

The agreements described in this section are complex documents and only a summary of the agreements is set out herein. Investors should refer to the agreements themselves to confirm specific information or for a detailed understanding of GZI REIT. The agreements are available for inspection at the registered office of the Manager at 2102, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong during normal business hours until noon of 15 December 2005, which is the date on which the application lists close.

Reorganisation Deed

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 acquired 100.0% of the issued share capital of each of the BVI Companies.

Initial Consideration

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 subsection headed "Adjustments" below). 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.

Completion of the transfer of the BVI Company Shares to Holdco took place on 7 December 2005.

The Initial Consideration was satisfied in the following manner:

- as to HK\$1,137,234,060, by the issue of 417,000,000 Units in GZI REIT to Dragon Yield, a wholly owned subsidiary of GZI, the party nominated by GCCD BVI to receive the Units, at an issue price of HK\$2.72718 each; and
- as to HK\$2,876,945,940, by the execution and delivery of the Promissory Note by Holdco to GZI.

Adjustments

Initial adjustment

The Initial Consideration is subject to an initial adjustment calculated and adjusted in the manner described below.

The initial adjustment amount will be calculated as A - B:

where "A" is the sum of:

1. the IPO Proceeds (being the gross proceeds from the issue of Units under the Global Offering, which, for the avoidance of doubt, excludes proceeds from the Units comprised in the Over-allocation Option and the proceeds from the Sale Units);
2. HK\$1,137,234,060 (being the portion of the Initial Consideration satisfied by the issue of Units to GCCD BVI or its nominee); and
3. the Loan Proceeds (less any costs relating to the Facility Agreement agreed between GCCD BVI and Holdco),

and "B" is the sum of:

1. the Initial Consideration;
2. the IPO Transaction Costs;
3. the aggregate amount to be collected by White Horse Property Management Company from the tenants of the White Horse Units under their tenancy agreements attributable to Partat in respect of the period from the Listing Date to 31 December 2005 (both dates inclusive) of HK\$189,600 per day; and
4. HK\$26,700,000, being an amount retained by Holdco for proposed renovation works at the White Horse Units.

The amount determined in accordance with the formula above shall be paid:

- by Holdco to GCCD BVI or its nominee on or about the Listing Date, if such amount is a positive figure; and
- by GCCD BVI to Holdco on the Listing Date, if such amount is a negative figure. Such payment by GCCD BVI to Holdco shall be effected by way of setting off the relevant amount against the principal amount of the Promissory Note so that the amount payable by Holdco to GZI pursuant to the terms of the Promissory Note shall be the amount representing the difference between the principal amount of the Promissory Note and the amount calculated in accordance with the above formula.

The main purpose of the initial adjustment amount is to ensure that the Initial Consideration reflects the value of the Properties implied by the Offer Price attributable to GCCD BVI.

Combined net assets adjustment

The Initial Consideration is subject to a further adjustment in accordance with the increase or reduction in the combined net assets of the BVI Companies in the interval from the date of the Reorganisation Deed until the day immediately preceding the Listing Date, excluding (i) any fluctuations in the value of the Properties; (ii) any costs incurred in connection with the Global Offering and the Facility Agreement; and (iii) any other matter already taken into consideration in calculating the initial adjustment referred to above, and adopting the same accounting policies, principles, standards and practices.

Such change in the combined net assets of the BVI Companies will be determined based on the unaudited combined management accounts of the BVI Companies as at 7 December 2005 (being the date of the Reorganisation Deed) and the audited combined accounts of the BVI Companies as at the day immediately preceding the Listing Date.

If there is an increase in the combined net assets of the BVI Companies, the amount of the increase shall be paid by Holdco to GCCD BVI or its nominee within four months after the Listing Date. If there is a decrease in the combined net assets of the BVI Companies, the amount of the decrease shall be paid by GCCD BVI to Holdco within four months after the Listing Date.

Final consideration

The final consideration after the adjustments described above shall be announced by the Manager upon determination thereof, together with the quantum of the adjustment amounts.

Warranties, representations and undertakings

Under the Reorganisation Deed, Holdco, the Trustee and the Manager have the benefit of certain representations, warranties and undertakings (“Warranties”) given by GCCD BVI and guaranteed by GZI.

The Warranties give Holdco, the Trustee and the Manager a degree of comfort in relation to matters such as the assets and liabilities of the BVI Companies, the state of affairs of the business of the BVI Companies, title to the BVI Company Shares, title to the Properties, the absence of undisclosed liabilities attaching to the BVI Companies and certain other matters. All of the Warranties are given subject to the disclosures made by GCCD BVI or GZI to Holdco or the Manager (including, but not limited to those set out in this Offering Circular), are subject to certain limitations and will expire (i) six years after the Listing Date (in the case of Warranties relating to the BVI Company Shares, taxation, title to assets, the Properties and certain miscellaneous matters) and (ii) 24 months after the Listing Date in all other cases. The periods of the Warranties will be extended for an additional 12 months where there is a dispute being settled with a third party or where there is a contingent claim.

After the expiry of such periods, none of Holdco, the Trustee and the Manager will have any further recourse against either GCCD BVI or GZI under the Reorganisation Deed and risks associated with the acquisition of the BVI Company Shares (including, without limitation, in relation to title to the Properties) will be solely for the account of GZI REIT.

Separately, the Trustee has the benefits of certain representations and warranties given by GZI in respect of the due incorporation and status of Holdco. The Reorganisation Deed also includes an undertaking by GZI that for so long as any Loan Proceeds remain unpaid, GZI shall hold, directly or indirectly, at least 15.0% of all Units in issue at any time.

The aggregate maximum liability of GCCD BVI and GZI in respect of all and any claims under the Warranties as well as any claims made by Holdco and/or the Manager under or in connection with the Deed of Indemnity shall in no event exceed the final consideration referred to above.

The adjustments to the Initial Consideration, GZI's guarantee to Holdco, the Manager and the Trustee, as well as GCCD BVI's Warranties are conditional on the Listing Date being on or before 21 December 2005 (or such other date as may be agreed in writing by Holdco, the Manager, GCCD BVI and GZI).

Deed of Indemnity

GCCD BVI and GZI executed the Deed of Indemnity in favour of Holdco (for itself and as trustee for each of the BVI Companies), the Manager and the Trustee under which GCCD BVI and GZI undertook jointly and severally to indemnify Holdco and each BVI Company against all or any depletion or reduction in the value of their respective assets, or increase in the liabilities, loss or deprivation of any relief from taxation, of Holdco or any of the BVI Companies, as a result of or in connection with any claim by any revenue, customs, fiscal, statutory, governmental or other authority of the PRC or in any other part of the world, including but not limited to:

- the amount of any and all taxation falling on Holdco or any of the BVI Companies or in respect of the Properties resulting from or by reference to any income, profits, gains, transactions, events, matters or things earned, accrued, received, effected on or before the Listing Date, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such taxation is chargeable against or attributable to any other person, firm or company, including any and all taxation resulting from the receipt by Holdco or any of the BVI Companies of any amounts paid by GCCD BVI or GZI under the Deed of Indemnity;
- the amount of any and all fines or penalties imposed on Holdco or any of the BVI Companies by any revenue, customs, fiscal, statutory or governmental or other authority whatsoever in the PRC and any loss or damage suffered by Holdco or any of the BVI Companies resulting from:
 - failure to stamp and/or register any tenancies in respect of the Properties;

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- any non-conformity of the Properties (or any part thereof) with applicable building regulations and/or any requirement to rectify any such non-conformities;
- any issues arising from or in connection with any pre-emptive rights of the tenants of the Properties in relation to the Properties;
- leasing the Properties for uses which are not in compliance with the permitted uses thereof under the relevant Building Ownership Certificates or deeds of mutual covenant;
- any issues in connection with any extension areas in the White Horse Building of which the White Horse Units form part;
- any issues arising from or in connection with the proposed renovation of the 8th and 9th storeys of White Horse Building to wholesale and retail use; or
- any non-conformity issues referred to in the Independent Property Valuer's Building Condition Survey Summary Report set out in Appendix VII to this Offering Circular;
- the amount of any and all taxation, fines, penalties, losses and damages resulting from the transfer of the Properties to the BVI Companies or any transactions effected on or before the Listing Date; and
- all actions, claims, losses, damages, costs (including all legal costs), charges, expenses, interests, penalties or other liabilities which Holdco or any of the BVI Companies may reasonably and properly incur in connection with:
 - the investigation, assessment or the contesting of any such claim;
 - the settlement of any such claim;
 - any legal proceedings in which Holdco or any of the BVI Companies claims under or in respect of the Deed of Indemnity and in which judgment is given in favour of Holdco or any of the BVI Companies; or
 - the enforcement of any such settlement or judgment.

GCCD BVI and GZI also undertook jointly and severally with the Trustee, Holdco and each BVI Company to indemnify Holdco and each BVI Company and at all times keep the same indemnified against all actions, claims, losses, damages, costs (including all legal costs), charges, expenses, interests, penalties or other liabilities which Holdco or any of the BVI Companies may reasonably and properly incur (including, without limitation, any loss of rentals) in connection with:

- failure to stamp and/or register any tenancies in respect of the Properties;

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- any non-conformity of the Properties (or any part thereof) with applicable building regulations;
- any issues arising from or in connection with any pre-emptive rights of the tenants of the Properties in relation to the Properties;
- leasing the Properties for uses which are not in compliance with the permitted uses thereof under the relevant Building Ownership Certificates or deeds of mutual covenant;
- any issues in connection with any extension areas in the White Horse Building of which the White Horse Units form part;
- any issues arising from or in connection with the proposed renovation of the 8th and 9th storeys of White Horse Building to wholesale and retail use;
- any non-conformity issues referred to in the Independent Property Valuer's Building Condition Survey Summary Report set out in Appendix VII to this Offering Circular;
- failure to receive any of the trade receivables and other receivables referred to in the audited combined accounts of the BVI Companies as at the date immediately preceding the Listing Date within three months after the Listing Date; and
- any issues arising in connection with any breach by GCCD BVI of its representations and warranties that among other things, each of the BVI Companies has carried on its business and operations so that there have been no material breaches of applicable law, all licences and approvals necessary for the carrying on of the businesses and operations of the BVI Companies, for the transfer of the relevant Property to the BVI Company, for the opening any Renminbi bank accounts in the PRC, for the leasing of the relevant Property in the PRC and for the conversion of all the income/profit derived from the relevant Property from Renminbi to Hong Kong dollars as well as the remittance thereof into Hong Kong have been obtained and are in full force and effect, and all necessary approvals from all applicable PRC governmental authorities required for the Global Offering and the listing of the Units on the Hong Kong Stock Exchange have been obtained and are in full force and effect.

The Deed of Indemnity does not cover any claim, and neither GCCD BVI nor GZI shall be liable thereunder, in respect of taxation or liability:

- to the extent that provision, reserve or allowance has been made for the relevant taxation or claim in the audited combined accounts of the BVI Companies as at the date immediately preceding the Listing Date, or to the extent that payment or discharge of such taxation or claim has been taken into account therein or in the calculation of the consideration under the Reorganisation Deed;
- to the extent that the relevant taxation or claim arises or is incurred as a result of the imposition of taxation or claims as a consequence of any retrospective change in the

law, rules and regulation or the interpretation or practice thereof by the taxation authorities of the PRC, the British Virgin Islands or any other relevant authority coming into force after the Listing Date with retrospective effect or to the extent such taxation or claim arises or is increased by an increase in rates of taxation or claim after the Listing Date with retrospective effect;

- to the extent of any provision or reserve made for taxation in the audited combined accounts of the BVI Companies as at the date immediately preceding the Listing Date which is finally established to be an over-provision or an excessive reserve, in which case GCCD BVI's and GZI's liability (if any) in respect of taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied hereunder to reduce GCCD BVI's and GZI's liability in respect of taxation shall not be available in respect of any such liability arising thereafter; and
- to the extent that such claim arises or is incurred as a result of Holdco or any of the BVI Companies being in breach of or failing to fulfil or comply with the requirements or provisions of the Deed of Indemnity after the Listing Date, which breach or failure is not attributable to any default of GCCD BVI or GZI.

The maximum aggregate liability of GCCD BVI and GZI under the Deed of Indemnity and the Reorganisation Deed shall not exceed the total consideration for the transfer of the BVI Companies Shares pursuant to the Reorganisation Deed.

No claims may be brought against GCCD BVI or GZI after the expiry of six years from the Listing Date.

The Deed of Indemnity is only effective if the Listing Date occurs on or before 21 December 2005 (or such other date as Holdco, the Manager, GCCD BVI and GZI may agree in writing).

Deed of Right of First Refusal

GZI executed a deed (dated 8 December 2005) in favour of the Trustee and the Manager under which GZI REIT was granted, conditional on listing of the Units on the Hong Kong Stock Exchange, a right of first refusal on the following terms and conditions:

1. In the event that GZI proposes to dispose to a third party or parties any completed Grade A office building or any completed Grade A commercial building that:
 - (a) fulfils (or would reasonably be regarded as fulfilling) the investment criteria and property characteristics, and is consistent (or would reasonably be regarded as being consistent) with the investment strategy of the Manager, for property investments by GZI REIT, as stated in this Offering Circular (the "Relevant Property"); and

- (b) is owned or developed by the GZI Group and in which the GZI Group has an ownership interest of 95.0% or more (and, in the circumstances where GZI is able to negotiate and agree terms with the relevant joint venture party so as to extend the coverage of the right of first refusal granted by GZI to include the Relevant Property which is the subject of that joint venture, shall also include that Relevant Property),

and such building:

- (i) is located in Guangzhou; and
- (ii) has a value of US\$20.0 million or more (as determined by an independent property valuer),

GZI REIT shall have the right of first refusal to acquire the Relevant Property on and subject to the terms and conditions set out below.

GZI will give written notice to the Manager and the Trustee of any proposed offer for sale of a Relevant Property to GZI REIT pursuant to the right of first refusal.

2. If GZI REIT elects to exercise the right of first refusal to acquire the Relevant Property, completion of the sale and purchase of the same shall be conditional upon:
 - (i) the attainment by GZI and/or the relevant member of the GZI Group (the “Relevant GZI Entity”) of all requisite approvals and consents required under the memorandum and articles of association of the Relevant GZI Entity, the Listing Rules and other relevant laws and regulations to which GZI and/or the Relevant GZI Entity and/or any other intermediate holding company of the Relevant GZI Entity is subject;
 - (ii) the attainment by the Manager of all requisite approvals and consents required under the REIT Code, the Trust Deed and all other relevant laws and regulations to which GZI REIT is subject;
 - (iii) satisfactory results on the completion of the due diligence review of the Relevant Property by the Manager; and
 - (iv) such other conditions as may be set out in the relevant sale and purchase agreement of the Relevant Property.

In the event that, for any reason other than due to GZI's default, the sale and purchase of the Relevant Property pursuant to an exercise of the right of first refusal is not completed within the pre-agreed period of time or the Manager (acting on behalf of GZI REIT) does not elect to exercise the right of first refusal within 30 business days after the date of the written notice given by GZI to the Manager and the Trustee mentioned above (the "Lapse Event"), GZI shall, at its election, have the right either:

- (i) to sell the Relevant Property to any third party within 12 calendar months after the Lapse Event, at a price and on such terms as are no more favourable than those set out in the written notice given by GZI to the Manager and the Trustee mentioned above (from the perspective of GZI REIT); or
- (ii) to retain the Relevant Property for investment purposes.

In the event that GZI elects to sell the Relevant Property to the prospective purchaser stated in the written notice given by GZI to the Manager and the Trustee mentioned above within 12 calendar months after the Lapse Event, GZI shall send to the Manager (acting on behalf of GZI REIT) a written notice (the "Sale Notice") of the price and other principal terms on which the Relevant Property is proposed to be sold to the prospective purchaser, subject to any restrictions on disclosure of the same imposed thereon by the prospective purchaser by agreement or otherwise. In addition, in the event that the Relevant Property is proposed to be sold by GZI to that prospective purchaser on terms more favourable than those stated in the written notice given by GZI to the Manager and the Trustee mentioned above (from the perspective of GZI REIT), the right of first refusal shall apply afresh to that proposed disposal and GZI shall be required to comply with the procedures in the deed of right of first refusal accordingly. The Manager (acting on behalf of GZI REIT) shall have 10 business days within which to object to such proposed sale solely on the grounds that it is on terms more favourable than those set out in the written notice given by GZI to the Manager and Trustee mentioned above (from the perspective of GZI REIT). In the event that there is any dispute between the Manager (acting on behalf of GZI REIT) and GZI as to whether the terms on which GZI proposes to sell the Relevant Property to the prospective purchaser are more favourable than those set out in the written notice given by GZI to the Manager and Trustee mentioned above (from the perspective of GZI REIT), the matter shall be referred to an independent valuer or other property consultant selected by agreement between the Manager and GZI. Such an independent valuer or property consultant (as the case may be) shall be requested to settle any matter in dispute and the decision of that independent valuer or property consultant (as the case may be) as to the matter in dispute shall, in the absence of fraud or manifest error, be final and binding on the Manager (acting on behalf of GZI REIT) and GZI and such independent valuer or property consultant (as the case may be) shall be deemed to act as an expert and not as arbitrator. The costs of such an independent valuer or property consultant (as the case may be), if any, shall be borne by GZI REIT and GZI in equal shares.

On the first occasion when GZI offers to GZI REIT a right of first refusal to acquire the entire building of the West tower of Victory Plaza, GZI also agrees to grant to GZI REIT a right of first refusal to acquire such number of car parks in Victory Plaza (the “Additional Car Parks”) which will, when aggregated with GZI REIT’s interests in the total construction area of the podium and the entire building of the West tower of Victory Plaza, enable GZI REIT to control more than 50.0% of the total construction area of Victory Plaza, provided that:

- (i) the right of first refusal in respect of the Additional Car Parks is only exercisable if GZI REIT elects to acquire West tower of Victory Plaza to which such notice relates; and
- (ii) completion of the sale and purchase of the Additional Car Parks shall take place simultaneously with, and conditional upon, the completion of the sale and purchase of West tower of Victory Plaza.

If the Manager (acting on behalf of GZI REIT) elects to exercise the right of first refusal to acquire the Additional Car Parks, the price for the acquisition of the Additional Car Parks shall be agreed between GZI and the Manager and determined by reference to an independent valuer’s valuation of the same in accordance with the REIT Code. The date of such valuation shall comply with the relevant requirements under the REIT Code. Save as otherwise provided in this paragraph, the terms for the acquisition of the Additional Car Parks shall be the same as those for the acquisition of the West tower of Victory Plaza.

If, for any reason other than due to GZI’s default, the sale and purchase of the Additional Car Parks is not completed within the pre-agreed period of time or the Manager (acting on behalf of GZI REIT) does not elect to exercise the right of first refusal to acquire the Additional Car Parks, there shall be no restrictions on GZI’s ability to deal with the Additional Car Parks.

The right of first refusal will commence on the Listing Date until the earliest of the following occurring:

- (a) the expiry of five years after the Listing Date;
- (b) the Units ceasing to be listed on the Hong Kong Stock Exchange; or
- (c) the entity which is the asset manager of GZI REIT ceasing for whatever reason to be a subsidiary of any member of the GZI Group or the Yue Xiu Group.

Further, if GZI or any of its subsidiaries intends to enter into a joint venture in respect of a Relevant Property whereby GZI or, as the case may be, its subsidiary is to hold an ownership interest of more than 50.0% but less than 95.0%, and such Relevant Property is reasonably

expected to be completed during the term of the right of first refusal, GZI will use all reasonable commercial endeavours to negotiate with the relevant joint venture party or parties such that the terms of the joint venture will enable it to include such Relevant Property within the scope of the right of first refusal.

The portfolio of properties which fall within the parameters of the above right of first refusal is set out in the section headed “Offering Circular Summary” in this Offering Circular. As GZI is currently in negotiations with a prospective purchaser of the East tower of Victory Plaza, the East tower will fall within the parameters of the right of first refusal only to the extent it is not sold prior to the completion of its construction.

Facility Agreement

On 7 December 2005, the Lending Banks entered into the Facility Agreement with the BVI Companies (as borrowers) and Holdco (as guarantor) in connection with the Loan Facility, a US\$165.0 million three-year floating rate term loan facility. It is intended that the BVI Companies will fully draw down on the Loan Facility on the Listing Date and onward lend the funds to Holdco for partial payment on the Promissory Note (see the section headed “Use of Proceeds” in this Offering Circular).

The Loan Facility is guaranteed on a joint and several basis by the Trustee (in its capacity as trustee of GZI REIT) and Holdco. The Trustee’s guarantee is subject to the proviso that its obligations as a guarantor will be limited to the aggregate amount of, and be paid from, the assets held by it for GZI REIT.

The availability of the Loan Facility on the Listing Date is conditional on certain conditions precedent being satisfied. Such conditions include, among others, the Global Offering becoming unconditional by no later than 21 December 2005 and the provision of documents evidencing the approval and authority of the BVI Companies and Holdco in entering into the Facility Agreement.

Interest under the Loan Facility is payable quarterly (or such other period as agreed by the BVI Companies and the facility agent acting on the instructions of the majority of the Lending Banks) 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.

The Facility Agreement contains certain covenants and undertakings to be provided by the BVI Companies and Holdco including (without limitation) negative pledges, provision of financial and operational information and valuation report(s) and maintenance of insurances. In particular, Holdco, on a consolidated basis, must maintain an aggregate interest coverage ratio of not less than two times. If the interest coverage ratio at any time falls below two times, it will constitute an event of default under the Facility Agreement.

Holdco must also maintain a security margin (being the ratio of the aggregate principal amount of all borrowings under the Facility Agreement to the aggregate value of the Properties as shown by the then latest annual valuation reports plus the aggregate amount of all cash in the bank accounts held by the BVI Companies and Holdco) of no more than 50.0%. In the event that such margin exceeds 50.0%, it will constitute an event of default under the Facility Agreement.

It will also constitute an event of default under the Facility Agreement if GZI ceases to hold, directly or indirectly, at least 15.0% of all Units in issue at any time. GZI has undertaken to the Trustee, the Manager and Holdco that, for so long as any Loan Proceeds remain unpaid, GZI shall hold, directly or indirectly, at least 15.0% of all Units in issue at any time.

Other events of default under the Facility Agreement includes (without limitation) non-payment of any sum under the Facility Agreement or any security provided in respect of the Loan Facility, misrepresentation, cross default in relation to the financial indebtedness of the BVI Companies, Holdco or GZI REIT, breach of any financial covenants under the Facility Agreement, change of control of the BVI Companies or Holdco, suspension of trading of the Units on the Hong Kong Stock Exchange for more than a specified number of days, termination of listing of the Units on the Hong Kong Stock Exchange and the occurrence of any material adverse change to the BVI Companies or Holdco or the Trustee which is reasonably likely to adversely affect the ability of any of the BVI Companies, Holdco or the Trustee to perform any of their respective obligations under the Facility Agreement or any security provided in respect of the Loan Facility. If any event of default under the Facility Agreement occurs, the Lending Banks may declare a default and demand the immediate repayment of all outstanding loan and other sums under the Facility Agreement, and enforce the security provided in respect of the Loan Facility.

To secure, *pari passu* and *pro rata*, the BVI Companies' obligations under the Loan Facility, a security package has been granted in favour of a security trustee to hold on behalf of each Lending Bank. The security package includes, among others, a registered mortgage over each Property, assignment of rental income and all other proceeds arising from each of the Properties and of all tenancy agreements relating to each of the Properties and a legal mortgage over the BVI Company Shares.

Swap Agreements

In conjunction with the Loan Facility, each of the BVI Companies 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 Renminbi liability with a series of fixed rate cash flows denominated in Renminbi, 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.

The BVI Companies' obligations under the swap agreements are secured, *pari passu* and *pro rata*, on the security package described in the subsection headed "Facility Agreement" above.

The BVI Companies will also grant guarantees in favour of the Lending Banks (as swap providers) to secure their obligations under the swap agreements.

Tenancy Services Agreements

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.

Leasing Agents' fees

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 BVI Company 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.

All such amounts paid to each Leasing Agent shall be reconciled by the Manager with the consolidated audited financial statements of GZI REIT for the relevant Financial Year within fourteen days of the completion of such audited financial statements (or such other period as may be agreed between the parties), and such reconciliation shall be reviewed by the auditor of GZI REIT. Any balance of the fees due and payable to the Leasing Agent or any refund due from the Leasing Agent shall be paid by the relevant BVI Company or the Leasing Agent (as the case may be) within fourteen days after completion of the said audited financial statements.

The Leasing Agents 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 BVI Companies for any vacant units in the Properties under the various property management arrangements described in the section headed "The Leasing Agents — The Leasing Agents" of this Offering Circular as well as the subsections headed "White Horse Property Management Agreement — Property Management Fees" and "Victory Plaza Property Management Agreement — Property Management Fees" below.

Term of appointment

The initial term of appointment of the Leasing Agents is from 7 December 2005 till 6 December 2008 (unless earlier terminated in accordance with the provisions of the Tenancy Services Agreements). Six months prior to expiry of this term, each of the Leasing Agents may request to extend its appointment for a further three years on the same terms and conditions except that all fees payable to it shall be revised to the prevailing market rates and provided that such extension shall be subject to Unitholders' approval.

The relevant BVI Company, on the recommendation of the Manager, will decide the prevailing market rates for the relevant Leasing Agent's fees for the extension term and if the relevant Leasing Agent disagrees with the relevant BVI Company's decision on the prevailing market rates, the matter will be referred to an independent expert whose determination of such rates shall be final and binding on the parties.

Leasing Agents' services

The services provided by each of the Leasing Agents include the following:

- leasing services, including advising on achievable rental rates based on current market assessment, reporting with recommendations on appropriate rental levels and lease incentive(s) relating to renewal of the existing tenancy agreements, initiating lease renewals and negotiation of terms with tenants to conclude such renewals, as well as preparing letters of offer, or invitation to renewal, to tenants, and ensuring proper execution of tenancy agreements;
- marketing services, including acting as a marketing agent for the marketing and letting out of the Properties, recommending and finalising marketing programs with the Manager, contracting for advertising and promotional programs and providing regular updates on the marketing programs as required; and
- tenancy management services, including reviewing and advising on tenants' expansion requirements, administering collection of deposits, rent and other sums due from tenants, evaluating the assessment or re-assessment of government rates and taxes (including urban real estate tax) for the Properties, preparing the annual budget and three years' budget forecast for each Property, as well as advising tenants on the procedures for setting up operations.

The leasing and marketing services described above will be provided to GZI REIT on an exclusive basis. However, the Tenancy Services Agreements do not preclude GZI REIT from also obtaining such services from other service providers.

Non-reimbursable expenses

Under the Tenancy Services Agreements, the Leasing Agents will not be reimbursed for the following expenses, which shall be fully borne by the Leasing Agents:

- costs and expenses under contracts entered into by the Leasing Agents with third party service providers, delegates and agents for the provision of, among other things, supervision, maintenance, marketing and other services for the Properties, where such services are not directly provided by employees of the Leasing Agents;
- costs and expenses for utilities, including but not limited to, water, gas and electricity supply to the Properties, save where such costs and expenses are borne by the tenants thereof; and
- marketing and leasing commissions of third party service providers for the leasing of the Properties.

Termination

In respect of each Tenancy Services Agreement, the Manager or the relevant BVI Company may terminate the appointment of a Leasing Agent on the occurrence of certain specified events, which include the bankruptcy, insolvency or liquidation of the Leasing Agent, or if the Leasing Agent fails to remedy any breach of its obligations under the Tenancy Services Agreement within 90 days of receiving of written notice of such breach (where such breach is capable of remedy).

In the event of the sale of a Property by a BVI Company or the sale of a BVI Company by Holdco or GZI ceasing to be the holding company of a Leasing Agent, the Manager will be entitled to terminate the appointment of the Leasing Agent under the relevant Tenancy Services Agreement by not less than 60 days' prior written notice to the Leasing Agent. Such termination shall not be treated as termination due to the default of any party under the Tenancy Services Agreement and the Leasing Agent shall not be entitled to damages or compensation in consequence of such termination.

In addition, the appointment of a Leasing Agent shall immediately terminate upon the Manager ceasing to be the manager of GZI REIT, or GZI REIT being merged, wound up or otherwise terminated. The relevant Leasing Agent will not be entitled to damages or compensation if its services are terminated in any such circumstances.

Upon termination of the appointment of the Leasing Agent under a Tenancy Services Agreement, the Manager shall as soon as practicable recommend to the relevant BVI Company the appointment of a replacement leasing agent and arrange for the entry into a tenancy services agreement with the replacement leasing agent. The outgoing Leasing Agent shall novate or assign all agreements entered into by the Leasing Agent for the collection of property management fees from tenants, novate or assign (if required by the Manager) the contracts entered into by the Leasing Agent with third party service providers, and, at the instruction of the Manager, do such other things as the Manager or the Property Company may consider necessary or desirable to ensure that there is no disruption to the continued proper management of the relevant Property until such time as a replacement leasing agent is appointed.

Novation

The Manager is entitled to novate its rights, benefits and obligations under each Tenancy Services Agreement to a new manager of GZI REIT appointed in accordance with the terms of the Trust Deed.

Property Consultancy Agreement

By a letter of engagement letter dated 1 November 2005, the Property Adviser was appointed by the Manager to provide certain property consultancy services to the Manager as and when required for a three-year period commencing on 1 November 2005. The Manager has the option to extend the engagement of the Property Adviser for a further two years. When requested by the Manager, the Property Adviser will provide advice in relation to, among other things:

- operational matters of GZI REIT (such as preparation of business plans and budgets, monitoring of GZI REIT's assets for compliance with budgets and monitoring the day to day management of GZI REIT);
- training the Manager's staff in relation to asset management and property management related matters and performing property management audits; and
- development of the Manager's IT capabilities and infrastructure.

The Property Adviser's fees for such services will be borne by the Manager and not by GZI REIT.

Agreement to Appoint White Horse Property Management Company to Manage the Common Areas in White Horse Building

Partat, White Horse JV (the owner of the car park in White Horse Building), Guangzhou City Xi Jiao Villagers' Committee (which owns and manages the Xi Jiao Market on the lower ground level of White Horse Building) and White Horse Property Management Company entered into an agreement on 7 December 2005 under which the three owners of White Horse Building appointed White Horse Property Management Company to manage the common areas in the Property.

In the agreement, Partat, White Horse JV, Guangzhou City Xi Jiao Villagers' Committee also agreed not to establish an owners' committee for White Horse Building.

White Horse Property Management Agreement

Further to the agreement between Partat, White Horse JV and Guangzhou City Xi Jiao Villagers' Committee to appoint White Horse Property Management Company to manage the common areas in the Property, Partat and White Horse JV entered into a property management agreement with White Horse Property Management Company on 7 December 2005 to set out the terms and conditions for the provision of property management services in respect of the portions of White Horse Building owned by Partat and White Horse JV.

Property Management Fees

Under this agreement, White Horse Property Management Company is entitled to collect a monthly property management fee charged at the rate of RMB50 for every square metre of Gross Floor Area comprised in the portions of White Horse Building owned by Partat and White Horse JV.

This fee is payable by Partat and White Horse JV (in respect of vacant units in the portions of White Horse Building owned by them) and by the tenants in all other cases. (See the sub-section headed “Tenancy Services Agreements — Leasing Agents’ Fees” above for separate arrangements agreed to by White Horse Property Management Company for its property management fees in respect of vacant units.)

Property management fees so collected are to be used for payment of, among other things, fitting out and maintenance expenses, cleaning and landscaping expenses, relevant taxes, reimbursement of White Horse Property Management Company’s staff costs, as well as White Horse Property Management Company’s remuneration (under PRC law, White Horse Property Management Company is entitled to retain 10.0% of the property management fees as its remuneration).

Term of Appointment

White Horse Property Management Company has been appointed to provide property management services in respect of the portions of White Horse Building owned by Partat and White Horse JV from 19 October 2005 to 18 October 2008.

White Horse Property Management Company’s Services

The services provided by White Horse Property Management Company under this agreement include, among other things, repair and maintenance services, cleaning and security services, drawing up a Handbook for Tenants (which is subject to the approvals of Partat and White Horse Clothing Market Limited) as well as producing annual property management plans and budgets and semi-annual property management accounts for approval or, as the case may be, review by Partat and White Horse JV.

White Horse Property Management Company may appoint specialised service providers to carry out specialised property management functions but may not delegate the whole of its property management responsibilities under this agreement to another person.

GCCD’s Appointment of Moon King as its Representative and Irrevocable Undertaking to Moon King

GCCD, as the legal owner of certain units in the West tower, the car park and the clubhouse (comprising 14.9% of the total Gross Floor Area of Fortune Plaza⁽¹⁾), has, by a letter dated 7 December 2005, irrevocably appointed Moon King as its representative to attend and vote at all meetings of the owners’ committee of Fortune Plaza. Under this letter of appointment, GCCD also undertook to accept, adopt and ratify all actions carried out, and all documents signed, by Moon King as its representative.

(1) GCCD owns certain units in the podium which comprise a total of 0.6% of the Gross Floor Area of Fortune Plaza. The voting rights in respect of such units in the podium have not been accorded to Moon King as GCCD has signed a memorandum of understanding with a third party to sell those units.

On the same date, GCCD has also given an irrevocable undertaking to permit Moon King to vote on GCCD's behalf its voting rights in respect of certain units in the West tower, the car park and the clubhouse (which constitute 14.9% of the total voting rights at the owners' general meetings of Fortune Plaza) at all meetings of the owners' committee, howsoever Moon King deems appropriate. The undertaking further provides that if GCCD transfers its ownership in the car park and/or the clubhouse, on the basis that there is no material prejudice to the lawful rights and interests of GCCD, it shall also use its best endeavours to obtain a letter of appointment and an undertaking from the transferee in favour of Moon King on similar terms.

As a result of the above arrangement, GZI REIT will have effective control of 65.1% of the total voting rights at an owners' general meeting of Fortune Plaza. Accordingly, GZI REIT will be the single largest owner of Fortune Plaza and will be able to carry the majority votes required for matters other than:

- amendment of the deed of mutual covenant for the building or the rules of proceedings for owners' general meetings;
- appointment or dismissal of the property management company for the building; and
- any proposal to use or to raise special repair fund in respect of the building,

(collectively, "Reserved Matters").

The above undertaking will automatically terminate if the proportion of Gross Floor Area held by Moon King in Fortune Plaza reaches 67.0%.

GCCD's Appointment of Full Estates as its Representative and Irrevocable Undertaking to Full Estates

GCCD, as the legal owner of the car park in City Development Plaza, has, by a letter dated 7 December 2005, irrevocably appointed Full Estates as its representative to attend and vote at all meetings of the owners' committee of City Development Plaza. Under this letter of appointment, GCCD also undertook to accept, adopt and ratify all actions carried out, and all documents signed, by Full Estates as its representative.

On the same date, GCCD, as the legal owner of the car park in City Development Plaza, has also given an irrevocable undertaking to permit Full Estates to vote on GCCD's behalf, howsoever Full Estates deems appropriate, at all meetings of the owners' committee of City Development Plaza. The undertaking further provides that if GCCD transfers its ownership of any of the relevant portions of City Development Plaza, on the basis that there is no material prejudice to the lawful rights and interests of GCCD, it shall also use its best endeavours to obtain a letter of appointment and an undertaking from the transferee in favour of Full Estates on similar terms.

With this undertaking, GZI REIT will have effective control of 74.1% of the total voting rights at an owners' general meeting of City Development Plaza, and will be able to carry the majority votes required for all matters in respect of the Property, including Reserved Matters.

The above undertaking will automatically terminate if the proportion of Gross Floor Area held by Full Estates in City Development Plaza reaches 67.0%.

Irrevocable Undertaking to Keen Ocean

GCCD, as the legal owner of the car park and part of basement 1 (other than the portion owned by Keen Ocean) of Victory Plaza and as the developer of the two office tower blocks above the Victory Plaza podium, has, by a letter dated 7 December 2005, given an irrevocable undertaking to Keen Ocean that so long as it is the owner of the two office tower blocks, it agrees with Keen Ocean that the owner of the podium will have exclusive right to use, and to all proceeds arising from the use of, the common area within the podium as well as the internal and external walls of the podium, and the exclusive right to decide on all operational matters relating only to the podium.

The undertaking further provides that if GCCD transfers its ownership in the office tower blocks other than to Keen Ocean, it will ensure that the transferee agrees to the foregoing undertakings in the relevant transfer agreement. In addition, a form of deed of mutual covenant which reflects the above mentioned undertakings will be attached to the relevant transfer agreement and the transferee will be required to agree that when an owners' committee is set up for Victory Plaza and an owners' meeting is convened to adopt a deed of mutual covenant, it will vote in favor of adopting a deed of mutual covenant in the form attached to such transfer agreement.

In addition, GCCD has agreed to convene a meeting of the owners of Victory Plaza within one year from the date of the undertaking to establish the owner's committee and to vote for the adoption of the form of deed of mutual covenant attached to the undertaking at the same meeting.

Victory Plaza Property Management Agreement

Keen Ocean and GCCD (as the owner of the car park in Victory Plaza and the developer of the two office tower blocks above the Victory Plaza podium) entered into a property management agreement with Yicheng on 7 December 2005 to appoint Yicheng to manage the common areas in Victory Plaza.

Property Management Fees

Under this agreement, Yicheng is entitled to collect a monthly property management fee charged at the rate of RMB48 for every square metre of Victory Plaza's Gross Floor Area. This fee is payable by Keen Ocean and GCCD (in respect of vacant units in Victory Plaza) and by the tenants in all other cases. (See the subsection headed "Tenancy Services Agreements — Leasing Agents' Fees" above for separate arrangements agreed to by Yicheng for its property management fees in respect of vacant units.)

Property management fees so collected are to be used for payment of, among other things, fitting out and maintenance expenses, cleaning and landscaping expenses, relevant taxes, reimbursement of Yicheng's staff costs, as well as Yicheng's remuneration (under PRC law,

Yicheng is entitled to retain 10.0% of the property management fees as its remuneration). Additionally, for every RMB48 in property management fees collected by Yicheng, RMB10 may only be used, subject to the approval of Keen Ocean and GCCD, for Victory Plaza's promotional expenses.

Term of Appointment

Yicheng has been appointed to provide property management services in respect of Victory Plaza commencing from 7 December 2005. Yicheng's appointment under this agreement will only terminate when the owners' committee of Victory Plaza is established and the committee enters into a new property management agreement (which could either be Yicheng or another service provider), and such agreement comes into effect.

Yicheng's Services

The services provided by Yicheng under this agreement include, among other things, repair and maintenance services, cleaning and security services, drawing up a Handbook for Tenants (which is subject to the approvals of Keen Ocean and GCCD) as well as producing annual property management plans and budgets and semi-annual property management accounts for approval or, as the case may be, review by Keen Ocean and GCCD.

Yicheng may appoint specialised service providers to carry out specialised property management functions but may not delegate the whole of its property management responsibilities under this agreement to another person.

Victory Plaza Supplemental Property Management Agreement

On 7 December 2005, Keen Ocean, GCCD and Yicheng entered into a supplemental property management agreement which provided that:

- Yicheng shall establish two property management offices⁽¹⁾ to manage the two different portions of Victory Plaza;
- the property management office for the Victory Plaza podium shall be responsible for managing the equipment and facilities (such as the shared generator room, the security system, the fire control system and the waste treatment system) which will eventually be shared by the podium and the office tower blocks;
- the expenses relating to the common equipment and facilities will be apportioned between the podium and the office tower blocks on the basis of their relative Gross Floor Areas;

(1) One property management office is in the Victory Plaza car park and the other in the office tower block (both of which do not form part of the Victory Plaza Units).

- Keen Ocean has the exclusive right to use, and to all proceeds arising from the use of, the common area within the podium as well as the internal and external walls of the podium while the proceeds derived from other common areas in Victory Plaza shall be shared between the owners of Victory Plaza pro rata according to the Gross Floor Area owned by each of them; and
- Keen Ocean has the exclusive right to decide on all other operational matters relating only to the podium.

Fortune Plaza and City Development Plaza Property Management Agreements

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) have each entered into a property management agreement with Yicheng under which Yicheng was appointed as the property manager of Fortune Plaza and City Development Plaza. 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 relating to City Development Plaza was entered into on 15 July 2002 and is for a duration of five years from 19 July 2002 till 18 July 2007.

The property management agreements set out the services to be performed by Yicheng. Yicheng's primary responsibility under each of these agreements includes the upkeep, repair and maintenance of the common areas and facilities in the subject property. In this respect, Yicheng is required to prepare an annual property management plan and budget for each of the subject properties, and must draw up its property management accounts for review by the relevant owners' committee once every six months. Yicheng is also required, at the request of an owner or user of part of the property, to undertake the upkeep, repair and maintenance of that owner's or user's premises for a reasonable fee to be separately borne by that owner or user.

Yicheng may appoint specialised service providers to carry out specialised property management functions but may not delegate the whole of its property management responsibilities under the property management agreements to another person.

Under the property management agreements, the owners' committees have the right to, among other things, review and approve Yicheng's property management proposal as well as its annual property management plan and budget for the subject properties.

MATERIAL AGREEMENTS AND OTHER DOCUMENTS RELATING TO GZI REIT

For its property management services in respect of Fortune Plaza and City Development Plaza, Yicheng is entitled to collect from tenants a monthly property management fee charged at the following rates:

	Fortune Plaza	City Development Plaza
Office portions	RMB25/sq.m./month	RMB25/sq.m./month
Retail portions	RMB35/sq.m./month	RMB33/sq.m./month
Other portions	n.a.	RMB35/sq.m./month (for premises used for food and beverage operations)

Under PRC laws, Yicheng is entitled to retain 10.0% of the property management fees as its remuneration.

The respective owners of any vacant units in Fortune Plaza and City Development Plaza will have to pay the property management fees of Yicheng calculated based on 50.0% of the rates stated above. White Horse Property Management Company and Yicheng have each agreed that its fees under the relevant Tenancy Services Agreements shall also satisfy the property management fees which it is entitled to receive from the relevant BVI Company for any vacant units in the relevant Property. (See the sub-section headed “Tenancy Services Agreements — Leasing Agents’ Fees” above.)

White Horse Trademark Licences

By six licence agreements, each dated 7 December 2005, White Horse Property Management Company has granted Partat the exclusive right to use six of its registered trademarks of different classes in the PRC.

Under each licence agreement, Partat is required to pay a nominal fee of RMB1.00 upon the signing thereof. In return, Partat will have the exclusive right to use the relevant trademark from the effective date of the agreement to 31 December 2006 in accordance with the terms of the licence agreements. Each licence agreement provides that if White Horse Property Management Company extends the registration of the relevant trademark, it shall extend the term under the licence agreement correspondingly upon completion of the necessary registration procedures, and enter into a new licence agreement with Partat. So long as White Horse Property Management Company continues to be the sole legal owner of the trademark in the PRC, the extended term can be perpetual.

Without the consent of Partat, White Horse Property Management Company shall not sell, transfer or dispose of the subject trademarks or any interest therein to any third party, or otherwise deal with the trademarks or any interest therein.

Upon written notice to White Horse Management Company, Partat is entitled to assign the right to use the trademarks to any enterprise which it has invested. Subject to the aforesaid, Partat is not entitled to assign the right to any third party.

Partat shall indemnify White Horse Management Company for any loss suffered due to the misuse of the trademarks by Partat. Under each of the licence agreements, White Horse Management Company is entitled to terminate the relevant agreement upon such misuse by Partat which causes material loss to White Horse Management Company. On the other hand, White Horse Management Company shall fully indemnify Partat for any loss suffered by Partat due to the breach of the licence agreement by White Horse Management Company.

Yue Xiu Trademark Licence

By a licence agreement dated 7 December 2005, in consideration of HK\$1.00, Yue Xiu has granted 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.

The Manager is entitled to sub-licence any of the rights granted under the licence agreement to any third parties for the purposes of, among other things, the business of GZI REIT. The right to such use by any sub-licencee shall be personal to such sub-licencee, who shall have no right to further sub-licence such right to any other third party, other than to Holdco, Partat, Moon King, Full Estates and Keen Ocean.

The term of the licence agreement shall commence on 21 December 2005 and shall continue in perpetuity without any limit in time, subject to earlier termination pursuant to the terms thereof.

The licence agreement shall automatically terminate forthwith if the Manager ceases to be the manager of GZI REIT or GZI ceases to be a shareholder of the Manager. Either party to the licence agreement may give notice in writing to the other party terminating the agreement with immediate effect if the other party commits any material breach of any of the terms of the agreement or (if such a breach is remediable) fails to remedy that breach within 60 days from the date of that party being notified of the breach.

On termination of the licence under the licence agreement, the Manager shall within six months of the date of termination cease using the “Yue Xiu” trademark.

Underwriting Agreements

The Hong Kong Underwriting Agreement was entered into on 11 December 2005 and the International Underwriting Agreement is expected to be entered into on or about 15 December 2005. For a summary of the key terms and provisions of the Hong Kong Underwriting Agreement, see the section headed “Underwriting” in this Offering Circular.