIU Yongjie  <i>Non-Executive Director:</i> Mr. LIANG Youpan  <i>Independent Non-executive Directors:</i> Mr. CHAN Chi On Derek Mr. LEE Kwan Hung Eddie Mr. CHAN Chi Fai Brian
Trustee	HSBC Institutional Trust Services (Asia) Limited 1 Queen's Road Central Hong Kong
Unit Registrar	Tricor Investor Services Limited 26/F., Tesbury Centre 28 Queen's Road East Hong Kong
Legal Advisers to the REIT Manager	Baker & McKenzie 23rd Floor, One Pacific Place 88 Queensway Hong Kong
Independent Financial Adviser to the Independent Board Committee, the independent Unitholders and the Trustee	Yu Ming Investment Management Limited Room 1801, 18th Floor, Allied Kajima Building 138 Gloucester Road Wanchai, Hong Kong

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## DEFINITIONS

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*In this Circular, the following definitions apply throughout unless otherwise stated:*

2008 Announcement	the announcement dated 2 June 2008 issued by GZI REIT to the Unitholders
2008 Circular	the circular dated 4 February 2008 issued by GZI REIT to the Unitholders
2008 CPT Waivers	the 2008 PMA Waiver and the 2008 Extended Waiver
2008 Extended Waiver	the extension of the Initial Waiver Period and an increase to the annual caps for certain connected party transactions of GZI REIT as more fully described in the 2008 Circular
2008 PMA Waiver	the waiver from strict compliance with certain requirements of Chapter 8 of the REIT Code in respect of the property management arrangements relating to the New Property (as defined in the 2008 Circular) between GZI REIT on the one hand and certain connected persons of GZI REIT on the other hand, as more fully described in the 2008 Circular
Board	the board of Directors
Connected Party Transactions	the continuing connected party transactions referred to in this Circular
connected person	has the meaning ascribed to this term in the REIT Code
Directors	the directors of the REIT Manager
Dragon Yield	Dragon Yield Holding Limited, a company incorporated in the British Virgin Islands and which is directly wholly-owned by Yuexiu Property
EGM	the extraordinary general meeting of Unitholders convened by and referred to in the EGM Notice
EGM Notice	the notice included in this Circular in respect of the extraordinary general meeting of Unitholders to consider and, if thought fit, approve the Waiver Extension and the New Annual Caps
Group	GZI REIT and the companies directly or indirectly owned and controlled by GZI REIT
GZI Associates	the controlling entities, holding companies, subsidiaries and associated companies of Yuexiu Property. For the purposes of this definition, “controlling entity” and “associated company” shall have their respective meanings under the REIT Code

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## DEFINITIONS

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GZI REIT	GZI Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO subject to applicable conditions from time to time, or GZI Real Estate Investment Trust and the companies controlled by it, as the context requires
GZYZ	廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited), a limited liability company incorporated in the PRC which in turn is beneficially wholly-owned by the Guangzhou Municipal People's Government of the PRC and is the controlling shareholder of Yuexiu Property
GZYZ Group	GZYZ and its subsidiaries
Hong Kong	The Hong Kong Special Administrative Region of the PRC
Hong Kong Dollar	Hong Kong dollar, being the lawful currency of Hong Kong
Independent Board Committee	the independent committee of the Board established to advise the independent Unitholders on the waiver extension and proposed new caps, comprising all the independent non-executive Directors
Independent Financial Adviser	Yu Ming Investment Management Limited, a licensed corporation for types 1, 4, 6 and 9 regulated activities under the SFO
Initial Waiver Period	the initial waiver period of the waiver from strict compliance with certain requirements under Chapter 8 of the REIT Code granted by the SFC in respect of certain continuing transactions of GZI REIT as more fully described in the IPO Offering Circular
IPO Offering Circular	the offering circular dated 12 December 2005 issued by GZI REIT in connection with the initial public offering of Units by GZI REIT
Latest Practicable Date	16 December 2010 being the latest practicable date prior to the printing of this Circular for the purpose of ascertaining certain information contained in this Circular
New Annual Caps	the proposed new annual limits for the Connected Party Transactions for the financial years ending 31 December 2011, 31 December 2012 and 31 December 2013 respectively, as set out in the section headed "Proposed New Annual Monetary Limits for the Connected Party Transactions" of this Circular

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## DEFINITIONS

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Ordinary Resolution	a resolution of Unitholders passed by a simple majority of the votes of those present, whether in person or by proxy, and entitled to vote, where the votes shall be taken by way of poll, but with a quorum of two or more Unitholders holding at least 10% of Units in issue
PRC	The People's Republic of China
Property Managers	Guangzhou Yicheng Property Management Limited and White Horse Property Management Company, GZI REIT's property managers
Properties	the properties held by GZI REIT, as more fully described in the IPO Offering Circular and the 2008 Circular
Record Date	6 January 2011
REIT Code	the Code on Real Estate Investment Trusts published by the SFC as amended, supplemented or otherwise modified for the time being
REIT Manager	GZI REIT Asset Management Limited, as manager of GZI REIT
RMB and Renminbi	Renminbi, being the lawful currency of the PRC
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified for the time being
Trust Deed	the deed of trust constituting GZI REIT dated 7 December 2005 entered into between the Trustee and the REIT Manager, as amended by a first supplemental deed dated 25 March 2008 and a second supplemental deed dated 23 July 2010, as the same may be supplemented or amended from time to time
Trustee	HSBC Institutional Trust Services (Asia) Limited, as trustee of GZI REIT
Unit	one undivided unit in GZI REIT
Unit Registrar	Tricor Investor Services Limited
Unitholder	any person registered as holding a Unit (including persons so registered as joint holders)

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## DEFINITIONS

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Waiver Extension	the proposed extension of the period of the 2008 CPT Waivers (which will expire on 31 December 2010) and the setting of New Annual Caps for Connected Party Transactions as described in this Circular
White Horse Units	Nine strata units in White Horse Building located at No.16 Zhan Nan Road, Yue Xiu District, Guangzhou, PRC
Yuexiu Property	Yuexiu Property Company Limited, (越秀地產股份有限公司) a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 123) and on the stock exchange operated by Singapore Exchange Securities Trading Limited

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Hong Kong time unless otherwise stated.

For reference purposes only, the exchange rate of RMB to HK\$ was 1:1.17 as at the Latest Practicable Date.

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LETTER FROM THE BOARD

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越秀房地產投資信託基金  
**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**



越秀房託資產管理有限公司  
**GZI REIT Asset Management Limited**

**Directors of the REIT Manager:**

*Executive Directors:*

Mr. LIANG Ningguang (*Chairman*)

Mr. LIU Yongjie

*Non-Executive Director:*

Mr. LIANG Youpan

*Independent Non-executive Directors:*

Mr. CHAN Chi On Derek

Mr. LEE Kwan Hung Eddie

Mr. CHAN Chi Fai Brian

**Registered Office of the REIT Manager:**

24/F., Yue Xiu Building

160 Lockhart Road

Wanchai

Hong Kong

17 December 2010

*To: Unitholders of GZI REIT*

Dear Sir/Madam,

**CIRCULAR TO UNITHOLDERS**

**(1) EXTENSION OF EXISTING CONNECTED PARTY TRANSACTION  
WAIVER AND PROPOSED NEW ANNUAL LIMITS FOR  
CERTAIN CONNECTED PARTY TRANSACTIONS  
AND  
(2) NOTICE OF EGM AND UNIT REGISTER CLOSURE**

Reference is made to the announcement dated 17 December 2010 by the REIT Manager in relation to the proposed extension of the 2008 CPT Waivers in respect of the Connected Party Transactions and the proposed New Annual Caps. The purposes of this Circular are to (a) provide you with information on the proposed Waiver Extension and the New Annual Caps; (b) provide you with further information as is necessary to enable you to make an informed decision on whether to vote for



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## LETTER FROM THE BOARD

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or against the Ordinary Resolution to be proposed at the EGM relating to the Waiver Extension and the New Annual Caps; (c) set out the recommendation of the Independent Board Committee relating to the Waiver Extension and the New Annual Caps; (d) set out the recommendation of the Independent Financial Adviser to the Independent Board Committee, the independent Unitholders and the Trustee relating to the Waiver Extension and the New Annual Caps; and (e) serve notice of the EGM.

### **1. THE WAIVER EXTENSION**

#### **(i) Background to the 2008 CPT Waivers**

As disclosed in the 2008 Announcement, the REIT Manager had obtained the 2008 Extended Waiver and the 2008 PMA Waiver from strict compliance with the disclosure requirements and the requirements for approval of Unitholders, under Chapter 8 of the REIT Code, in respect of certain categories of connected party transactions between the Group and persons which are connected with GZI REIT as a result of their connection with the REIT Manager.

Details of the Connected Party Transactions and the 2008 CPT Waivers are set out in the section headed “Connected Party Transactions” in the IPO Offering Circular and the section headed “III. Continuing Connected Party Transactions” in the 2008 Circular.

#### **(ii) Expiration of 2008 CPT Waivers**

The 2008 CPT Waivers will expire on 31 December 2010. In accordance with the terms of the 2008 CPT Waivers, the 2008 CPT Waivers may be extended beyond 31 December 2010, and/or the conditions of the 2008 CPT Waivers may be modified from time to time, provided that:

- (a) the approval of independent Unitholders (see the voting restrictions set out in paragraph 4 below) is obtained by way of an ordinary resolution passed at a general meeting of Unitholders;
- (b) disclosure of details of the proposed extension and/or modification (as the case may be) is made by way of an announcement by the REIT Manager of such proposal, and a circular and notice is issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (c) any extension of the period of the waiver is, on each occasion of such extension, for a period which will expire not later than the third full financial year-end date of GZI REIT after the date on which the approval in (a) above is obtained.

#### **(iii) Extension of the 2008 CPT Waivers**

The REIT Manager has made a submission to the SFC to seek an extension of the 2008 CPT Waivers for three financial years ending 31 December 2013. The REIT Manager confirms that, save for the proposed revisions to the annual caps, the waiver conditions of the 2008 CPT Waivers will continue to apply to GZI REIT for the three financial years ending 31 December 2013 subject to the approval of the SFC.

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## LETTER FROM THE BOARD

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### 2. PROPOSED NEW ANNUAL MONETARY LIMITS FOR THE CONNECTED PARTY TRANSACTIONS

As disclosed in GZI REIT's interim report for the period ended 30 June 2010, GZI REIT has changed its presentational currency for the preparation of its financial statements from Hong Kong Dollar to Renminbi. As the Connected Party Transactions are conducted and denominated in Renminbi, the REIT Manager will present its annual caps in Renminbi going forward, in order to allow for a more meaningful correlation between the annual caps and the financial statements and operational currency of GZI REIT.

#### (i) Leasing transactions

The types of transactions that fall in the category of leasing transactions are described in the section headed "Connected Party Transactions" in the IPO Offering Circular and the section headed "Part III, Continuing Connected Party Transactions — 1. Leasing Transactions" in the 2008 Circular. The REIT Manager confirms that the types of leasing transactions in respect of which the Waiver Extension is sought are the same as those described in the IPO Offering Circular and the 2008 Circular.

It is proposed that the New Annual Caps for the financial years ending 31 December 2011, 31 December 2012 and 31 December 2013 for the leasing transactions shall not exceed the respective annual limits set out in the following table:

#### Leasing transactions

For the year ending 31 December 2011	For the year ending 31 December 2012	For the year ending 31 December 2013
RMB10,716,000	RMB8,522,000	RMB8,173,000

*The proposed caps are rounded up to the nearest thousand for easy reference.*

The above caps have been determined with general reference to the historical data for the last 3 years and based on the anticipated aggregate value of such transactions (taking into account the leasing transactions that will not be renewed upon expiration) during the relevant financial periods of the next 3 years ending 31 December 2013, with an appropriate provision for contingencies as described in the paragraph below.

A buffer of 20% has been included in the above caps for contingencies such as: (i) changes in rental or other market conditions; and (ii) additional leasing transactions that the relevant Connected Parties may enter into with GZI REIT with respect to the Properties during the relevant financial periods.

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## LETTER FROM THE BOARD

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### (ii) Property management arrangements

The types of transactions that fall in the category of property management arrangements are described in the section headed “Connected Party Transactions” in the IPO Offering Circular and the section headed “Part III. Continuing Connected Party Transactions — Property Management Arrangements” in the 2008 Circular. The REIT Manager confirms that the property management transactions in respect of which the Waiver Extension is sought are the same as those described in the IPO Offering Circular and the 2008 Circular.

As the tenants of the Properties (and not the BVI Companies) pay the property management fees to the Property Managers of the Properties, no caps are required in respect of such property management fees.

### (iii) Tenancy services agreements

The types of transactions that fall in the category of Tenancy Services Agreements transactions are described in the section headed “Connected Party Transactions” in the IPO Offering Circular and in the section headed “Part III. Continuing Connected Party Transactions — 3. Tenancy Services Agreement” of the 2008 Circular. The REIT Manager confirms that the types of tenancy services transactions in respect of which the Waiver Extension is sought are the same as those described in the IPO Offering Circular and the 2008 Circular.

#### Tenancy Services Agreements

For the year ending 31 December 2011	For the year ending 31 December 2012	For the year ending 31 December 2013
RMB19,192,000	RMB22,071,000	RMB25,381,000

*The proposed caps are rounded up to the nearest thousand for easy reference.*

The above caps have been determined with reference to the projected annual gross income of the relevant Properties assuming:

- (a) the annual rental growth rate remains constant at 10% for the relevant financial periods;
- (b) leasing agents’ fees for all the Properties, with the exception of White Horse Units, will be 4% of annual gross income; and
- (c) leasing agents’ fees for White Horse Units will be 3% of its annual gross income; and

A buffer of 15% has been included in the above caps for contingencies such as: (i) changes in market conditions; and (ii) increase in tenancy services transaction activities with respect to the relevant Properties during the relevant financial periods.

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## LETTER FROM THE BOARD

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### 3. DISCLOSURE AND INDEPENDENT UNITHOLDERS' APPROVAL REQUIREMENTS

Pursuant to the 2008 CPT Waivers, the REIT Manager is required to issue an announcement and to issue a circular and notice to Unitholders in accordance with Chapter 10 of the REIT Code to seek independent Unitholders' approval to extend the 2008 CPT Waivers beyond 31 December 2010 and to increase one or more of the annual limits set out in the 2008 CPT Waivers. Accordingly, the REIT Manager intends to seek the independent Unitholders' approval for the Waiver Extension and the New Annual Caps at the EGM.

### 4. RESTRICTIONS ON VOTING

Paragraph 8.11 of the REIT Code provides that where a Unitholder has a material interest in a connected party transaction tabled for approval at a general meeting, and that interest is different from that of all other Unitholders, such Unitholder shall abstain from voting.

Further, under Paragraph 3.2 of Schedule 1 to the Trust Deed, where a Unitholder has a material interest in the transaction tabled for approval at a general meeting of GZI REIT, and that interest is different from the interests of other Unitholders, such Unitholder shall be prohibited from voting its Units at, or being counted in the quorum for, the general meeting.

Pursuant to the REIT Code and the Trust Deed, by virtue of Yuexiu Property's material interest or deemed material interest in the Waiver Extension, Yuexiu Property shall abstain from voting on the Ordinary Resolution to approve the Waiver Extension and the New Annual Caps. Yuexiu Property has agreed that it will abstain, and will procure each of the GZI Associates to abstain, from voting at the EGM on the Ordinary Resolution to approve the Waiver Extension and the New Annual Caps.

So far as the REIT Manager is aware, as at the Latest Practicable Date:

- (a) Yuexiu Property was interested or deemed to be interested in 379,253,182 Units (representing approximately 35.58% of the Units in issue) which were directly held by its wholly-owned subsidiary, Dragon Yield; and
- (b) GZYYX Group (including Yuexiu Property) was deemed to be interested in 388,514,767 Units (representing approximately 36.45% of Units in issue).

As at the Latest Practicable Date, to the best of the REIT Manager's knowledge, information and belief, after having made reasonable enquiries, the REIT Manager takes the view that, save as disclosed above, no other Unitholder is required to abstain from voting at the EGM in respect of the Waiver Extension and the New Annual Caps.

### 5. OPINION OF THE BOARD

The Board (including all the independent non-executive Directors) confirms that:

1. in its opinion, the Waiver Extension and the New Annual Caps, and the basis for the New Annual Caps, are fair and reasonable having regard to the interests of GZI REIT and the independent Unitholders as a whole;

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## LETTER FROM THE BOARD

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2. in its opinion, each of the Connected Party Transactions subsisting as at the date of this Circular has been entered into: (a) in the ordinary and usual course of business of GZI REIT; and (b) on terms which are normal commercial terms at arm's length and are fair and reasonable and in the interests of GZI REIT and the independent Unitholders as a whole; and
3. in its opinion, each of the Connected Party Transactions to be entered into after the date of this Circular will have been entered into: (a) in the ordinary and usual course of business of GZI REIT; and (b) on terms which are normal commercial terms at arm's length and are fair and reasonable and in the interests of GZI REIT and the independent Unitholders as a whole.

### 6. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

The Independent Financial Adviser confirms that it is of the view that: (1) the Waiver Extension and the New Annual Caps, and the basis for the New Annual Caps, are fair and reasonable having regard to the interests of GZI REIT and the independent Unitholders as a whole; and (2) each of the Connected Party Transactions are entered into: (a) in the ordinary and usual course of business of GZI REIT; and (b) on terms which are normal commercial terms at arm's length and are fair and reasonable and in the interests of GZI REIT and the independent Unitholders as a whole. Details of the Independent Financial Adviser's opinion, together with the principal factors taken into consideration, and assumptions and qualifications in arriving at such opinion, are set out in the "Letter from the Independent Financial Adviser" in this Circular.

### 7. RECOMMENDATIONS

The Independent Board Committee has been established by the Board to advise the independent Unitholders on the Waiver Extension and the New Annual Caps. Yu Ming Investment Management Limited has been appointed as Independent Financial Adviser to provide its opinion to the Independent Board Committee, the independent Unitholders and the Trustee on whether: (1) the Waiver Extension and the New Annual Caps, and the basis for the New Annual Caps, are fair and reasonable having regard to the interests of GZI REIT and the independent Unitholders as a whole; and (2) each of the Connected Party Transactions are entered into: (a) in the ordinary and usual course of business of GZI REIT; and (b) on terms which are normal commercial terms at arm's length and are fair and reasonable and in the interests of GZI REIT and the independent Unitholders as a whole.

Your attention is drawn to the "Letter from the Independent Board Committee" set out in this Circular, which contains the Independent Board Committee's recommendation to the independent Unitholders, and the "Letter from the Independent Financial Adviser" set out in this Circular, which contains among other things: (1) the Independent Financial Adviser's advice to the Independent Board Committee, the independent Unitholders and the Trustee; and (2) the principal factors taken into consideration by the Independent Financial Adviser, and assumptions and qualifications adopted by the Independent Financial Adviser in arriving at such opinion.

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## LETTER FROM THE BOARD

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Having regard to the reasons for, terms of, and factors and other information taken into consideration in relation to, the Waiver Extension and the New Annual Caps, as described in this Circular, the Directors (including the independent non-executive Directors) and the Independent Board Committee consider that: (1) the Waiver Extension and the New Annual Caps, and the basis for the New Annual Caps, are fair and reasonable having regard to the interests of GZI REIT and the independent Unitholders as a whole; and (2) each of the Connected Party Transactions are entered into: (a) in the ordinary and usual course of business of GZI REIT; and (b) on terms which are normal commercial terms at arm's length and are fair and reasonable and in the interests of GZI REIT and the independent Unitholders as a whole. The Independent Board Committee recommends that the independent Unitholders vote at the EGM in favour of the Ordinary Resolution to approve the Waiver Extension and the New Annual Caps.

Based on and in sole reliance upon: (1) the information and assurances provided by the REIT Manager; (2) the opinion of the Independent Financial Adviser; and (3) the Letter from the Independent Board Committee, the Trustee, having taken into account its duties set out in the Trust Deed and the REIT Code, is of the view that the Waiver Extension and the New Annual Caps are fair and reasonable so far as the independent Unitholders are concerned and in the interests of GZI REIT and the independent Unitholders as a whole. This view is being furnished for the sole purpose of complying with paragraph 10.10(o) of the REIT Code, and is not to be taken as a recommendation or representation by the Trustee of the merits of the Waiver Extension and the New Annual Caps.

The Trustee has not made any assessment of the merits or impact of the Waiver Extension and the New Annual Caps, other than for the purposes of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code. Accordingly, Unitholders who are in any doubt as to the merits or impact of the Waiver Extension and the New Annual Caps should seek their own financial or other professional advice.

### **8. EXTRAORDINARY GENERAL MEETING**

The EGM will be held at 10:30 a.m on 6 January 2011 at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolution set out in the EGM Notice, which is set out on pages N-1 to N-2 of this Circular.

The Register of Unitholders will be closed from Tuesday, 4 January 2011 to Thursday, 6 January 2011 both days inclusive, in order to determine which Unitholders will qualify to attend and vote at the EGM, during which period no transfers of Units will be effected. For those Unitholders who are not already on the Register of Unitholders, in order to qualify to attend and vote at the EGM, all Unit certificates accompanied by the duly completed transfer forms must be lodged with the Unit Registrar of GZI REIT, Tricor Investor Services Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 3 January 2011.

You can vote at the EGM if you are a Unitholder on Thursday, 6 January 2011 which is referred to in this Circular as the Record Date. You will find enclosed with this Circular the EGM Notice (see pages N-1 to N-2 of this Circular) and a form of proxy for use for the EGM.

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## LETTER FROM THE BOARD

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Your vote is very important. Accordingly, please complete, sign and date the enclosed form of proxy, whether or not you plan to attend the EGM in person, in accordance with the instructions printed on the form of proxy, and return it to the Unit Registrar of GZI REIT, Tricor Investor Services Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong. The form of proxy should be completed and returned as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM. 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.

### 9. MISCELLANEOUS

The REIT Manager and the Directors, collectively and individually, accept full responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Circular misleading.

Yours faithfully,  
By Order of the Board  
**GZI REIT Asset Management Limited**  
(as manager of GZI Real Estate Investment Trust)  
**Liang Ningguang**  
*Chairman*

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**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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**越秀房地產投資信託基金**  
**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**



**越秀房託資產管理有限公司**  
**GZI REIT Asset Management Limited**

17 December 2010

*To: The independent Unitholders*

Dear Sirs/Madam,

**EXTENSION OF EXISTING CONNECTED PARTY TRANSACTION  
WAIVERS AND PROPOSED NEW ANNUAL LIMITS FOR  
CERTAIN CONNECTED PARTY TRANSACTIONS**

We have been appointed as members of the Independent Board Committee to advise you in connection with Waiver Extension and the New Annual Caps, details of which are set out in the “Letter from the Board” in the circular dated 17 December 2010 (the “**Circular**”) from the REIT Manager to the Unitholders, of which this letter forms a part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context otherwise requires.

Yu Ming Investment Management Limited has been appointed by the REIT Manager to advise us, the independent Unitholders and the Trustee as to whether: (1) the Waiver Extension and the New Annual Caps, and the basis for the New Annual Caps, are fair and reasonable having regard to the interests of GZI REIT and the independent Unitholders as a whole; and (2) each of the Connected Party Transactions are entered into: (a) in the ordinary and usual course of business of GZI REIT; and (b) on terms which are normal commercial terms at arm’s length and are fair and reasonable and in the interests of GZI REIT and the independent Unitholders as a whole. Details of their opinion, together with the principal factors taken into consideration, and assumptions and qualifications in arriving at such opinion, are set out in the “Letter from the Independent Financial Adviser” the text of which is contained in the Circular.

Having taken into account the opinion of Yu Ming Investment Management Limited and the principal factors and reasons considered by them, we consider that: (1) the Waiver Extension and the New Annual Caps, and the basis for the New Annual Caps, are fair and reasonable having regard



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**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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to the interests of GZI REIT and the independent Unitholders as a whole; and (2) each of the Connected Party Transactions are entered into: (a) in the ordinary and usual course of business of GZI REIT; and (b) on terms which are normal commercial terms at arm's length and are fair and reasonable and in the interests of GZI REIT and the independent Unitholders as a whole.

Accordingly, we recommend that the independent Unitholders vote in favour of the Ordinary Resolution which will be proposed at the EGM to approve the Waiver Extension and the New Annual Caps.

Yours faithfully,  
for and on behalf of the Independent Board Committee of  
**GZI REIT Asset Management Limited**

**CHAN Chi On Derek**  
*Independent Non-executive Director*

**LEE Kwan Hung Eddie**  
*Independent Non-executive Director*

**CHAN Chi Fai Brian**  
*Independent Non-executive Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the text of a letter of advice from Yu Ming Investment Management Limited, which has been prepared for the purpose of incorporation into this Circular, setting out its advice to the Independent Board Committee and the independent Unitholders in connection with certain continuing connected party transactions.*



禹銘投資管理有限公司  
YU MING INVESTMENT MANAGEMENT LIMITED

17th December, 2010

*The Independent Board Committee  
and independent Unitholders and Trustee*

Dear Sirs,

### **EXTENSION OF EXISTING CONNECTED PARTY TRANSACTION WAIVERS AND PROPOSED NEW ANNUAL LIMITS FOR CERTAIN CONNECTED PARTY TRANSACTIONS**

#### **Introduction**

Reference is made to the announcement dated 17th December 2010 by the REIT Manager in relation to the proposed extension of the 2008 CPT Waivers in respect of the Connected Party Transactions and the proposed New Annual Caps, the “Letter from the Board” set out in this circular of GZI REIT to the Unitholders dated 17th December, 2010 (the “Circular”), of which this letter forms part. We are appointed as independent financial adviser to advise the Independent Board Committee and independent Unitholders and the Trustee the terms of the Connected Party Transactions and the proposed New Annual Caps. Capitalized terms used in this letter shall have the same meanings as defined in this Circular unless the context requires otherwise.

#### **Background**

As disclosed in the 2008 Announcement, the REIT Manager had obtained the 2008 Extended Waiver and the 2008 PMA Waiver from strict compliance with the disclosure requirements and the requirements for approval of Unitholders, under Chapter 8 of the REIT Code, in respect of certain categories of connected party transactions between the Group and persons which are connected with GZI REIT as a result of their connection with the REIT Manager.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Chan Chi On, Derek, Mr. Lee Kwan Hung, Eddie and Mr. Chan Chi Fai, Brian, has been constituted to consider whether the terms of the Connected Party Transactions are fair and reasonable and are in the interest of GZI REIT and the independent Unitholders as a whole.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Yu Ming Investment Management Limited is independent of (i) GZI REIT; (ii) the Trustee; (iii) the REIT Manager; (iv) Yuexiu Property, the significant unitholder of the GZI REIT; and (vi) Yuexiu Property Associates. Apart from normal professional fees payable to us in connection with this appointment and other similar engagements, no arrangement exists whereby we will receive any fees or benefits from the aforementioned parties.

In forming our opinion as to whether New Annual Caps are fair and reasonable so far as the independent Unitholders are concerned and in the interests of GZI REIT and the independent Unitholders as a whole, we have reviewed documents and based our analysis on the information provided by the REIT Manager which include amongst other things, the agreements relating to the Continuing Connected Party Transactions, the SFC approval letter dated 21st February, 2008 granting the 2008 CPT Waivers, the application submitted to the SFC relating to the New Caps for the Continuing Connected Party Transactions, the IPO Offering Circular, the audited financial statements of GZI REIT for the period ended 31st December, 2008 and 31st December, 2009 and the interim report of GZI REIT for the six months ended 30th June, 2010. We have also reviewed the independent rental valuation report of the Properties prepared by Vigers Appraisal and Consulting Limited. In addition, we have discussed the projections of the REIT Manager on the leasing transactions and tenancy services agreement and bases and assumptions for the projections in determining the New Annual Caps.

We have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the REIT Manager and have assumed that the information, facts and opinion made to us are true and accurate. We have also sought and received confirmation from the Directors and management of the REIT Manager that no material facts have been omitted from the information supplied and opinions expressed. We have no reason to doubt the truth, accuracy and completeness of the information provided to us or to believe that any material fact or information has been omitted or withheld. We have not, however, conducted an independent investigation into the affairs of the REIT Manager and GZI REIT. We consider that we have been provided with and have reviewed sufficient information to reach an informed view. We have also assumed that the statements and representations made or referred to in this Circular were accurate at the time they were made and continue to be accurate at the date of this Circular and the date of the EGM.

The 2008 CPT Waivers will expire on 31st December, 2010. In accordance with the terms of the 2008 CPT Waivers, the 2008 CPT Waivers may be extended beyond 31st December 2010 and/or the conditions of the 2008 CPT Waivers may be modified from time to time, provided that:

- (a) the approval of independent Unitholders is obtained by way of an ordinary resolution passed in a general meeting of Unitholders;
- (b) disclosure of details of the proposed extension and/or modification (as the case may be) is made by way of an announcement by the REIT Manager of such proposal, and a circular and notice is issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (c) any extension of the period of the waiver is, on each occasion of such extension, for a period which will expire not later than the third full financial year-end date of GZI REIT after the date on which the approval in (a) above is obtained.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The details of which is set out in the “Letter from the Board” of this Circular and summarized as follows.

### 1. Leasing Transactions

The types of transactions that fall in the category of leasing transactions are described in the section headed “Connected Party Transactions” in the IPO Offering Circular and the section headed “Part III, Continuing Connected Party Transactions — 1. Leasing Transactions” in the 2008 Circular. The REIT Manager confirms that the types of leasing transactions (the “Leasing Transactions”) in respect of which the Waiver Extension is sought are the same as those described in the IPO Offering Circular and the 2008 Circular. The Leasing Transactions were entered into in the ordinary and usual course of business of the Property Company, on normal commercial terms and was based on market pricing. As the Tenant is a subsidiary of Yuexiu Property and therefore a connected person of GZI REIT, the Leasing Transactions will become and constitute a connected party transaction of GZI REIT under Paragraph 8.11 of the REIT Code.

### 2. Tenancy Services Agreement

The types of transactions that fall in the category of Tenancy Services Agreements transactions are described in the section headed “Connected Party Transactions” in the IPO Offering Circular and in the section headed “Part III. Continuing Connected Party Transactions — 3. Tenancy Services Agreement” of the 2008 Circular (“Tenancy Services Agreement”). The REIT Manager confirms that the types of tenancy services transactions in respect of which the Waiver Extension is sought are the same as those described in the IPO Offering Circular and the 2008 Circular.

The Property Manager, which is a subsidiary of Yuexiu Property and is therefore a connected person of GZI REIT and the transaction contemplated under the Tenancy Services Agreement constitutes a connected party transaction of GZI REIT under Paragraph 8.11 of the REIT Code. The Tenancy Services Agreement entered into has been on normal commercial terms and was based on market pricing.

### Waivers Granted

The REIT Manager has made a submission to the SFC to seek an extension of the 2008 CPT Waivers for three financial years ending 31st December, 2013. The REIT Manager confirms that, save for the proposed revisions to the annual caps, the waiver conditions of the 2008 CPT Waivers will continue to apply to GZI REIT for the three financial years ending 31st December, 2013 subject to the approval by the SFC. Subject to certain conditions (including but not limited to the conditions as set out below), the SFC has granted waivers from strict compliance with the disclosure and approval requirements under Chapter 8 of the REIT Code in respect of the existing leasing transactions of GZI REIT and the existing tenancy services agreements between the Group and persons which are connected with GZI REIT as a result of their connection with the REIT Manager:

#### (A) Annual caps

As stated in the “Letter from the Board”, GZI REIT has changed its presentational currency for the preparation of its financial statements from Hong Kong Dollar to Renminbi. The

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Connected Party Transactions are conducted and denominated in Renminbi. In any relevant Financial Year, the annual value of the existing leasing transactions and the tenancy services agreements (“Continuing Connected Party Transactions”) shall not exceed the respective annual cap amounts set out in the IPO Offering Circular.

(B) 2008 Extended Waiver

The waivers for connected party transactions of the 2008 Circular will be for a duration commencing from 1st January, 2009 and ending on 31st December, 2010.

As a result of the increase of the scale of GZI REIT’s operation, the Board seeks to (a) increase the relevant annual caps for Continuing Connected Party Transactions (the “New Cap(s)”); and (b) extend the Waiver Period for a period up to and including 31st December, 2013.

**Principal Factors Considered:**

In arriving at our recommendation in relation to the New Caps for the Continuing Connected Party Transactions, we have considered the following factors:

**I. Leasing Transactions**

The REIT Manager anticipates that the New Caps for the Leasing Transactions, rounded up to the nearest thousand, are to be increased for the years ending 31st December, 2011, 2012 and 2013 are as follows:

<b>For the year ending 31st December, 2011</b>	<b>For the year ending 31st December, 2012</b>	<b>For the year ending 31st December, 2013</b>
RMB10,716,000	RMB8,522,000	RMB8,173,000

As stated in this Circular, the New Caps for the Leasing Transactions have been determined with general reference to the historical data for the last 3 years and based on the anticipated aggregate value of such transactions (taking into account the leasing transactions that will not be renewed upon expiration) during the relevant financial periods of the next 3 years ending 31st December, 2013, with an appropriate provision for contingencies as described in the paragraph below.

In addition, a buffer of 20% has been included in the caps as contingencies such as: (i) changes in rental or other market conditions; and/or (ii) additional leasing transactions that the relevant Connected Parties may enter into with GZI REIT with respect to the Properties during the relevant financial periods.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The actual transacted amounts, rounded up to the nearest thousand, for the Leasing Transactions in the past three years are as follows:

<b>For the year ended 31st December, 2008</b>	<b>For the year ended 31st December, 2009</b>	<b>For the year ended 31st December, 2010</b>
RMB3,200,000	RMB3,424,000	RMB4,052,000

*Note:* The figure of 2010 is an estimate based on unaudited accounts of the first 11 months of 2010

It is also expected that the annual transaction value related to the Leasing Transactions during the relevant financial periods of the next 3 years ending 31st December, 2013 are as follows:

<b>For the year ending 31st December, 2011</b>	<b>For the year ending 31st December, 2012</b>	<b>For the year ending 31st December, 2013</b>
RMB8,929,648	RMB7,126,505	RMB6,811,424

Detailed computation of the New Cap for the year ending 31st December, 2011 is as follows:

Expected annual amount of Leasing Transactions for the year ending 31st December, 2011 x 1.2, which would be, rounded up to the nearest thousand, approximately RMB10,716,000, being RMB8,929,648 x 1.2.

The proposed annual cap for the year ending 31st December, 2012 and 2013 is determined by applying the above formula on the same basis as adopted for the calculation of annual cap for the year ending 31st December, 2011, which would be, rounded up to the nearest thousand, RMB8,522,000 and RMB8,173,000.

## II. Tenancy Services Agreements

The New Caps for the Tenancy Services Agreements, rounded up to the nearest thousand, proposed by the REIT Manager for the years ending 31st December, 2011, 2012 and 2013 are as follows:

<b>For the year ending 31st December, 2011</b>	<b>For the year ending 31st December, 2012</b>	<b>For the year ending 31st December, 2013</b>
RMB19,192,000	RMB22,071,000	RMB25,381,000

As stated in this Circular, the New Caps for the Tenancy Services Agreements have been determined with reference to the projected annual gross income of the relevant properties assuming:

- (a) the annual rental growth rate remains constant at 10% for the relevant financial periods;

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (b) leasing agents' fees for all properties of GZI REIT, with the exception of White Horse Units, will be 4% of annual gross income;
- (c) leasing agents' fees for White Horse Units will be 3% of its annual gross income; and
- (d) a buffer of 15% has been included in the caps for contingencies such as: (i) changes in market conditions; and/or (ii) increase in tenancy services transaction activities with respect to the relevant Properties during the relevant financial periods.

The actual transacted amounts (rounded to the nearest thousand) for the existing tenancy services agreements in the past three years are as follows:

<b>For the year ended 31st December, 2008</b>	<b>For the year ended 31st December, 2009</b>	<b>For the year ended 31st December, 2010</b>
RMB15,075,000	RMB15,958,000	RMB16,467,000

*Note:* The figure of 2010 is an estimate based on unaudited accounts of the first 11 months of 2010

It is also expected that the annual transaction amount related to the Tenancy Services Agreements including the relevant properties during the next three years ending 31st December, 2013 are as follows:

<b>For the year ending 31st December, 2011</b>	<b>For the year ending 31st December, 2012</b>	<b>For the year ending 31st December, 2013</b>
RMB16,688,783	RMB19,192,101	RMB22,070,916

Detailed computation of the New Caps for the Tenancy Services Agreements for the year ending 31st December, 2011 is as follow:

Expected annual transaction amount for Tenancy Services Agreements for the year ending 31st December, 2011 x 1.15, which would be, rounded up to the nearest thousand, approximately RMB19,192,000, being RMB16,688,783 x 1.15.

Computation of the New Caps for the years ending 31st December, 2012 and 2013 are calculated on the same basis by applying the formula adopted for the New Cap calculated for the year ending 31st December, 2012 and 2013, which would be, rounded up to the nearest thousand, approximately RMB22,071,000 and RMB25,381,000 respectively.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### III. Conditions of the Waiver

It is set out in the Initial Offering Circular that the Connected Party Transactions are subject to the following review requirements:

(i) Disclosure in semi-annual and annual reports

Details of the Connected Party Transactions shall be disclosed in GZI REIT's semi-annual and annual reports, as required under paragraph 8.14 of the REIT Code.

(ii) Auditors' review procedures

In respect of each relevant financial period, the REIT Manager will engage and agree with the auditors of GZI REIT to perform certain review procedures on connected party transactions. The auditors will then report to the REIT Manager on the factual findings based on the work performed by them (and a copy of such report shall be provided to the SFC), confirming whether all such connected party transactions:

- (a) have received the approval of the Board (including the independent non-executive Directors);
- (b) are in accordance with the pricing policies of GZI REIT;
- (c) have been entered into in accordance with the terms of the agreements governing the transactions; and
- (d) the total value in respect of which has not exceeded the relevant cap amount (where applicable).

(iii) Annual review by the Audit Committee of GZI REIT and the independent non-executive Directors

The Audit Committee of GZI REIT and the independent non-executive Directors shall review the relevant connected party transactions annually and confirm in GZI REIT's annual report for the relevant Financial Year that such transactions have been entered into:

- (a) in the ordinary and usual course of business of GZI REIT;
- (b) on normal commercial terms (to the extent that there are comparable transactions) or, where there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to GZI REIT than terms readily available to or from (as appropriate) independent third parties; and
- (c) in accordance with the relevant agreements and the REIT Manager's internal procedures governing them (if any) on terms that are fair and reasonable and in the interests of the Unitholders as a whole.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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(iv) Notification to the SFC

The REIT Manager shall promptly notify the SFC and publish an announcement if it knows or has reason to believe that the auditors of GZI REIT and/or the Audit Committee of GZI REIT will not be able to confirm the matters set out in, respectively, the sub-sections headed “Auditor’s review procedures” and “Annual review by the Audit Committee of GZI REIT” above.

(v) Auditors’ access to books and records

The REIT Manager shall allow, and shall procure the counterparty to the relevant connected party transaction to allow, the auditors of GZI REIT sufficient access to their records for the purposes of reporting on the transactions.

(vi) Subsequent increases in annual caps with independent Unitholders’ approval

The REIT Manager may from time to time seek to increase one or more of the annual caps set out above, for example, when GZI REIT acquires additional properties and increases the scale of its operations or when there are changes in market or operating conditions, provided that:

- (a) the REIT Manager obtains the approval of independent Unitholders by way of an ordinary resolution passed in a general meeting of Unitholders;
- (b) the REIT Manager discloses details of the proposal to increase the cap amounts by way of an announcement such proposal, and issue a circular and notice to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (c) the requirements set out in paragraphs (ii) to (vii) above shall continue to apply to the relevant transactions, save that the increased annual cap amounts shall apply.

We are of the view that the aforesaid annual review requirements can provide appropriate measures to govern the REIT Manager in carrying out the Continuing Connected Party Transactions and safeguard the interest of the independent Unitholders.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### **Recommendation**

Having considered the terms of (1) the Waiver Extension and the New Annual Caps, and the basis for the New Annual Caps, they are all fair and reasonable having regard to the interests of GZI REIT and the independent Unitholders as a whole; and (2) each of the Connected Party Transactions are entered into: (a) in the ordinary and usual course of business of GZI REIT; and (b) on terms which are normal commercial terms at arm's length and are fair and reasonable and in the interests of GZI REIT and the independent Unitholders as a whole; and (c) with regard to relevant annual review requirements as required by SFC, which safeguard the interest of independent Unitholders, we are of the view that the proposed new annual limits for the Continuing Connected Party Transactions are fair and reasonable and in the interest of the independent Unitholders as a whole, hence recommend that the independent Unitholders to vote in favour of the Ordinary Resolution to approve the Waiver Extension and the New Annual Caps at the EGM.

Yours faithfully,  
For and on behalf of  
**YU MING INVESTMENT MANAGEMENT LIMITED**  
**Warren Lee**  
*Managing Director*

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**越秀房地產投資信託基金**  
**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**



**越秀房託資產管理有限公司**  
**GZI REIT Asset Management Limited**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an **EXTRAORDINARY GENERAL MEETING** of the unitholders (the “**Unitholders**”) of GZI Real Estate Investment Trust (“**GZI REIT**”) will be held at 10:30 a.m. on 6 January 2011 at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution:

### **ORDINARY RESOLUTION**

“**That:**

- (a) the extension of the waivers in respect of certain connected party transactions (the “**Transactions**”), as more particularly described in the section headed “The Waiver Extension” in the circular to Unitholders dated 17 December 2010 for three financial years ending 31 December 2013, together with the proposed new annual monetary limits for the financial years ending 31 December 2011, 31 December 2012 and 31 December 2013, respectively, in relation to the Transactions, as more particularly described in the section headed “Proposed New Annual Monetary Limits for the Connected Party Transactions” in the circular to Unitholders dated 17 December 2010, be and are hereby approved; and
- (b) GZI REIT Asset Management Limited, as the Manager of GZI REIT (the “**REIT Manager**”), and any director of the REIT Manager each be and is hereby severally authorised to complete and do or cause to be done all such acts and things as the REIT Manager or any director of the REIT Manager, as the case may be, may consider expedient or necessary or in the interest of GZI REIT to give effect to the above approval.”

By Order of the Board  
**GZI REIT Asset Management Limited**  
(as manager of GZI Real Estate Investment Trust)  
**Liang Ningguang**  
*Chairman*

Hong Kong, 17 December 2010

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Registered Office of the REIT Manager:*

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

*Notes:*

- (a) A Unitholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or more proxies to attend and vote on poll in his/her stead. The person appointed to act as proxy need not be a Unitholder.
- (b) In order 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 thereof, must be deposited at the Unit Registrar of GZI REIT, Tricor Investor Services Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person should you so wish. In the event that you attend the meeting or adjourned meeting (as the case may be) after having lodged a form of proxy, the form of proxy will be deemed to have been revoked.
- (c) Where there are joint registered Unitholders of a Unit, any one of such Unitholders may vote at the meeting either in person or by proxy in respect of such Unit as if he/she were solely entitled thereto, but if more than one of such Unitholders is present at the meeting in person or by proxy, that one of such Unitholders so present whose name stands first on the Register of Unitholders in respect of such Unit shall alone be entitled to vote in respect thereof.
- (d) The Register of Unitholders will be closed from 4 January 2011 to 6 January 2011 December 2010 both days inclusive, during which period no transfers of Units will be effected. For those Unitholders who are not already on the Register of Unitholders, in order to qualify to attend and vote at the Extraordinary General Meeting, all Unit certificates accompanied by the duly completed transfer forms must be lodged with the Unit Registrar of GZI REIT, Tricor Investor Services Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 3 January 2011.

As at the date of this notice, the Board comprises:

*Executive Directors: LIANG Ningguang (Chairman) and LIU Yongjie*

*Non-executive Director: LIANG Youpan*

*Independent Non-executive*

*Directors: CHAN Chi On Derek, LEE Kwan Hung Eddie and CHAN Chi Fai Brian*