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越秀房地產投資信託基金
GZI Real Estate Investment Trust

(Stock Code: 405)

(a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

Managed by



越秀房託資產管理有限公司
GZI REIT Asset Management Limited

ANNOUNCEMENT
ACQUISITION OF PROPERTY

The Board is pleased to announce that on 14 July 2008, GZI REIT, through Guangzhou Jieyacheng, has successfully won the bid at the Auction, which was held in public in Guangzhou, for the acquisition of the Property. Pursuant to the Auction Confirmation Letter dated 14 July 2008, Guangzhou Jieyacheng has agreed to acquire the Property at a consideration of RMB15,500,000, representing 0.35% of the consolidated total assets of GZI REIT as at 31 December 2007. The acquisition of the Property is expected to be completed three to six months from the date of this Announcement.

This announcement is made pursuant to paragraphs 10.3 and 10.4 of the REIT Code.

THE ACQUISITION

The Board is pleased to announce that on 14 July 2008, GZI REIT, through Guangzhou Jieyacheng, has successfully won the bid at the Auction, which was held in public in Guangzhou, for the Acquisition. Pursuant to the Auction Confirmation Letter dated 14 July 2008, Guangzhou Jieyacheng has agreed to acquire the Property at a consideration of RMB15,500,000, representing 0.35% of the consolidated total assets of GZI REIT as at 31 December 2007. The Acquisition is expected to be completed three to six months from the date of this Announcement.

THE AUCTION

The Property was put under auction by the Auctioneer pursuant to a court order by the Court. The Auction was held in public and conducted by way of show of hands. RMB15,500,000 was the bidding price of the Property offered by Guangzhou Jieyacheng and accepted by the Auctioneer pursuant to the Auction Confirmation Letter.

Pursuant to the Auction Confirmation Letter, an amount of RMB450,000 has been paid by Guangzhou Jieyacheng to the Auctioneer as commission fee upon signing the Auction Confirmation Letter. Pursuant to the Auction Notice, an initial deposit of RMB1,550,000, paid by Guangzhou Jieyacheng upon winning the bid, has been retained as deposit for the Acquisition. The balance of the purchase price, being RMB13,950,000, will be paid within 10 days from 14 July 2008 in accordance with the Auction Notice. The Acquisition is expected to be completed three to six months from the date of this Announcement. Approximately RMB500,000 will be payable by Guangzhou Jieyacheng under the laws of the PRC as taxes for the Acquisition upon completion of the Acquisition.

The Property is currently vacant and will be available for leasing upon full payment of the balance of the purchase price.

Pursuant to the terms of the Trust Deed, the Manager will receive a transaction fee of 1% of the consideration for the Acquisition as remuneration which shall be paid to the Manager in cash upon payment of the balance of the purchase price.

The Manager is satisfied with the results of its due diligence carried out in connection with the Acquisition, in accordance with the relevant provisions of the REIT Code and the Manager's compliance manual, including but not limited to, being satisfied that GZI REIT (through Guangzhou Jieyacheng) will hold good marketable legal and beneficial title to the Property upon completion of the Acquisition.

Taking into account the current market conditions, the Manager considers that the purchase price is fair and reasonable. The purchase price will be funded through internal resources. Upon completion of the Acquisition, Guangzhou Jieyacheng will be the legal and beneficial owner of the Property free from encumbrances.

THE PROPERTY

The Property consists of one office unit on the 17th floor of Fortune Plaza, a grade A office building in Tian He District, Guangzhou. The Property has a Total Rentable Area of approximately 999.0119 sq.m.. Portions of Fortune Plaza, in the value of HK\$642.7 million as at 31 December 2007 and with the Total Rentable Area of approximately 40,356.2 sq.m., are one of the properties within GZI REIT's current property portfolio.

As a result of the Acquisition, GZI REIT's percentage ownership of Fortune Plaza, in terms of Gross Floor Area, will increase from approximately 50.2% to approximately 51.4%. Further information in relation to Fortune Plaza is set out in the IPO Offering Circular.

Upon completion of the Acquisition, the Property will be managed by Guangzhou Yicheng Property Management Co., Ltd, one of GZI REIT's current leasing agents.

As at 14 July 2008, the Property was valued at RMB16,500,000 by Colliers International (Hong Kong) Ltd., the Principal Valuer (as such term is defined in the REIT Code) of GZI REIT.

GENERAL

The Acquisition is consistent with the Manager's business strategies and investment objective and the Property is expected to strengthen GZI REIT's ownership in, and management control over, Fortune Plaza. The Board believes that the terms of the Acquisition are fair and reasonable and in the interests of the unitholders of GZI REIT as a whole. Furthermore, the Manager confirms that the Acquisition is consistent with the investment objectives and strategy of GZI REIT.

The Manager believes that the Acquisition will contribute higher efficiency in operation management and will achieve better cost effectiveness. The financial position of GZI REIT will not be influenced by the Acquisition due to the use of internal resources.

To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, the Auctioneer and its ultimate beneficial owner, does not constitute a connected person (as defined in the REIT Code) of GZI REIT and is a third party independent of GZI REIT and its connected persons (as such term is defined under the REIT Code).

This announcement is made pursuant to paragraphs 10.3 and 10.4 of the REIT Code.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

- “Acquisition” means the acquisition of the Property by GZI REIT through Guangzhou Jieyacheng upon registration of Guangzhou Jieyacheng as the registered legal owner of the Property.
- “Auction” means the public auction held by the Auctioneer in Guangzhou on 14 July 2008 on which, among other things, the Property was put up for auction.
- “Auction Notice” means the notice provided by the Auctioneer in relation to the Auction which sets out the terms of the Auction in accordance with the relevant auction law of the PRC.
- “Auctioneer” means Guangdong Property Auction Co. Ltd. (廣東省物產拍賣有限公司)
- “Auction Confirmation Letter” means a letter dated 14 July 2008 entered into between Guangzhou Jieyacheng and the Auctioneer which confirmed and set out the terms of the Auction.
- “Board” means the board of directors of the Manager.
- “Building Ownership Certificate” means the composite real estate and land use right certificate (房地產權証) issued by the Guangzhou Land Bureau to evidence the ownership of both land use rights and the buildings erected thereon.
- “Court” means Guangzhou City Intermediate Level People’s Court (廣州市中級人民法院)
- “Guangzhou Jieyacheng” means Guangzhou Jieyacheng Properties Co. Ltd. (廣州捷雅城房地產開發有限公司), a sino-foreign cooperative joint venture established under the laws of the PRC in which GZI REIT has the controlling interest.
- “Gross Floor Area” means, in relation to an entire Property, the sum of the areas specified in the Building Ownership Certificates for the Property.

“GZI REIT”	means GZI Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) subject to applicable conditions from time to time.
“IPO Offering Circular”	means the offering circular dated 12 December 2005 issued by the Manager in connection with the initial public offering of the units in GZI REIT.
“Manager”	means GZI REIT Asset Management Limited, as manager of GZI REIT.
“PRC”	means the People’s Republic of China
“Property”	means Unit 1701, Fortune Plaza, Nos. 114, 116 and 118 Ti Yu Dong Road, Tian He District, Guangzhou.
“REIT Code”	means the Code on Real Estate Investment Trusts published by the Securities and Futures Commission as amended, supplemented or otherwise modified for the time being.
“sq. m.”	means square metre(s).
“Total Rentable Area”	means, in relation to each unit in a Property, the area set out in the tenancy agreement for that unit, which includes a proportionate share of the common area allocated to that unit.
“Trust Deed”	means the trust deed constituting GZI REIT dated 7 December 2005 and entered into between HSBC Institutional Trust Services (Asia) Limited, in its capacity as trustee of GZI REIT and the Manager, as may be amended and supplemented from time to time.

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

Hong Kong, 15 July 2008

As at the date of this announcement, the board of directors of the Manager is comprised as follows:

Executive Directors: Messrs. Liang Ningguang and Liu Yongjie

Non-executive Director: Mr. Liang Youpan

Independent Non-executive Directors: Messrs. Chan Chi On, Derek, Lee Kwan Hung, Eddie and Chan Chi Fai, Brian.