The following discussion has been prepared to assist investors' evaluation of the Properties and the factors which may affect its future financial results. Such statements are subject to uncertainties and assumptions, and under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by GZI Group, the Manager, GZI REIT, the Trustee, the Listing Agent, the Underwriters or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

Background

The Audited Financial Statements of the Properties and the Audited Financial Statements of the BVI Companies and other historical financial information have been prepared by the Manager based on the historical operations of the Properties. Following transfer of the Properties to GZI REIT, the management structure and the cost and capital structure of the Properties are expected to differ from those previously adopted with respect to the Properties. These variations are discussed below.

Total Gross Income

Total Gross Income in relation to the operation of the Properties in future shall comprise (i) Rental Income and (ii) other income.

Rental income

Rental Income comprises a combination of committed rentals and rentals from renewals and new lettings. In connection with the White Horse Units, no property management fee income will be included as White Horse Property Management Company does not form part of GZI REIT. For the new tenancies commencing 1 January 2006, separate tenancy and property management agreements have been signed between the tenants, GZI REIT and White Horse Property Management Company respectively. Therefore, property management fee income to be earned by White Horse Property Management Company will not form part of the income of GZI REIT. For the Forecast Period 2005, GZI REIT's Rental Income from the White Horse Units will be derived via an adjustment to the consideration payable by Holdco under the Reorganisation Deed (see the section headed "Material Agreements and Other Documents Relating to GZI REIT — Reorganisation Deed — Adjustments" in this Offering Circular). Under the current leases for the White Horse Units, rent and property management fees are paid in an undivided amount by the tenants in the White Horse Units to White Horse Property Management Company. The majority of these leases will expire on 31 December 2005. The said adjustment will be an amount retained by GZI REIT from the proceeds of the Global Offering, representing the Rental Income from the current leases in the White Horse Units for the Forecast Period 2005.

Other income

For Forecast Period 2005 and Forecast Year 2006, the Manager assumes that other income will comprise only of income generated by advertising fees from the White Horse Units indoor illuminated billboards. Beyond Forecast Year 2006, other income in relation to the Properties may include, but not limited to, administrative fees for transfers of leases and forfeiture of rental income. The Manager does not anticipate to earn any surplus from electricity charges in the future.

Property operating expenses

Property operating expenses shall comprise (i) the Leasing Agents' fees; (ii) property-related taxes and duties; and (iii) other property expenses.

Leasing Agents' fees

For the services of leasing, marketing and tenancy management, Yicheng and White Horse Property Management Company have entered into the Tenancy Services Agreements with the Manager and the BVI Companies under which Yicheng is entitled to fee income of 4.0% per annum of the gross revenue of the Fortune Plaza Units, the City Development Plaza Units and the Victory Plaza Units while the White Horse Property Management Company is entitled to a 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 such fees shall also satisfy the property management fees which they are entitled to receive from the relevant BVI Companies for any vacant units. The Leasing Agents are expected to bear all promotional and agency expenses incurred in relation to the promotion and marketing of the Properties including advertisements in print and broadcast media, promotional materials as well as promotional and marketing events. Therefore, such expenses will not be borne by GZI REIT going forward. (See the section headed "Material Agreements and other Documents Relating to GZI REIT — Tenancy Services Agreements" in this Offering Circular.)

The Leasing Agents have also entered into separate agreements with the owners' committees or the owners of White Horse Building, Fortune Plaza, City Development Plaza and Victory Plaza to provide property management services for those buildings. In addition, the Leasing Agents have also entered into agreements with the tenants in the Properties to collect certain property management fees directly from the tenants. Such property management fees, which will not form part of the Total Gross Income received by GZI REIT, are applied by the Leasing Agents (who will be entitled to retain 10.0% of such fees) for payment of all costs and expenses incurred in the administration, management of the common areas and daily repairs and maintenance of the Properties. As such, GZI REIT is not liable to pay for any daily repairs and maintenance of the Properties. (See the descriptions of the various property management arrangements in the section headed "Material Agreements and other Documents Relating to GZI REIT" in this Offering Circular.)

In relation to any vacant units in the Properties, the BVI Companies are themselves liable for the property management fees. However, the Leasing Agents have agreed under the Tenancy Services Agreements that the fees which they receive under those agreements shall also satisfy the property management fees which they are entitled to receive from the relevant BVI Companies for any vacant units in the Properties.

Property taxes and duties

Certain taxes and duties shall be incurred in connection with the Properties. These shall comprise:

- urban real estate tax, which will be levied by reference to 70.0% of the original cost of the real estate at 1.2% per annum. For the self-constructed buildings, i.e. White Horse Building, City Development Plaza and Victory Plaza, the original cost refers to the construction cost of the building. For Fortune Plaza, the original cost refers to the purchase cost of the semi-completed building and the additional cost incurred to complete the construction. According to the relevant Guangzhou tax circular, Suidishuifa [2002] No. 235, subject to approval, the cost of land use right can be excluded when calculating the tax base for urban real estate tax purposes. Each of the BVI Companies is currently liable for urban real estate tax based on the original cost of the real estate. After the Listing Date, any fair value adjustments of the Properties in accordance with HKFRS will not change the tax base of the buildings for the calculation of urban real estate tax purposes.

- business tax at 5.0% of Total Gross Income and flood prevention fee of 0.09% of Total Gross Income; and

- stamp duty on leases, which will be levied at 0.1% of the aggregate Rental Income payable over the term of each lease (not including the further term under any option to renew). Such stamp duty may be amortised over the terms of the relevant leases.

Except for urban real estate tax (in respect of which a tax holiday had previously been granted), the above taxes and duties were also incurred in the past. Foreign enterprises are not entitled to the tax holiday for urban real estate tax. As such, the BVI Companies were liable to pay such tax commencing from 1 September 2005 when the risks and rewards of the Properties were transferred to the BVI Companies.

Other property expenses

Other property expenses comprise contributions to the owners' building funds, depreciation, bad debts, insurance and annual valuation costs and other expenses for each of the Properties.

Contributions to owners' building funds — Expenditures incurred for major renovation and maintenance works are expensed as contributions to owners' building funds for the GCCD Properties. Where the owners' committee of a building determines that certain renovation works should be undertaken and paid out of the owners' building fund, approval from at least two-thirds of the owners of the building by Gross Floor Area will need to be obtained. Each owner is entitled to one vote for each square meter of Gross Floor Area it owns. Once approval is obtained to incur such expenditure, all the owners of the building are required to contribute to the proposed outlay an amount proportionate to their respective shares of the building. GZI REIT holds 50.2% and 57.3% of the total Gross Floor Area of Fortune Plaza and City Development Plaza respectively. Given the GCCD undertakings to Moon King and Full Estates described in the sections headed

"Material Agreements and other Documents Relating to GZI REIT — GCCD's Appointment of Moon King as its Representative and its Irrevocable Undertaking to Moon King" and "Material Agreements and Other Documents Relating to GZI REIT — GCCD's Appointment of Full Estates as its Representative and its Irrevocable Undertaking to Full Estates" in this Offering Circular, GZI REIT will be able to exercise a two-thirds majority vote at the owners' committee meetings of Fortune Plaza and 65.1% of the votes at the owners' committee meetings of City Development Plaza Units, just marginally short of 67.0%. GZI REIT owns 100.0% of the Victory Plaza podium and, when the two tower blocks are completed, GZI REIT's share of Victory Plaza will be approximately 19.5% of the total Gross Floor Area.

No formal contributions to owners building funds were made in the past. For Fortune Plaza and Victory Plaza, whose constructions were completed in 2003, no requirement on major renovation works had been required in the past. Furthermore, the warranty period provided by the contractors on the major equipment do not expire until the first half of 2006. For City Development Plaza, GCCD had historically borne most of the expenditure as the majority owner of City Development Plaza. Going forward, such expenditure will be borne by the respective owners proportionate to their respective shares of the building.

For such contributions, since no tenants could claim ownership of any common areas and shared facilities, contributions to owners' building funds will be treated as expenses on GZI REIT's income statement when they arise.

As there is no owners' building fund for White Horse Building, GZI REIT will not have to make any contributions in respect of the White Horse Units. For maintenance costs in respect of major renovation works, these will be borne proportionately by the respective owners of the building. The Manager anticipates capital expenditure of HK$26.7 million for the White Horse Units for the Forecast Period 2005 and Forecast Year 2006. Such capital expenditure includes improvement and replacement of the ventilation system, electrical appliances, fire emergency equipment and smoke detectors as well as maintenance capital expenditure and certain building improvements. As a result, the Manager estimates that any subsequent maintenance costs will be minimal for the White Horse Units.

Depreciation — Equipment, plant and machinery at the Properties, where they exist, shall be depreciated on a straight line basis over the remaining useful life of such equipment, plant and machinery.

Bad debts — Defaulted or doubtful payments of rent not covered by security deposits shall be treated as bad debt expense.

Insurance — Going forward, GZI REIT will pay for insurance coverage for the Properties. Specifically, pursuant to the terms of the Loan Facility, the Manager has obtained property all-risk, rental loss and third party liability insurance policies for the Properties.

Annual valuation costs — Historically, annual valuation costs were incurred by GZI in valuing its property portfolio (including the Properties). Going forward, such costs will also be incurred by GZI REIT to comply with the requirements of the REIT Code and HKFRS.

Others — Historically, there were other property-related expenses comprising directly and indirectly attributable costs and expenses allocated by GZI. These included expenses such as employee benefit expenses and miscellaneous expenses (see the section headed "Manager's Discussion and Analysis of Financial Condition and Results of Operations — Miscellaneous expenses" in this Offering Circular) as well as fitting out and maintenance expenses. Apart from fitting out expenses (which shall be borne by GZI REIT), these expenses will not be applicable to GZI REIT going forward. Instead, such expenses will be borne either by the Manager or the Leasing Agents, as appropriate.

Trust expenses

GZI REIT will incur additional expenses which were historically not applicable when the Properties were owned and managed under GZI and GCCD. These expenses include the Manager's fees, the Trustee's fees and certain other expenses (see the section headed "Offering Circular Summary — Certain Fees" in this Offering Circular).

Finance costs

On 7 December 2005, the BVI Companies and the Lending Banks entered into the Facility Agreement. The Manager intends to draw down US$165.0 million (HK$1,287.0 million) on the Listing Date to fund part of the payment on the Promissory Note. The Manager intends to utilise other debt financing facilities or structured debt products to refinance the Loan Facility. As such, the Manager believes that borrowing in US dollars will increase its flexibility in terms of refinancing options.

With such borrowings, the gearing of GZI REIT on the Listing Date will be approximately 32.1% based on the Appraised Value of the Properties.

Under the Loan Facility, interest will be payable quarterly at a rate of 1.35% per annum above the three-month US dollar LIBOR rate and principal will be payable in one lump sum at the end of the three-year period commencing from the drawdown date. In providing this Loan Facility, the Lending Banks levied an upfront fee of 1.5% of the principal amount of the Loan Facility and a commitment fee of 0.25% per annum of the committed but undrawn amount of the Loan Facility under the two month availability period of the Loan Facility.

The BVI Companies entered into US$/RMB non-deliverable swap facilities with the Lending Banks (as swap providers) to swap the floating rate US dollar Loan Facility into a synthetic Renminbi liability (at the then prevailing US$/RMB exchange rate) with a series of fixed rate cash flows denominated in Renminbi, payable in US dollars and with a principal exchange at maturity also settled in US dollars for an aggregate notional principal amount of US$165.0 million, for a minimum tenor of three years. Pursuant to these arrangements, the interest rate under the Loan Facility has been fixed at approximately 3.2% per annum and at a US$/RMB exchange rate of 1/8.08 for the entire three-year tenure of the loan under the Loan Facility.

Interest income

Interest may also be earned on Holdco's offshore Hong Kong dollar bank account at the prevailing rate and on security deposits held within the PRC.

Taxation

Withholding tax will be levied on each BVI Company with reference to 10.0% of its Total Gross Income less business tax incurred by the BVI Company. The Manager also expects that interest income from security deposits held in the PRC will be subject to a 10.0% tax (see the risk factor headed "The full rate of withholding tax of 20.0% for foreign enterprises may be applied and/or the BVI Companies could be deemed as having permanent establishments in the PRC and be subject to income tax in the PRC based on their deemed profits, either of which could have a material adverse effect on GZI REIT's income" and the section headed "Profit Forecast — Sensitivity Analyses" in this Offering Circular).

Capital expenditures

Capital expenditures for major renovations and maintenance works will be capitalised in the case of the White Horse Units as no owners' committee has been established for the Property. For the Fortune Plaza Units, the City Development Plaza Units and the Victory Plaza Units, any expenditure incurred for major renovation and maintenance works will be expensed as contributions to owners' building funds, as described earlier in this section.

Indebtedness

On 7 December 2005, the BVI Companies and the Lending Banks entered into the Facility Agreement. It is assumed that US$165.0 million (HK$1,287.0 million) will be drawn down on the Listing Date as Loan Proceeds to make payment on the Promissory Note. The initial gearing GZI REIT is approximately 32.1% (based on the Appraised Value of the Properties as at 30 September 2005, as determined by the Independent Property Valuer) whereas the limit prescribed under the REIT Code is 45.0%. It is the Manager's strategy to maintain the gearing at between 30.0% to 40.0%. (See the sub-section headed "Finance Costs" above and the section headed "Material Agreements and Other Documents Relating to GZI REIT — Facility Agreement" in this Offering Circular.)

Accounting Policies Applicable to GZI REIT

The accounting policies which will be adopted by GZI REIT will be the same set of the accounting policies adopted in preparing the Audited Financial Statements of the Properties and the Audited Financial Statements of the BVI Companies as set out in Note 3 of Appendix I and in Note 2 to Appendix II to this Offering Circular.