

The connected party transaction rules of the REIT Code govern transactions between the GZI REIT Group and its connected persons (as defined in Rule 8.1 of the REIT Code). Such transactions will constitute connected party transactions for the purposes of the REIT Code.

GZI REIT's connected persons (as defined in Rule 8.1 of the REIT Code) includes, among others:

- significant holders (as defined in Rule 8.1 of the REIT Code);
- the Trustee and companies within the same group as well as associated companies (as defined in Rule 2.2 of the REIT Code) of the Trustee, and the directors, senior executives and officers of the Trustee and their respective associates (as defined under the SFO). As a result, GZI REIT's connected persons include HSBC Holdings plc and other members of its group since the Trustee is an indirect wholly-owned subsidiary of HSBC Holdings plc;
- the Manager as well as controlling entities (as defined under the SFO), holding companies (as defined under the SFO), subsidiaries (as defined under the SFO) and associated companies (as defined in Rule 2.2 of the REIT Code) of the Manager; and
- the Directors, senior executives and officers of the Manager and their respective associates. The associates of the Directors include (amongst others) other companies of which they are directors.

The Manager and Significant Holder Group

Set out below is the information in respect of the connected party transactions involving GZI REIT and its connected persons (as defined in Rule 8.1 of the REIT Code):

Leasing Transactions

Certain portions of the Properties have been leased to connected persons (as defined under the REIT Code) of GZI REIT which are so connected as a result of their connection with the Manager ("Manager Group"). Details are as follows:

Property	Tenant	Location of unit	GFA (sq.m.)	Gross Rentable Area (sq.m.)	Lease commencement date	Monthly rent (Rmb)	Monthly rent per sq.m. (Rmb)	Rent free period (days)	Term (years)
City Development	Yicheng ¹	1st storey	97.0	97.0	1 May, 2004	485	5	0	2
Plaza Units	Xingye ^{2,5}	1st storey	881.2	881.2	15 Sep 2003	110,144	125	0	2.25
	Xingye ^{2,5}	2nd storey	647.6	647.6	1 Nov 2003	42,095	65	0	2
	GZI ³	16th storey	1,060.5	1,060.5	1 Jan 2005	95,444	90	0	3
	Guangzhou office of Yue Xiu ⁴	16th storey	46.1	46.1	1 Jan 2005	4,150	90	0	3

1. an associate of the Manager
2. an associate of the Manager
3. Being a significant holder
4. Being a significant holder
5. These leases have been renewed in December, 2005 for a further term of 3 years with rent for the 1st storey unit increased to RMB135 per sq. m. and for the 2nd storey increased to RMB\$70 per sq. m. subject to certain right to early termination exercisable by Full Estates if higher rates for the leased units were offered by prospective tenants and such offer not matched by Xingye.

During the Relevant Period, the aggregate amount of rent payable to GZI REIT by virtue of the above leases amounted to approximately HK\$86,000.

Connected Party Transactions

Property Management Agreements

On 7 December, 2005, Partat, a wholly-owned subsidiary of GZI REIT, White Horse JV, a subsidiary of GZI and an associated company of the Manager, and Guangzhou Xi Jiao Villagers' Committee appointed White Horse Property Management Company, a subsidiary of GZI and an associated company of the Manager, to manage the common areas in White Horse Building. On the same day, Partat and White Horse JV entered into another agreement with White Horse Property Management Company for the provision of property management services in respect of the portions of White Horse Building owned by Partat and White Horse JV for a period of three years from 19 October, 2005 to 18 October, 2008. Under this agreement, White Horse Property Management Company is entitled to collect a monthly property management fee charged at the rate of RMB50 per sq.m. of GFA comprised in the portions of White Horse Building owned by Partat and White Horse JV. The fee is payable by Partat and White Horse JV (in respect of vacant portions of White Horse Building owned by them) and by the tenants in all other cases. Pursuant to the provisions contained in a tenancy services agreement entered into between Partat and White Horse Property Management Company on 7 December, 2005, White Horse Property Management Company agreed to bear any management fees in respect of vacant units payable by Partat under the above property management agreement.

On 7 December, 2005, Keen Ocean, a wholly-owned subsidiary of GZI REIT, and GCCD, a subsidiary of GZI and an associated company of the Manager, have appointed Guangzhou Yicheng Property Management Ltd. ("Yicheng"), a subsidiary of GZI and an associated company of the Manager, to manage the common areas in Victory Plaza. Under this agreement, Yicheng is entitled to collect a monthly property management fee charged at the rate of RMB48 per sq.m. of Victory Plaza's GFA. The fee is payable by Keen Ocean in respect of vacant portions of Victory Plaza and by the tenants in all other cases. Pursuant to the provisions contained in a tenancy services agreement entered into between Keen Ocean and Yicheng on 7 December, 2005, Yicheng agreed to bear any management fees in respect of vacant units payable by Keen Ocean under the above agreement.

The owners committees of Fortune Plaza and City Development Plaza (each acting for and on behalf of all the owners and tenants of Fortune Plaza and City Development Plaza respectively) appointed Yicheng to manage the common areas in Fortune Plaza and City Development Plaza respectively. The agreement for Fortune Plaza was entered into on 1 July, 2005 and is for a duration of three years from 1 July, 2005 to 30 June, 2008. The agreement for City Development Plaza was entered into on 15 July, 2005 and is for a duration of five years from 19 July, 2002 till 18 July, 2007. Under these agreements, Yicheng is entitled to collect a monthly property management fee charged at the rate of RMB25 per sq.m. for the office portion of and RMB35 per sq.m. for the commercial portion of Fortune Plaza's GFA, and City Development Plaza's GFA respectively. Pursuant to the provisions contained in two tenancy services agreement entered into between Moon King and Full Estate with Yicheng on 7 December, 2005, Yicheng agreed to bear any management fees in respect of vacant Units payable by Moon King, a wholly-owned subsidiary of GZI REIT, and Full Estates, a wholly-owned subsidiary of GZI REIT, under these property management agreements.

As the tenants in the Properties (and not the SPVs) pay the property management fees of Yicheng and White Horse Property Management Company as property managers of the Properties, no property management fees were paid by the SPVs to the relevant connected person.

Tenancy Services Agreements

On 7 December, 2005, the Manager and each of Full Estates, Moon King and Keen Ocean have entered into a tenancy services agreement with Yicheng while the Manager and Partat have entered into a tenancy services agreement with White Horse Property Management Company both of which are for a term of 3 years until 7 December, 2008, whereby Yicheng and White Horse Property Management Company agreed to provide leasing, marketing and tenancy services to each of the SPVs relating to the Properties.

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 by the relevant SPV to Yicheng of a monthly fee of 4.0% per annum of the gross revenue of the relevant Property. The tenancy services agreement relating to the White Horse Units provides for payment by Partat to White Horse Property Management Company of a monthly fee of 3.0% per annum of the gross revenue of the White Horse Units.

Yicheng and White Horse Property Management Company 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 agreements shall also satisfy the property management fees which they are entitled to receive from the relevant SPVs for any vacant units in the Properties under the various property management arrangements.

During the Relevant Period, the aggregate amount of fees payable by GZI REIT to Yicheng and White Horse Property Management Company under these tenancy services agreements was approximately HK\$241,000.

Trade Mark Licence Agreements

Six licence agreements, each dated 7 December, 2005, have been entered into between Partat and White Horse Property Management Company pursuant to which White Horse Property Management Company has granted Partat the exclusive right to use six of its registered trademarks of different classes in the PRC from the effective date of the agreement (i.e., 7 December, 2005) to 31 December, 2006 in accordance with the terms of the licence agreements for a nominal fee of RMB1.00 with the right to extend, subject to certain conditions, the term of such licences.

Yue Xiu and the Manager entered into a licence agreement dated 7 December, 2005 pursuant to which Yue Xiu granted to the Manager (acting in its capacity as manager of GZI REIT) the right and licence to use and sub-licence certain “Yue Xiu” trademarks in connection with the business of GZI REIT in the PRC and Hong Kong for a nominal consideration of HK\$1.00 in perpetuity commencing on 21 December, 2005, subject to early termination pursuant to the terms thereof.

Waiver from Strict Compliance

A waiver from strict compliance with the disclosure and Unitholders’ approval requirements under Chapter 8 of the REIT Code in respect of the lease transactions, property management agreements and tenancy services agreements described above have been granted by the SFC on 8 December, 2005 subject to annual caps, review by the auditors for each relevant financial period, annual review by the Audit Committee and the Independent Non-executive Directors (“INEDS”) and other terms and conditions (“Waiver Letter”). Particulars of the waiver and its detailed terms and conditions have been published in the Offering Circular.

Connected Party Transactions

HSBC Group

Note: “HSBC Group” means The Hongkong and Shanghai Banking Corporation Limited (“HSBC”) and its subsidiaries and, unless expressly stated, excludes the Trustee and its proprietary subsidiaries (being the subsidiaries of the Trustee but excluding those subsidiaries formed in its capacity as the trustee of GZI REIT).

Leasing Transactions

Certain portions of the Properties have been leased to members of the HSBC Group. Details are as follows:

Property	Tenant	Location of Unit	GFA (sq.m.)	Gross Rentable Area (sq.m.)	Lease commencement date	Monthly rent (Rmb)	Monthly rent per sq.m. (Rmb)	Rent free period (days)	Term (years)
Fortune Plaza Units	HSBC Electronic Data Processing (Guangdong) Limited	4th storey	4,275.1	4,275.1	16 Feb 2005	354,833	83	60	3
		5th storey	4,275.1	4,275.1	1 May, 2005	354,833	83	90	2.25

During the Relevant Period, the aggregate amount of rent payable to GZI REIT by virtue of the above leases amounted to approximately HK\$242,000.

Corporate Finance Transactions

The SPVs (as borrowers) and GZI REIT Holding 2005 Limited (“REIT Holdco”) (as guarantor) entered into a facility agreement with certain lending banks on 7 December, 2005 for a three year floating rate term loan facility of US\$165 million to be drawn on the Listing Date. To secure the SPVs’ obligations under the loan on a pari passu and pro rata basis, a security package, including registered mortgage over each Property and the SPV shares, assignment of rental income and all other proceeds arising from each of the Property and of all tenancy agreements relating to the Properties, has been granted in favour of a security trustee to hold on behalf of the lending banks. HSBC was one of the lending banks and acted as the agent and security agent of the lending banks. On 21 December, 2005, the facility was drawn by GZI REIT in full, as to US\$63.9 million was advanced by HSBC and the same principal amount remained outstanding as at 31 December, 2005.

In conjunction with the loan facility, each of the SPVs has also entered into agreements with each of the lending banks for US\$/RMB non-deliverable swap facilities covering the swap of a floating rate US dollar liability into a synthetic RMB liability with a series of fixed rate cash flows denominated in RMB, payable in US dollars, with a principal exchange at maturity also settled in US dollars for an aggregate notional principal amount of US\$165 million for a minimum tenor of three years. HSBC was one of the swap providers and participated in the swap for US\$63.9million/RMB516.5 million.

The SPVs’ obligations under the swap agreements are secured, pari passu and pro rata, on the security package described above. They have also granted guarantees in favour of the lending banks (as swap providers) to secure their obligations under the swap agreement. During the Relevant Period, total financing fees and other fees under the swap agreements in the amount of HK\$7.567 million and interest under the facility agreement in the amount of HK\$491,000 were payable by GZI REIT to HSBC.

Ordinary Banking Services

REIT Holdco, Partat, Keen Ocean, Full Estates and Moon King has opened interest bearing accounts with HSBC for deposits within the Relevant Period at arm's length and on commercial terms.

Waiver from Strict Compliance

A waiver from strict compliance with the disclosure and Unitholders' approval requirements under Chapter 8 of the REIT Code in respect of the above transactions with connected persons (as defined in Rule 8.1 of the REIT Code) of the Trustee has been granted by the SFC on 8 December, 2005 subject to specific caps on fees payable by GZI REIT for corporate finance services, review by the auditors for each relevant financial period, annual review by the Audit Committee and the INEDs and other terms and conditions. Particulars of the Waiver Letter and its terms conditions have been published in the Offering Circular.

Confirmation by the Audit Committee and the INEDs

The INEDs and the Audit Committee of the Manager confirm that they have reviewed the terms of all relevant connected party transactions including those connected party transactions with the Manager Group and the HSBC Group and that they are satisfied that these 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 available to or from (as appropriate) independent third parties; and
- (c) in accordance with the relevant agreement and the 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.

Agreed-upon Procedures Performed by the Auditors of GZI REIT

Pursuant to the waiver from strict compliance with the disclosure and Unitholders' approval requirement under Chapter 8 of the REIT Code, the Manager has engaged the auditors of the GZI REIT ("the Auditors") to perform certain agreed-upon procedures in respect of the connected party transactions described above during the Relevant Period in accordance with the Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. The auditors have performed these procedures and reported to the Board their factual findings that the connected transactions:

- (a) have received the approval of the Board (including the INEDs);
- (b) are in accordance with the pricing policies of GZI REIT, where applicable;
- (c) have been entered into in accordance with the terms of the agreements governing such transactions; and
- (d) the total value in respect of which has not exceeded the relevant cap amounts as prescribed the Waiver Letter.

Confirmation by the Manager and Trustee of corporate finance transaction with the HSBC Group

Both the Manager and the Trustee confirm that there is no corporate finance transaction and other connected transaction (save and except for those disclosed hereinabove) with the HSBC Group during the Relevant Period.

Connected Party Transactions

Holdings of the Manager and Directors and Chief Executive Officer of the Manager

The REIT Code requires that connected persons (as defined in Rule 8.1 of the REIT Code) of GZI REIT disclose their interests in Units. As well, the provisions of Part XV of the SFO are deemed by the Trust Deed to, apply to among other things, the Manager, the Directors and the Chief Executive of the Manager.

The interests and short positions and Chief Executive Officer of the directors of the Manager in Units, which are required to be recorded in the register maintained by the Manager under Schedule 3 of the Trust Deed are set out below:

Interests and Short Positions in the Units:

Name of Director	Nature of Interest	As at 21 December, 2005		As at 31 December, 2005		% change in Holdings
		Beneficial interests in Units	Approximate % of interest	Beneficial interests in Units	Approximate % of interest	
Mr Liang Ningguang ¹	—	Nil	—	Nil	—	—
Mr Liu Yongjie ²	—	Nil	—	Nil	—	—
Mr Liang Youpan	—	Nil	—	Nil	—	—
Mr Chan Chi On, Derek	—	Nil	—	Nil	—	—
Mr Lee Kwan Hung, Eddie	—	Nil	—	Nil	—	—
Mr Chan Chi Fai, Brian	—	Nil	—	Nil	—	—

1 Mr. Liang Ningguang is also a director of Yue Xiu and therefore Yue Xiu is deemed to be an associate of Mr. Liang under Rule 8.1 of the REIT Code. Accordingly, the holdings of Yue Xiu as disclosed in “Holdings of Significant Holders” are deemed to be the holdings of Mr. Liang.

2 Mr. Liu is also the Chief Executive Officer of the Manager.

HOLDINGS OF SIGNIFICANT HOLDERS

The following persons have interests or short position in the Units which were recorded in the register required to be kept by the Manager under Schedule 3 of the Trust Deed:

1. Long position in the Units:

Name of Substantial Unitholder	Nature of Interest	As at 21 December, 2005		As at 31 December, 2005		% change of interest
		Interests in Units	Approximate % of interest	Interests in Units	Approximate % of interest	
Yue Xiu Enterprises (Holdings) Limited (“Yue Xiu”) ¹	Beneficial	27,320	0%	27,320	0%	—
	Deemed	408,776,760	40.88%	408,776,760	40.88%	—
	Total	408,804,080	40.88%	408,804,080	40.88%	—
GZI ²	Beneficial	—	—	—	—	—
	Deemed	400,730,495	40.07%	400,730,495	40.07%	—
	Total	400,730,495	40.07%	400,730,495	40.07%	—
Dragon Yield	Beneficial	400,730,495	40.07%	400,730,495	40.07%	—
	Deemed	—	—	—	—	—
	Total	400,730,495	40.07%	400,730,495	40.07%	—

1: Further information in relation to interests of corporations controlled by Yue Xiu

Connected Party Transactions

Name of Controlled Corporation	Name of Controlling Shareholder	% Control	Direct interest (Y/N)	Number of Shares	
				Long Position	Short Position
Excellence Enterprises Co., Ltd.	Yue Xiu Enterprises (Holdings) Limited	100.0	N	408,665,530	87,450,000
Bosworth International Limited	Excellence Enterprises Co., Ltd.	100.0	N	400,730,495	87,450,000
Bosworth International Limited	Excellence Enterprises Co., Ltd.	100.0	Y	5,698,282	—
Guangzhou Investment Company Limited	Bosworth International Limited	34.98	N	400,730,495	87,450,000
Dragon Yield Holding Limited	Guangzhou Investment Company Limited	100.0	Y	400,730,495	87,450,000
Sun Peak Enterprises Ltd.	Excellence Enterprises Co., Ltd.	100.0	N	1,414,207	—
Novena Pacific Limited	Sun Peak Enterprises Ltd.	100.0	Y	1,414,207	—
Shine Wah Worldwide Limited	Excellence Enterprises Co., Ltd.	100.0	N	395,122	—

2. The deemed interest in 400,730,495 Units were held through Dragon Yield, a 100% owned subsidiary.

2. Short position* in the Units

Name of Substantial Unitholder	Nature of Interest	As at 21 December, 2005		As at 31 December, 2005		% change of interest
		Number of Units	Approximate % of interest	Number of Units	Approximate % of interest	
Yue Xiu ¹	Beneficial	—	—	—	—	—
	Deemed	87,450,000	8.75%	87,450,000	8.75%	—
GZI ¹	Beneficial	—	—	—	—	—
	Deemed	87,450,000	8.75%	87,450,000	8.75%	—
Dragon Yield	Beneficial	87,450,000	8.75%	87,450,000	8.75%	—
	Deemed	—	—	—	—	—

1. The deemed interest in 87,450,000 Units were held through Dragon Yield.

* These short positions were held in relation to the over-allocation option granted to the underwriters of the IPO.

Connected Party Transactions

HOLDINGS OF OTHER CONNECTED PERSONS

Senior Executives of the Manager

The following senior executives of the Manager, being connected persons (as defined under the REIT Code) of GZI REIT, held the following interest in the Units:

Name of Senior Executive	Nature of interest	As at 21 December, 2005		As at 31 December, 2005		% change of interest
		Interests in Units	Approximate % of interest	Interests in Units	Approximate % of interest	
Ms. Ko Yung Lai, Jackie	Personal	8,125	0%	8,125	0%	—
Mr. Cheng Jiuzhou	Personal	480	0%	480	0%	—
Mr. Ip Wing Wah	Personal	1,900	0%	1,900	0%	—

Trustee

The following persons being associates of the Trustee and deemed connected persons (as defined under the REIT Code) of GZI REIT, held the following interests in Units:

Short Position and Long Position in Units*

Name of HSBC entity	Nature of interest	As at 21 December, 2005		As at 31 December, 2005		% change of interest
		Interest in Units	Approximate % of interest	Interest in Units	Approximate % of interest	
HSBC Holdings Plc**	Beneficial	87,450,000	8.75%	87,450,000	8.75%	—
	Deemed	—	—	—	—	—
	Total	87,450,000	8.75%	87,450,000	8.75%	—
HSBC Finance (Netherlands)**	Beneficial	—	—	—	—	—
	Deemed	87,450,000	8.75%	87,450,000	8.75%	—
	Total	87,450,000	8.75%	87,450,000	8.75%	—
HSBC Holdings BV**	Beneficial	—	—	—	—	—
	Deemed	87,450,000	8.75%	87,450,000	8.75%	—
	Total	87,450,000	8.75%	87,450,000	8.75%	—
HSBC Asia Holdings (UK)**	Beneficial	—	—	—	—	—
	Deemed	87,450,000	8.75%	87,450,000	8.75%	—
	Total	87,450,000	8.75%	87,450,000	8.75%	—

Connected Party Transactions

Name of HSBC entity	Nature of interest	As at 21 Decemeber, 2005		As at 31 December, 2005		% change of interest
		Interest in Units	Approximate % of interest	Interest in Units	Approximate % of interest	
HSBC Asia Holdings BV**	Beneficial	—	—	—	—	—
	Deemed	87,450,000	8.75%	87,450,000	8.75%	—
	Total	87,450,000	8.75%	87,450,000	8.75%	—
The Hongkong and Shanghai Banking Corporation Limited**	Beneficial	—	—	—	—	—
	Deemed	87,450,000	8.75%	87,450,000	8.75%	—
	Total	87,450,000	8.75%	87,450,000	8.75%	—

* This relates to over allocation option granted to Joint Global Coordinator pursuant to International Underwriting Agreement.

The Hongkong and Shanghai Banking Corporation Limited was one of the Joint Global Coordinators.

** This entity is the controlling entity of the Trustee.

Save as disclosed above, the Manager is not aware of any connected persons (as defined in Rule 8.1 of the REIT Code) of GZI REIT, including the Trustee and Colliers International (Hong Kong) Ltd. holding any Units as at 31 December, 2005.

Unit Options

At no time during the Relevant Period was GZI REIT or any of its controlled entities a party to any arrangements which enable the Directors of the Manager (including, their spouses and children under 18 years of age) to acquire benefits by means of acquisition of Units or any equity derivatives in GZI REIT or any other body corporate.

Manager's Fees

During the Relevant Period, the aggregate amount of fees payable by GZI REIT to the Manager under the Trust Deed was approximately HK\$573,000.

Trustee's Fees

During the Relevant Period, the aggregate amount of fees payable by GZI REIT to the Trustee under the Trust Deed was approximately HK\$160,000.

Principal Valuer's Fees

During the Relevant Period, the aggregate amount of fees payable by GZI REIT to the Valuer for the preparation of a valuation report of the Properties was HK\$200,000.