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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

ANNOUNCEMENT

- (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

The board of directors (the “**Board**”) of GZI REIT Asset Management Limited, as the manager (the “**REIT Manager**”) of GZI Real Estate Investment Trust (“**GZI REIT**”), announces that the REIT Manager wishes to: (a) extend waivers granted by the Securities and Futures Commission (the “**SFC**”) in respect of certain connected party transactions (the “**Connected Party Transactions**”) between GZI REIT and persons which are connected with GZI REIT as a result of their connection with the REIT Manager; and (b) propose new annual monetary limits (“**New Annual Caps**”) in respect of the Connected Party Transactions for the financial years ending 31 December 2011, 31 December 2012 and 31 December 2013.

Details of the above are more particularly set out in a circular (the “**Circular**”) to unitholders of GZI REIT (the “**Unitholders**”), which is expected to be despatched on or around 17 December 2010 together with a notice (the “**EGM Notice**”) of an extraordinary general meeting of the Unitholders (the “**EGM**”) and the form of proxy for the EGM. 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 and reproduced in the body of this announcement.

In connection with the EGM, the register of Unitholders will be closed from 4 January 2011 to 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.

As disclosed in the circular dated 4 February 2008 issued by GZI REIT to the Unitholders (the “**2008 Circular**”), the REIT Manager had obtained a waiver (the “**2008 PMA Waiver**”) and an extension of an existing waiver (the “**2008 Extended Waiver**”) granted by the SFC from strict compliance with the disclosure requirements and Unitholder approval requirements under Chapter 8 of the Code on Real Estate Investment Trusts (the “**REIT Code**”) in respect of certain categories of connected party transactions between GZI REIT and persons which are connected with GZI REIT as a result of their connection with the REIT Manager.

The 2008 PMA Waiver and the 2008 Extended Waiver (together, 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 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.

The Board therefore proposes: (a) to seek an extension of the 2008 CPT Waivers for three financial years ending 31 December 2013 (the “**Waiver Extension**”); and (b) the New Annual Caps in respect of the Connected Party Transactions for the financial years ending 31 December 2011, 31 December 2012 and 31 December 2013. The Connected Party Transactions with respect to which the Waiver Extension is sought are the same as those described in the section headed “Connected Party Transactions” in the offering circular dated 12 December 2005 issued by GZI REIT in connection with the initial public offering of Units by GZI REIT and the section headed “III. Continuing Connected Party Transactions” in the 2008 Circular.

The REIT Manager has made a submission to the SFC in respect of the Waiver Extension. Details of the Waiver Extension and the New Annual Caps are more particularly set out in the Circular, which is expected to be despatched on or around 17 December 2010 together with the EGM Notice and the form of proxy for the EGM. The Circular contains the information necessary to enable Unitholders to make an informed decision on whether to vote for or against the resolutions to be proposed at the EGM.

An independent committee has been established by the Board (the “**Independent Board Committee**”) 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 (the “**Independent Financial Adviser**”) to provide its opinion on these matters to the Independent Board Committee, the independent Unitholders and the trustee of GZI REIT (the “**Trustee**”).

Unitholders’ attention is drawn to the “Letter from the Independent Board Committee” set out in the Circular, which contains the Independent Board Committee’s recommendation to the independent Unitholders in respect of the Waiver Extension and the New Annual Caps, and the “Letter from the Independent Financial Adviser” set out in the Circular, which contains the Independent Financial Adviser’s advice to the Independent Board Committee, the independent Unitholders and the Trustee on the Waiver Extension and the New Annual Caps.

In connection with the EGM, 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 at 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.

The substantive text of the EGM Notice is reproduced below:

“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.”

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 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.

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

Hong Kong, 17 December 2010.

As at the date of this announcement, the Board is comprised as follows:

Executive Directors:	Messrs. LIANG Ningguang (Chairman) and LIU Yongjie
Non-executive Director:	Mr. LIANG Youpan
Independent non-executive Directors:	Messrs. CHAN Chi On Derek, LEE Kwan Hung Eddie and CHAN Chi Fai Brian