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

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

(Stock Code: 405)

Managed by

GZI REIT ASSET MANAGEMENT LIMITED

ANNOUNCEMENT

CHANGE IN REAL ESTATE TAX REGULATIONS IN THE PRC

The Board has recently received confirmation from the relevant PRC tax authorities that the Provisional RST Regulations apply to foreign-invested enterprises and direct foreign-invested properties located in Guangzhou, PRC with effect from 1 January 2009.

Pursuant to the change in tax regulations as clarified by the relevant PRC tax authorities, with effect from 1 January 2009, the real estate tax payable by GZI REIT on the Properties under the Provisional RST Regulations will be charged at a rate of 12% of the rental income of each Property, and payable monthly.

The final distribution to Unitholders for the financial year ended 31 December 2008 will not be affected by the change in tax regulations. The actual financial impact of the change on GZI REIT will be disclosed as and when the interim results of GZI REIT for the six months ending 30 June 2009 are available.

This announcement is made pursuant to paragraph 10.3 of the Code on Real Estate Investment Trusts.

Reference is made to the annual report of GZI Real Estate Investment Trust (“**GZI REIT**”) for the financial year ended 31 December 2008 (“**2008 Annual Report**”) despatched on 26 March 2009. In note 1 to the section headed “Financial Results” on page 16 of the said report, it was stated that, on 31 December 2008, the State Council of the People’s Republic of China abolished the “Provisional Urban Real Estate Tax Regulations of the People’s Republic of China” (“**Provisional URET Regulations**”) and that, as a result, foreign-invested enterprises and direct foreign-invested properties became subject to the “Provisional Regulations Governing Real Estate Tax of the People’s Republic of China” (Guofa No. 90 of 1986) (“**Provisional RST Regulations**”).

GZI REIT Asset Management Limited, the manager of GZI REIT (“**REIT Manager**”), has since becoming aware of the above-noted change in real estate tax regulations, been seeking clarification from the relevant tax authorities in the People’s Republic of China (“**PRC**”) regarding the application of the Provisional RST Regulations to the properties of GZI REIT, which are located in Guangzhou, the PRC (“**Properties**”). The board of directors of the REIT Manager (“**Board**”) has received confirmation on 17 April 2009 that the Provisional RST Regulations apply to foreign-invested enterprises and direct foreign-invested properties located in Guangzhou, the PRC with effect from 1 January 2009.

Prior to the change in tax regulations, the real estate tax paid by GZI REIT on the Properties under the Provisional URET Regulations was charged at the rate of 1.2% of 70% of the cost/value of each Property, and payable annually. With effect from 1 January 2009, the real estate tax payable by GZI REIT on the Properties under the Provisional RST Regulations will be charged at a rate of 12% of the rental income of each Property, and payable monthly (the “**Revised Tax Rate**”).

For illustration purposes, had the Revised Tax Rate applied during the financial year ended 31 December 2008, based on the latest audited consolidated financial results of GZI REIT as announced in the 2008 Annual Report, this would have resulted in additional real estate tax being payable in the amount of approximately RMB38,301,000 (equivalent to approximately HK\$43,049,000). This would have resulted in a corresponding reduction of the total distributable income of GZI REIT to unitholders of GZI REIT (“**Unitholders**”) for the financial year ended 31 December 2008, from approximately HK\$262,113,000 to approximately HK\$219,064,000, representing a decrease in distributable income of approximately HK\$0.04 per unit of GZI REIT (or approximately 16%).

Unitholders are reminded that the final distribution to Unitholders for the period from 1 July 2008 to 31 December 2008 will not be affected by the Revised Tax Rate, which only applies to GZI REIT with effect from 1 January 2009. Accordingly, the Board is not currently in a position to quantify the actual financial impact of the Revised Tax Rate on GZI REIT. Details of the financial impact will be disclosed as and when the interim results of GZI REIT for the six months ending 30 June 2009 are available.

The REIT Manager intends to continue its discussions with the relevant tax authorities in relation to the tax rate to be applied to the Properties under the Provisional RST Regulations, and will keep Unitholders informed of any material change in this regard.

This announcement is made pursuant to paragraph 10.3 of the Code on Real Estate Investment Trusts.

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, 21 April 2009

As at the date of this announcement, the Board is comprised as follows:

<i>Executive directors:</i>	<i>Messrs. Liang Ningguang and Liu Yongjie</i>
<i>Non-executive director:</i>	<i>Mr. Liang Youpan</i>
<i>Independent non-executive directors:</i>	<i>Messrs. Chan Chi On, Derek, Lee Kwan Hung, Eddie and Chan Chi Fai, Brian</i>

For illustration purpose, RMB has been translated into HK\$ at the exchange rate of HK\$1.0000 = RMB0.8897.