
THE REORGANISATION

Reorganisation of the GZI Group

GZI REIT is a real estate investment trust established as part of an internal reorganisation of the GZI Group of part of its real estate portfolio. The reorganisation was effected in the manner described below.

GZI REIT was constituted by the Trust Deed entered into on 7 December 2005 between the Manager and the Trustee. Holdco is a wholly owned subsidiary of the Trustee (acting in its capacity as trustee of GZI REIT).

On 7 December 2005, Holdco, the Manager and the Trustee entered into the Reorganisation Deed with GCCD BVI (as vendor) and GZI (as guarantor of GCCD BVI's obligations under the Reorganisation Deed), pursuant to which Holdco agreed to acquire 100.0% of the issued capital of each of the BVI Companies. The Initial Consideration payable by Holdco under the Reorganisation Deed for the BVI Company Shares was HK\$4,014,180,000 (but is subject to adjustment as described in the section headed "Material Agreements and Other Agreements Relating to GZI REIT — Reorganisation Deed" in this Offering Circular).

The Initial Consideration was calculated based on the combined NAV of the BVI Companies as at 31 October 2005 of HK\$2,972,767,000 plus amounts due to fellow subsidiaries thereof as at 31 October 2005 of HK\$994,267,000 as well as HK\$47,146,000 to be injected by GZI into the BVI Companies before the closing of the Global Offering. This was satisfied through the issue of 417,000,000 Units to Dragon Yield and the delivery of the Promissory Note to GZI (see the section headed "Material Agreements and Other Documents Relating to GZI REIT — Reorganisation Deed" in this Offering Circular).

Completion of the transfer of the BVI Company Shares to Holdco took place on 7 December 2005. As at the Latest Practicable Date, all the Units in GZI REIT were indirectly owned by GZI.