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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

FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

GZI Real Estate Investment Trust (“GZI REIT”) is a Hong Kong real estate investment trust constituted by a trust deed entered into on 7 December 2005 as amended by a first supplemental deed dated 25 March 2008 (collectively, “Trust Deed”), and made between HSBC Institutional Trust Services (Asia) Limited as the trustee (“Trustee”) and GZI REIT Asset Management Limited as the manager (“Manager”). GZI REIT was listed on The Stock Exchange of Hong Kong Limited on 21 December 2005 (“Listing Date”).

GZI REIT’s property portfolio (“Properties”) consists of five commercial properties located in Guangzhou and GZI REIT is the first listed real estate investment trust in the world which invested in real property in the Mainland of People’s Republic of China (“PRC”).

The Manager is pleased to announce the audited consolidated results of GZI REIT and its subsidiaries for the year ended 31 December 2009 (“Reporting Year”) together with comparative figures for the corresponding period in 2008 as follows:

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2009

DISTRIBUTION AND ASSETS ATTRIBUTABLE TO UNITHOLDERS

Unit	Financial Year ended 31 December 2009	Financial Year ended 31 December 2008	Percentage increase/ (decrease) compared to 31 December 2008
Distribution per Unit	HK\$0.2518	HK\$0.246	2.4%
Earnings per Unit	HK\$0.28	HK\$0.22	27.27%
Distribution yield per Unit based on offer price of HK\$3.075	8.19%	8.00%	0.19%
Distribution yield per Unit based on closing price of HK\$2.94 (2008: HK\$1.79) at year end date	8.56%	13.74%	(5.18)%
Net assets attributable to Unitholders per Unit	HK\$3.82	HK\$3.77	1.33%
Units in issue	1,065,972,687 units	1,065,972,687 units	0%

Steady Income

Net profit after tax before transactions with unitholders	HK\$300.417 million	HK\$232.973 million	28.95%
Net property income	HK\$425.888 million	HK\$436.391 million	(2.41)%
Gross income	HK\$532.203 million	HK\$495.686 million	7.37%

Prudent Capital Management

Total borrowings as a percentage of gross assets (Note a)	32%	32%	0%
Gross liabilities as a percentage of gross assets (Note b)	37%	37%	0%

Note a: Total borrowings are calculated based on bank loan, but excluding capitalization of debt-related expenses.

Note b: Gross liabilities are calculated based on total liabilities, but excluding capitalization of debt-related expenses and net assets attributable to Unitholders.

2009 BUSINESS REVIEW AND FUTURE PROSPECTS

OPERATION REVIEW

Quality property portfolio generates stable growth in operating income

In 2009, under the impact of the global financial crisis, GZI REIT encountered the worst market environment ever since its listing, thus its project operation was being put to a severe test. Nonetheless, with the strategic geographical locations of its property portfolios and management standard, GZI REIT was able to keep itself on solid footing during turbulent economic period by adopting flexible and effective leasing strategies. Occupancy rate kept a stable increase while the operating revenue sustained a steady growth, yielding a satisfactory result.

PROPERTY PORTFOLIO

As at 31 December 2009, GZI REIT's property portfolio consists of five properties - White Horse Building ("White Horse Building"), Fortune Plaza ("Fortune Plaza"), City Development Plaza ("City Development Plaza"), Victory Plaza ("Victory Plaza") and Yue Xiu Neo Metropolis Plaza ("Yue Xiu Metropolis"). The aggregate area was approximately 223,614.3 sq.m.; total rentable area was approximately 211,031.1 sq.m..

A valuation of the properties has been performed by the independent professional valuer, Vigers Appraisal and Consulting Limited ("Vigers"), the revalued market value of the Properties of GZI REIT as at 31 December 2009 was in an aggregate amount of approximately HK\$5,771,700,000, representing a slight increase of approximately HK\$52,830,000 or 0.9% over the valuation on 31 December 2008. The net assets attributable to unitholders per unit was approximately HK\$3.82 which was approximately 1.33% over the net assets attributable to unitholders per unit as at 31 December 2008.

The following table shows particulars of the properties:

Property	Type	Location	Year of Completion	Area of Ownership (sq.m.)	Total	Occupancy	No. of	Appraised
					Rentable area (sq.m.)	Rate ⁽²⁾	Lease Contract ⁽²⁾	Value ⁽²⁾ (HK\$ million)
White Horse Building	Wholesale shopping center	Yuexiu District	1990	50,199.3	50,128.9	100.0%	1,291	3,269.1
Fortune Plaza	Grade A office	Tianhe District	2003	41,355.2	41,355.2	98.9%	72	670.6
City Development Plaza	Grade A office	Tianhe District	1997	42,397.4	42,397.4	99.2%	66	475.9
Victory Plaza	Retail shopping center	Tianhe District	2003	27,698.1	27,262.3	98.5%	20	616.7
Yue Xiu Metropolis	Commercial complex	Yuexiu District	2007	61,964.3	49,887.3 ⁽¹⁾	99.0% ⁽¹⁾	110	739.4
Total				<u>223,614.3</u>	<u>211,031.1</u>	99.2%	<u>1,559</u>	<u>5,771.7</u>

Notes: (1) excluding 7,549.03 sq.m. of parking spaces and 4,528.06 sq.m. of clubhouse and common facilities area;

(2) As at 31 December 2009.

OCCUPANCY RATE HIT A RECORD HIGH LEVEL

As at 31 December 2009, the overall occupancy rate of the Properties was approximately 99.2%, representing 1.1 percentage point higher than 98.1% for the same period last year. In particular, the overall vacancy rates of the three office properties, namely Fortune Plaza, City Development Plaza and Yue Xiu Metropolis were all lower than 2%, much far below the average vacancy rate of 16% of Grade A offices in Guangzhou City.

The following table sets out a comparison of occupancy rates in respect of all the Properties between the Reporting Year and the same period of the previous year:

Name of Property	Occupancy	Occupancy	Percentage
	Rate as at 31 December 2009	Rate as at 31 December 2008	Increase/ Decrease (-) Compared to 31 December 2008
White Horse Building	100.0%	100.0%	0.0%
Fortune Plaza	98.9%	98.5%	0.4%
City Development Plaza	99.2%	97.7%	1.5%
Victory Plaza	98.5%	99.4%	-0.9%
Yue Xiu Neo Metropolis	99.0%	95.6%	3.4%
Total	99.2%	98.1%	1.1%

CONTINUATION OF REVENUE INCREASE

At the end of 2009, the Properties recorded a total rental revenue of approximately HK\$532,200,000, representing a 7.37% increase as compared to that of the previous year. Without taking into account of the newly acquired properties, Yue Xiu Metropolis and Unit 1701 of Fortune Plaza, the comparable total rental revenue increased 2.61% over that of the same period last year.

White Horse Building, Fortune Plaza, City Development Plaza, Victory Plaza and Yue Xiu Metropolis accounted for approximately 57.2%, 11.6%, 10.6%, 9.8% and 10.8% respectively of the total rental revenue of the Properties.

No bad debt was recorded during this Reporting Year.

The following table sets out a comparison of revenue in respect of all the Properties between this Reporting Year and the same period of the previous year:

Name of Property	Revenue at	Revenue at	Increase/ Decrease	Increased
	the end of 2009 (HK\$ million)	the end of 2008 (HK\$ million)	Compared to the end of 2008 (HK\$ million)	Percentage of Revenue from Property
White Horse Building	304.2	298.1	6.1	2.05%
Fortune Plaza	61.8	60.9	0.9	1.48%
City Development Plaza	56.7	54.9	1.8	3.28%
Victory Plaza	51.9	48.7	3.2	6.57%
Yue Xiu Neo Metropolis	<u>57.6</u>	<u>33.1</u>	<u>24.5</u>	74.02%
Total	<u>532.2</u>	<u>495.7</u>	<u>36.5</u>	7.37%

White Horse Building — Active consolidation of its position in the industry

Being a fashion wholesale professional market enjoying a nationwide reputation, in 2009, White Horse Building was awarded the “Top 10 Fashion Professional Market in China” for the 2008/2009 year and the “E-Commerce Application Demonstration Base In Liuhua - Kuangquan Fashion Market Park 2009” (2009流花-礦泉服裝市場園區電子商務應用示範基地), which further consolidated its leading position in the industry. The Manager and White Horse Building’s front-line service provider, White Horse Property Management Company Limited (“White Horse Property Management Company”) have strengthened our efforts in customer relationship management while we attach great importance to enhance our marketing and promotional strategies. A special department was set up, being responsible for the overall marketing of White Horse Fashion Market and the operation of its e-commerce platform, which successfully organized theme events such as the “White Horse Cup 2009 Guangdong Future Stars Fashion Designer Competition” (白馬杯2009廣東新銳之星服裝設計師大賽) and the “3rd White Horse Procurement Fair”, so as to effectively expand tenants’ sales channels and to promote the brand and competitiveness of the project. We also took advantage of the expiring tenants leases on the second and the third floors to proactively readjust our operating position and renovate and upgrade the building. With our consistently improved management strategies, we aim at achieving stable and sustainable economic benefits from White Horse Building.

Fortune Plaza and City Development Plaza — Fully exploring potential tenants leases and stabilizing occupancy rate of the properties

Under the bleak condition of insufficient effective demand coupled with buoyant supply in the grade-A office market of Guangzhou, Fortune Plaza and City Development Plaza have proactively responded to such market changes by formulating tailor-made rental and marketing policies, the perfection of the relevant incentive mechanisms and measures, the active and proper management of expiring leases, expanding existing leases and the effective retention of existing quality tenants, thus achieving a steady rise in occupancy rate. For example, AstraZeneca, a World Top 500 enterprise, has managed to rent one more floor at Fortune Plaza. Meanwhile, quality tenants “E Fund” and “Taikang Life” have managed to expand their own offices to the whole floors of City Development Plaza. Remarkable results have been achieved in introducing quality customers, for example, large state-owned enterprise “Zhenrong Gas” and famous Chinese fashion brand “Kangwei Sport” have been successfully stationed in Fortune Plaza, thus further optimizing the tenant mix of the building.

Victory Plaza — Planning for operational adjustment and exploring for enhanced commercial value

In order to cope with the ever-increasing market competition in shopping arcades, we took the initiative to change. Based on our research and investigation on a number of successful shopping arcades and combined with the features of each project, we mapped out several operation proposals of theme malls. With these proposals, the progress of promotion, customer attraction and retention made good headway. We have successfully introduced “Teletubbies” — a famous international brand in respect of kindergarten education, the commercial value of the property will be reflected gradually.

Yue Xiu Metropolis — Strengthening lease management and stabilizing customer resources

Given the fact that its tenants are mainly small and medium enterprises, Yue Xiu Metropolis adopted a flexible leasing policy, which stabilized the existing tenants and the occupancy rate, and effectively eliminated the adverse effect of the financial crisis. Meanwhile, great effort was paid to lease renewal management, thus effectively retaining customer resources. In addition, we have paid attention on our key tenants’ business development, we have formulated policies in operational adjustment have effectually ironed out operating risks and maintained steady operation.

Proactively promote assets improvement to realize growth in value of properties

In 2009, the Manager completed various projects, including renovation of the lobby, the passage ceiling on the first floor, and the passage ground on first and fifth floors of the White Horse Building as well as the lobby of the City Development Plaza, significantly upgrading the operating grade of the buildings. Meanwhile, it also installed additional lifts in Yue Xiu Metropolis, and renewed sewage and smoke extraction system in restaurants at Victory Plaza, while some projects, including the renovation of the air conditioning, fire prevention and monitoring systems in City Development Plaza, are currently in progress.

In 2010, the Manager plans to construct projects including renovation of some lifts, installation of dual-circuit power supply system, power expansion, and renovation of ground and ceiling in some floors of the White Horse Building, and renovation of the air conditioning, fire prevention and monitoring systems in City Development Plaza, with investment budget amounting to approximately RMB27,000,000.

Challenges and countermeasures

In 2009, facing an investment situation that is characterized by sufficient capital, buoyant property price but with a lag in rental income, the Manager earnestly took positive actions: in addition to constantly identifying projects with growth potential in Guangdong Province, it also strived to acquire properties in core cities such as Beijing and Shanghai. Through establishing information exchange mechanisms with several property consultants and collecting information on properties available for sale in core cities in China, the Manager, upon analyzing and reorganizing the relevant information, involved in negotiation for acquisition of several properties. The Manager believes that, mainly with reference to rate of rental return of the Unit's existing properties, if GZI REIT seizes market opportunities to acquire properties with growth potential, the trust's asset value will be enlarged, and long-term investment returns to the Unitholders will be improved.

Financial Review

Total distributable Income For the Year

The Total Distributable Income (as defined in the Trust Deed) of GZI REIT to the unitholders of GZI REIT ("Unitholders") for the Reporting Year amounted to approximately HK\$249,248,000 (2008: HK\$262,113,000), representing distributable income per unit of GZI REIT ("Unit") of approximately HK\$0.2338 (2008: HK\$0.246).

In accordance with the Trust Deed, the Total Distributable Income is defined as the amount, calculated by the Manager, as representing the consolidated audited profit after tax of GZI REIT for the distribution period as adjusted for accounting purposes to eliminate the effects of certain accounting adjustments which have been recorded in the consolidated income statement.

The Manager has calculated the Total Distributable Income in respect of Reporting Year based on GZI REIT's consolidated profit after tax before transactions with the Unitholders for the Reporting Year and has made an adjustment to eliminate the effects of changes in fair values of investment properties, deferred tax change and an adjustments in accordance with the generally accepted accounting principles in Hong Kong which increase those recorded under generally accepted accounting principles in the PRC on which the accounts of cash available for distribution is based as they appear in the consolidated income statement of GZI REIT.

Distribution

In accordance with the Trust Deed, GZI REIT is required to distribute no less than 90% of Total Distributable Income to the Unitholders. The Manager's policy is to distribute to the Unitholders 100% of GZI REIT's Total Distributable Income for each of the 2006, 2007 and 2008 financial years and thereafter at least 90% of Total Distributable Income in each financial year.

The Manager has resolved to declare a final distribution to the Unitholders for the period from 1 July 2009 to 31 December 2009 ("2009 Final Period") of HK\$0.1343 (2008: HK\$0.1226) per Unit. The final distribution amount together with the interim distribution of GZI REIT for the six-month period from 1 January 2009 to 30 June 2009 ("2009 Interim Period") of HK\$0.1175 (2008: HK\$0.1234) per Unit represented distribution of approximately HK\$0.2518 (2008: HK\$0.246) per Unit for the Reporting Year. This represents a 100% distribution of distributable income per Unit of approximately HK\$0.2338 for the Reporting Year, and an additional distribution from the existing cash resources of the Group from (a) non-cash fair value loss of certain investment property as it does not affect the group's cash position; and (b) the amortisation charges on investment property of HK\$19,147,000 representing HK\$0.018 per unit, under China Accounting Standards as these amortisation charges have been reversed under the Hong Kong Financial Reporting Standards and not accounted for when determining the net profit of the Group's profit.

The final distribution amounting to approximately HK\$143,120,000, in aggregate, is scheduled to be paid on 19 May, 2010.

Distribution Yield

The Properties performed well during the Reporting Year. Distribution per Unit (“DPU”) is HK\$0.2518 (2008: HK\$0.246) which represents a slight increase of approximately 2.4% while comparing with 2008.

Based on the closing price of the Units as at 31 December 2009 of HK\$2.94, the DPU for the Reporting Year represents a yield of 8.56%. Using the offer price as at the Listing Date of HK\$3.075 (“Offer Price”), the DPU represents a yield of 8.19% (2008: 8.00%).

Net Asset Value

The net assets attributable to the Unitholders per unit as at 31 December 2009 was approximately HK\$3.82 (2008: HK\$3.77), which represents an increase of approximately 1.3%. The total net tangible assets attributable to Unitholders per Unit as at 31 December 2009 was approximately HK\$3.651 (2008: HK\$3.603), which represents an increase of approximately 1.3%.

The increase in the net asset value per Unit was mainly attributable to the increase in the net profit after tax and before transactions with the Unitholders of approximately HK\$300.417 million (2008: HK\$232.973 million) of GZI REIT during the Reporting Year.

UNIT ACTIVITY

There were no new units issued by GZI REIT during the 2009 Reporting year. As at 31 December 2009, a total of 1,065,972,687 units were issued by GZI REIT.

The Unit price of GZI REIT reached a high of HK\$3.06 and a low of HK\$1.63 during the Reporting Year. The average volume of trade amounted to approximately 1,525,554 Units per day during the Reporting Year.

The closing price of the Units as at 31 December 2009 was HK\$2.94, representing a discount of approximately 4.4% as compared to the Offer Price of HK\$3.075. This represents a discount of approximately 23% as compared to the net assets attributable to unitholders per Unit as at 31 December 2009.

FINANCIAL RESULTS

The Properties continued to perform steadily during the Reporting Year. GZI REIT's consolidated net profit after tax before transactions with the Unitholders amounted to approximately HK\$300.417 million (2008: HK\$232.973 million) which represents an increase of approximately 28.95%.

Excluding the effect of fair value loss on investment properties, GZI REIT's consolidated net profit after tax during the Reporting Year amounted to approximately HK\$264.350 million (2008: HK\$266.869 million), representing a decrease of approximately 0.94%. The following is a summary of GZI REIT's financial results during the Reporting Year:

	2009	2008	% of Increase/ (Decrease)
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Gross income	<u>532,203</u>	<u>495,686</u>	7.37%
Leasing agents' fee	(18,110)	(16,944)	6.88%
Property related taxes (Note 1)	(83,145)	(37,653)	120.82%
Other property expenses (Note 2)	<u>(5,060)</u>	<u>(4,698)</u>	7.71%
Total property operating expenses	<u>(106,315)</u>	<u>(59,295)</u>	79.30%
Net property income	<u>425,888</u>	<u>436,391</u>	(2.41)%
Withholding tax	(47,543)	(47,045)	1.06%
Manager's fees	(32,200)	(32,158)	0.13%
Trustee's fees	(1,925)	(1,907)	0.94%
Other trust expenses (Note 3)	<u>(2,249)</u>	<u>(13,480)</u>	(83.32)%
Total non-property expenses	<u>(83,917)</u>	<u>(94,590)</u>	(11.28)%
Net profit before finance costs, interest income and tax	341,971	341,801	0.05%
Interest income	2,212	5,159	(57.12)%
Finance costs	<u>(66,297)</u>	<u>(68,729)</u>	(3.54)%
Net profit before tax	277,886	278,231	(0.12)%
Income tax expenses	<u>(13,536)</u>	<u>(11,362)</u>	19.13%
Net profit after tax before fair value gains/(loss) on investment properties	264,350	266,869	(0.94)%
Fair value gains/(loss) on investment properties	<u>36,067</u>	<u>(33,896)</u>	—%
Net profit after tax before transactions with Unitholders	<u>300,417</u>	<u>232,973</u>	28.95%
Transactions with Unitholders:			
Distributions paid to Unitholders	125,252	131,541	(4.78)%
Proposed distributions to Unitholders	143,120	130,700	9.5%

Note 1 The board of directors of the manager of GZI REIT has received confirmation on 17 April 2009 that the “Provisional Regulation Governing Real Estate Tax of the People’s Republic of China” (Guofa No.90 of 1986) (“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.

In 2009 Reporting Year, due to the change of tax regulations, the real estate tax payable by GZI REIT is increased by approximately HK\$43.88 million while comparing with previous year.

Note 2 Other property expenses included valuation fee, insurance premium, depreciation and bank charges incurred at the level of the Properties.

Note 3 Other trust expenses included audit fees, legal advisory fees, printing charges, company secretarial fees, unit registrar’s fees, listing fees, exchange difference and miscellaneous expenses. The decrease of other trust expenses is mainly due to no one-off charges, such as service charge on bank loan, and the improving cost control during in 2009.

Gross income and net property income during the Reporting Year were approximately HK\$532.203 million (2008: HK\$495.686 million) and HK\$425.888 million (2008: 436.391 million) respectively, which represents an increase/(decrease) of 7.37% and (2.41)% respectively while comparing with 2008.

Gross income included rental income of approximately HK\$520.738 million (2008: HK\$487.787 million) and other income of approximately HK\$11.465 million (2008: HK\$7.899 million) which included advertising income, forfeited rental deposit and late settlement.

Net property income amounted to approximately HK\$425.888 million (2008: HK\$436.391 million), representing approximately 80% of total gross income, after deduction of property related taxes, leasing agent’s fees and other property operating expenses.

The change of net property income is mainly due to an appreciation of Renminbi and an increase of the rental income for the renewal and the newly signed tenancy agreements. However, due to the change of tax regulation, the real estate tax is increased by approximately HK\$43.88 million while comparing with previous year. Net property income is decreased by 2.41% while comparing with previous year. In December 2009, the average rental income per square metre of the five premises is RMB187.23 per month (2008 Dec: RMB185.06), representing an increase of 1.2%.

Overall, the fee of Manager is slightly increased by approximately 0.13% as a result of the increase in total assets but with a decrease of net property income. The fee of the Trustee is slightly increased by approximately 0.94% as a result of the increase in total assets.

Interest income amounted to approximately HK\$2.212 million (2008: HK\$5.159 million), which represented a decrease of approximately 57%. This was attributable to the general decrease in bank deposit rates in the Reporting Year and even no interest income from bank deposits maintained in Hong Kong. On the other hand, the Manager negotiates with the relevant bank in Guangzhou to obtain a relatively favourable interest rate for rental deposits in Renminbi.

The Manager has applied an exchange rate of RMB0.8812 to HK\$1, representing an average exchange rate during the Reporting Year.

Property Valuation

A valuation of the Properties has been performed by Vigers Appraisal And Consulting Ltd (“Vigers”), the total value as at 31 December 2009 amounted to approximately HK\$5,771.7 million representing an increase of approximately HK\$52.83 million as compared with the valuation as at 31 December, 2008. The revalued market value has taken into account the newly added cost for renovation and cable transformation projects of approximately HK\$5.36 million for White Horse Building, transformation project for cooking fume emission of approximately HK\$150,000 for Victory Plaza, installation of new elevator project of approximately HK\$1.58 million and the capitalized transaction cost for 1701 Fortune Plaza of approximately HK\$540,000.

Approximately 0.16% of the increase in the valuation is attributable to the appreciation of Renminbi in the Reporting Year and the Manager’s adoption of the exchange rate of RMB0.8805 to HK\$1 as at the date of the consolidated balance sheet of GZI REIT. However, the fair value gain of the Properties amounted to approximately RMB31.784 million.

The following table summarizes the valuation of each of the Properties as at 31 December, 2009 and 31 December, 2008:-

	Valuation as at 31 December, 2009 RMB million	Valuation as at 31 December, 2008 RMB million	Percentage increase/ decrease (-)	
White Horse Building	2,878.5	2,851.5	0.95%	
Fortune Plaza	590.5	586.5	0.68%	
City Development Plaza	419.0	408.0	2.70%	
Victory Plaza	543.0	537.5	1.02%	
Yue Xiu Metropolis	<u>651.0</u>	<u>660.0</u>	-1.36%	
	<u>5,082.0</u>	<u>5,043.5</u>	0.76%	
				Percentage of each property as to the Properties as at 31 December, 2009 %
	Valuation as at 31 December, 2009 HK\$ million	Valuation as at 31 December, 2008 HK\$ million	Increase/ decrease (-) %	31 December, 2009 %
White Horse Building	3,269.1	3,233.4	1.1	56.6
Fortune Plaza	670.6	665.0	0.8	11.6
City Development Plaza	475.9	462.6	2.9	8.3
Victory Plaza	616.7	609.5	1.2	10.7
Yue Xiu Metropolis	<u>739.4</u>	<u>748.4</u>	-1.2	12.8
	<u>5,771.7</u>	<u>5,718.9</u>	0.9	100

The subject valuation was prepared by Vigers based on the average of values derived using the income capitalization approach and the discounted cash flow analysis.

Capital Structure

As at 31 December 2009, total borrowings of GZI REIT amounted to approximately 2.066 billion (total borrowings are calculated based on bank loan, but excluding capitalization of debt-related expenses), representing approximately 32% of total assets of GZI REIT.

As at 31 December 2009, total liabilities of GZI REIT (excluding net assets attributable to the Unitholders) amounted to approximately HK\$2.344 billion, representing approximately 37% of total assets of GZI REIT.

The abovesaid gearing ratios are below the maximum borrowing limit of 45% as stipulated by the REIT Code.

Cash Position

Cash balance of GZI REIT as at 31 December 2009 amounted to approximately HK\$410.295 million. GZI REIT has sufficient financial resources to satisfy its financial commitments and working capital requirements.

The Manager has adopted a conservative approach in cash management to ensure flexibility to meet the operational needs and the distributions of GZI REIT.

Accounting Treatment:

Units recorded as Financial Liabilities; Distributions to Unitholders as Finance Costs

Pursuant to Rule 7.12 of the REIT Code and the terms of the Trust Deed, GZI REIT is required to distribute to the Unitholders not less than 90% of its audited annual net income after tax, subject to certain adjustments as defined in the Trust Deed.

GZI REIT has a limited life of 80 years from the date of establishment. Accordingly, the Units contain contractual obligations to pay cash dividends and, upon termination of the trust, a share of all net cash proceeds derived from the sale or realisation of the assets of GZI REIT less any liabilities, in accordance with Unitholders' proportionate interests in GZI REIT at the date of the termination of GZI REIT.

In accordance with the Hong Kong Accounting Standards 32 ("HKAS 32"), GZI REIT has, for accounting purposes, classified its Units as financial (not legal) liabilities.

On the basis of the HKAS 32, distributions to be paid to the Unitholders are represented as finance costs and are therefore presented as expenses in the consolidated statement of comprehensive income. Consequently, GZI REIT has, for accounting purposes, recognised distributions as finance costs in its audited consolidated statement of comprehensive income.

The above accounting treatment does not have any impact on the net assets attributable to the Unitholders.

RENOVATION PROJECTS FOR WHITE HORSE BUILDING UNITS

In accordance with the Reorganisation Deed dated 7 December 2005 signed among the Manager, the Trustee and Yue Xiu Property Company Ltd (“YXP”), is formally known as Guangzhou Investment Company Ltd, YXP provided an amount of HK\$26.7 million for the then proposed renovation works for the White Horse Building.

Since the Listing Date, the Manager has been allotting the abovementioned funds on certain renovation works at White Horse Building.

From 2006 to 2009, GZI REIT has incurred capital expenditure of approximately HK\$23.844 million for the abovementioned funds. The capital expenditure incurred in 2009 was approximately HK\$3.614 million.

Such capital expenditure included approximately HK\$9.8 million of fixed assets related capital expenditure and approximately HK\$14.044 million of investment properties related capital expenditure.

The manager will apply the balance of the abovementioned fund for the retention money of the renovation work.

SUMMARY OF ALL REAL ESTATE SALES AND PURCHASES

GZI REIT did not enter into any real estate sale and purchase during the 2009 Reporting Year.

REAL ESTATE AGENTS ENGAGED BY GZI REIT

During the Reporting Year, GZI REIT has engaged Guangzhou Yicheng Property Management Ltd (“Yicheng”), and White Horse Property Management Company (collectively, “Leasing Agents”) to provide designated leasing, marketing, tenancy management and property management services to the Properties.

During the Reporting Year, GZI REIT paid service fees to Yicheng and White Horse Property Manager in the amounts of HK\$8.983 million and HK\$9.127 million respectively.

REPURCHASE, SALE OR REDEMPTION OF UNITS

During the Reporting Year, there was no repurchase, sale or redemption of Units by GZI REIT or its subsidiaries.

EMPLOYEES

GZI REIT is managed by the Manager. GZI REIT does not employ any staff.

REVIEW OF FINANCIAL RESULTS

The final results of GZI REIT for the Reporting Year have been reviewed by the Disclosures Committee, Audit Committee of the Manager and the independent auditor of GZI REIT.

CORPORATE GOVERNANCE

The Manager has adopted an overall corporate governance framework that is designed to promote the operation of GZI REIT in a transparent manner with built-in checks and balances which are critical to the performance of the Manager and consequently, the success of GZI REIT.

The Manager has adopted a compliance manual (“Compliance Manual”) for use in relation to its management and operation of GZI REIT which includes key policies and procedures for maintaining a high standard of corporate governance.

During the Reporting Year, the Manager has complied with the provisions of the Compliance Manual for its management of GZI REIT.

CLOSURE OF REGISTER OF UNITHOLDERS

The record date for the final distribution will be 30 April 2010. The register of Unitholders will be closed from 3 May 2010 to 7 May 2010, both days inclusive, during which period no transfer of units will be effected. In order to qualify for the distribution, all Unit certificates with completed transfer forms must be lodged with GZI REIT’s unit registrar, Tricor Investor Services Limited, at 26/F Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 30 April 2010. The payment date of final distribution will be on 19 May 2010.

ISSUANCE OF ANNUAL REPORT

The annual report of GZI REIT for the Reporting Year will be dispatched to the Unitholders on or before 26 April 2010.

ANNUAL GENERAL MEETING

The Manager proposed that the annual general meeting of GZI REIT for the Reporting Year be held on 26 May 2010. Notice of the annual general meeting will in due course be published and issued to the Unitholders in accordance with the Trust Deed.

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2009**

	<i>Note</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		3,669	6,452
Investment properties		5,771,721	5,718,892
Deferred assets		42,498	40,125
Goodwill		<u>182,099</u>	<u>181,813</u>
		<u>5,999,987</u>	<u>5,947,282</u>
Current assets			
Tax recoverable		1,650	1,535
Prepayments, deposits and other receivables	5	6,197	6,440
Cash and cash equivalents		<u>410,295</u>	<u>397,416</u>
		<u>418,142</u>	<u>405,391</u>
Total assets		<u>6,418,129</u>	<u>6,352,673</u>
Current liabilities			
Rental deposits, current portion	6	90,316	40,465
Receipts in advance	6	6,586	11,796
Accruals and other payables	6	53,280	58,295
Due to related companies		<u>17,683</u>	<u>20,672</u>
		<u>167,865</u>	<u>131,228</u>

	<i>Note</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Non-current liabilities, other than net assets attributable to unitholders			
Rental deposits, non-current portion	6	30,506	73,944
Bank borrowings, secured		2,066,423	2,048,107
Deferred tax liabilities		<u>79,628</u>	<u>77,075</u>
		<u>2,176,557</u>	<u>2,199,126</u>
Total liabilities, other than net assets attributable to unitholders			
		2,344,422	2,330,354
Net assets attributable to unitholders	7	<u>4,073,707</u>	<u>4,022,319</u>
Total liabilities		<u>6,418,129</u>	<u>6,352,673</u>
Net assets		<u>—</u>	<u>—</u>
Total equity		<u>—</u>	<u>—</u>
Net current assets		<u>250,277</u>	<u>274,163</u>
Total assets less current liabilities		<u>6,250,264</u>	<u>6,221,445</u>
Units in issue ('000)		<u>1,065,973</u>	<u>1,065,973</u>
Net assets attributable to unitholders per unit (HK\$)		<u>3.82</u>	<u>3.77</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009**

	<i>Note</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Revenue - rental income		532,203	495,686
Operating expenses	8	(190,232)	(153,885)
Fair value gain/(loss) on investment properties		36,067	(33,896)
Interest income from bank deposits		2,212	5,159
Finance costs - excluding amounts attributable to unitholders	9	<u>(66,297)</u>	<u>(68,729)</u>
Profit before tax and transactions with unitholders		313,953	244,335
Income tax expenses	10	<u>(13,536)</u>	<u>(11,362)</u>
Profit after tax before transactions with unitholders		300,417	232,973
Other comprehensive income			
- Cash flow hedges, net of tax		<u>—</u>	<u>83,841</u>
Total comprehensive income for the year before transactions with unitholders		300,417	316,814
Change in net assets attributable to unitholders	7	<u>(300,417)</u>	<u>(316,814)</u>
Total comprehensive income for the year		<u>—</u>	<u>—</u>

Notes:

- (i) In accordance with the Trust Deed dated 7 December 2005, as amended by a supplemental deed on 25 March 2008 (the "Trust Deed"), GZI REIT is required to distribute to unitholders not less than 90% distributable income for each financial period. GZI REIT has a limited life of 80 years from the date of establishment. Accordingly, the units contain contractual obligations to pay cash dividends and also upon termination of the trust, a share of all net cash proceeds derived from the sale or realisation of the assets of GZI REIT less any liabilities, in accordance with unitholders' proportionate interests in GZI REIT at the date of the termination of GZI REIT. The unitholders' funds are therefore classified as a financial liability rather than equity in accordance with HKAS 32, Financial Instruments: Disclosure and Presentation. Consistent with unitholders' funds being classified as a financial liability, the distributions to unitholders and change in net assets attributable to unitholders are finance costs. Accordingly, the total comprehensive income, after the transactions with unitholders, is zero. The classification does not have an impact on the net assets attributable to the unitholders. Distributable income is determined in the Distribution Statement.
- (ii) Earnings per unit, based upon profit after tax before transactions with unitholders and the average number of units in issue, is presented in Note 11.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Hedging reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
Balance at 1 January 2008	(83,841)	83,841	—
Change in fair value of cash flow hedges	83,841	—	83,841
Result for the year	<u>—</u>	<u>(83,841)</u>	<u>(83,841)</u>
Balance at 31 December 2008	<u>—</u>	<u>—</u>	<u>—</u>
Balance at 1 January 2009	—	—	—
Result for the year	<u>—</u>	<u>—</u>	<u>—</u>
Balance at 31 December 2009	<u>—</u>	<u>—</u>	<u>—</u>

**DISTRIBUTION STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	<i>Note</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Profit after tax before transactions with unitholders		300,417	232,973
Adjustments for the total distributable income (i)			
- Fair value (gain)/loss on investment properties (ii)		(36,067)	33,896
- Deferred taxation (credited)/charged to the statement of comprehensive income		(3,493)	2,782
- Amortisation charges on investment properties under China Accounting Standards (ii)		<u>(11,609)</u>	<u>(7,538)</u>
Total distributable income		249,248	262,113
Distributable amount at 1 January		130,665	115,193
Distribution paid during the year (iii)		<u>(255,940)</u>	<u>(246,641)</u>
Distributable amount at 31 December		<u>123,973</u>	<u>130,665</u>
Final distribution declared		<u>143,120</u>	<u>130,700</u>
Distribution per unit, declared		<u>HK\$0.1343</u>	<u>HK\$0.1226</u>

Notes:

- (i) Under the terms of the Trust Deed, the total distributable income is the consolidated profit after tax before transactions with unitholders adjusted to eliminate the effects of certain non-cash adjustments which have been recorded in the statement of comprehensive income for the relevant year.
- (ii) Under the terms of the Trust Deed, the Manager may, at its discretion from time to time, direct the Trustee to make distributions over and above the minimum 90% of the total distribution income if and to the extent the Group, in the opinion of the Manager, has funds surplus to its business requirements. For the year ended 31 December 2009, the Manager applies additional distribution from cash resources of the Group from (i) non-cash fair value loss of certain investment properties as it does not affect the group's cash position and, (ii) the amortisation charges on investment properties of HK\$19,147,000, representing HK\$0.018 per unit, under China Accounting Standards as these amortisation charges have not been recorded under Hong Kong Financial Reporting Standards and does not affect the Group's profit.
- (iii) A distribution of HK\$0.1226 per unit and HK\$0.1175 per unit, totaling HK\$255,940,000 (2008: HK\$246,641,000), was paid to unitholders on 20 May 2009 and 30 October 2009 respectively.

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	<i>Note</i>	2009	2008
		<i>HK\$'000</i>	<i>HK\$'000</i>
Cash flows from operating activities			
Cash generated from operations		338,398	347,973
Interest paid		(50,826)	(65,908)
China enterprise income tax paid		<u>(11,216)</u>	<u>(6,912)</u>
Net cash generated from operating activities		<u>276,356</u>	<u>275,153</u>
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		—	(450,122)
Purchase of property, plant and equipment		—	(12,206)
Additions of investment properties		(7,629)	(18,086)
Interest received		<u>2,212</u>	<u>5,159</u>
Net cash used in from investing activities		<u>(5,417)</u>	<u>(475,255)</u>
Cash flows from financing activities			
Proceeds from bank borrowings, net of transaction costs		—	2,528,887
Distribution paid		(255,940)	(246,641)
Settlement of bank borrowings		—	(1,763,899)
Settlement of derivative financial instrument		<u>—</u>	<u>(232,956)</u>
Net cash (used in)/generated from financing activities		<u>(255,940)</u>	<u>285,391</u>
Net increase in cash and cash equivalents		14,999	85,289
Exchange difference		(2,120)	21,974
Cash and cash equivalents at beginning of the year		<u>397,416</u>	<u>290,153</u>
Cash and cash equivalents at end of the year		<u>410,295</u>	<u>397,416</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

GZI Real Estate Investment Trust (“GZI REIT”) and its subsidiaries (collectively referred to as the “Group”) are mainly engaged in the leasing of commercial properties in Mainland China (“China”).

GZI REIT is a Hong Kong collective investment scheme constituted as a unit trust by the Trust Deed entered into between GZI REIT Asset Management Limited, as the manager of GZI REIT (the “Manager”), and HSBC Institutional Trust Services (Asia) Limited, as the trustee of GZI REIT (the “Trustee”) on 7 December 2005 (as amended by the Supplemental Deed dated 25 March 2008) and authorised under section 104 of the Securities and Futures Ordinance (“SFO”) subject to the applicable conditions imposed by Securities and Futures Commission (“SFC”) from time to time. The address of its registered office is 24/F, Yue Xiu Building, 160-174 Lockhart Road, Wanchai, Hong Kong.

GZI REIT was listed on The Stock Exchange of Hong Kong Limited. These financial statements are presented in Hong Kong dollar (HK\$), unless otherwise stated.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss and investment properties, which are carried at fair value.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 7 (Amendment)	Cash Flow Statements
HKAS 16 (Amendment)	Property, Plant and Equipment
HKAS 19 (Amendment)	Employee Benefits
HKAS 20 (Amendment)	Accounting for Government Grants and Disclosure of Government Assistance
HKAS 23 (Revised)	Borrowing Costs
HKAS 28 (Amendment)	Investments in Associates
HKAS 29 (Amendment)	Financial Reporting in Hyperinflationary Economies

HKAS 31 (Amendment)	Interest in Joint Venture
HKAS 32 and HKAS 1 (Amendment)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKAS 36 (Amendment)	Impairment of Assets
HKAS 38 (Amendment)	Intangible Assets
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement
HKAS 40 (Amendment)	Investment Property
HKAS 41 (Amendment)	Agriculture
HKFRS 2 (Amendment)	Share-based Payment Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Financial Instruments: Disclosures
HKFRS 8	Operating Segments
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation

The adoption of these amendments and interpretations do not have significant financial impact on the Group's financial statements.

The following new standards, amendments to standards and interpretations have been issued but are not effective and have not been early adopted. The directors of the Manager anticipate that the adoption of these standards, amendments to standards and interpretations would not result in a significant impact on the results and financial position of the Group. The Group plans to adopt these new standards, amendments to standards and interpretations when they become effective.

HKAS 24 (Revised)	Related Party Disclosures ⁴
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement - Eligible Hedged Items ¹
HKFRS 1 (Revised)	First time Adoption of Hong Kong Financial Reporting Standards ¹
HKFRS 2 (Amendment)	Share-based Payment Group Cash-settled Share-based Payment Transaction ²
HKFRS 3 (Revised)	Business Combinations ¹
HKFRS 9	Financial Instruments ⁵
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC)-Int 18	Transfers of Assets from Customers ³
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁶

¹ effective for annual periods beginning on or after 1 July 2009

² effective for annual periods beginning on or after 1 January 2010

³ effective for transfer of assets from customers received on or after 1 July 2009

⁴ effective for annual periods ending on or after 30 June 2009

⁵ effective for annual periods beginning on or after 1 January 2013

⁶ effective for annual periods beginning on or after 1 July 2010

In addition, Hong Kong Institute of Certified Public Accountants (“HKICPA”) also published a number of amendments for the existing standards under its annual improvement project. These amendments are not expected to have a significant financial impact on the results and financial position of the Group.

4 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors of the Manager that makes strategic decisions.

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. Given that management review the operating results of the Group in an aggregation basis, no segment information is therefore presented.

5 Prepayments, deposits and other receivables

The carrying amounts of prepayments, deposits and other receivables approximate their fair values.

All prepayments, deposits and other receivables are denominated in Renminbi.

6 Rental deposits, receipts in advance, accruals and other payables

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Rental deposits		
Current portion	90,316	40,465
Non-current portion	<u>30,506</u>	<u>73,944</u>
	120,822	114,409
	-----	-----
Receipts in advance	<u>6,586</u>	<u>11,796</u>
	-----	-----
Provision for withholding tax payable	8,409	8,637
Provision for business tax and flood prevention fee	5,332	5,254
Construction fee payable	7,503	8,657
Accruals for operating expenses	<u>32,036</u>	<u>35,747</u>
	-----	-----
Accruals and other payables	<u>53,280</u>	<u>58,295</u>
	-----	-----
	<u>180,688</u>	<u>184,500</u>
	-----	-----

The carrying amounts of rental deposits, receipts in advance and other payables approximate their fair values.

Majority of the rental deposits, receipts in advance, accruals and other payables are denominated in Renminbi.

7 Net assets attributable to unitholders

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Beginning of the year	4,022,319	3,534,544
Issuance of units	—	191,320
Transfer from statement of comprehensive income	300,417	316,814
Distribution paid during the year	(255,940)	(246,641)
Exchange difference	<u>6,911</u>	<u>226,282</u>
End of the year	<u><u>4,073,707</u></u>	<u><u>4,022,319</u></u>

8 Expenses by nature

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Property management fee (i)	18,110	16,944
Urban real estate tax	55,443	11,567
Business tax and flood prevention fee	26,821	25,345
Withholding tax (ii)	47,543	47,045
Depreciation of property, plant and equipment	2,767	2,741
Asset management fee	32,200	32,158
Trustee's remuneration	1,925	1,907
Valuation fee	260	200
Legal and professional fee	538	1,333
Auditor's remuneration	1,800	1,821
Bank charges	624	4,565
Others	<u>2,201</u>	<u>8,259</u>
Total operating expenses	<u><u>190,232</u></u>	<u><u>153,885</u></u>

Notes:

- (i) The Group received leasing, marketing and tenancy management services from two leasing agents in Guangzhou, namely, Guangzhou Yicheng Property Management Ltd. and White Horse Property Management Co. Ltd.
- (ii) Withholding tax on the rental income and interest income in China is calculated based on the rental income and interest income at a rate of 10 per cent.
- (iii) GZI REIT did not appoint any directors and the Group did not engage any employees during the year. As such, it did not incurred any employee benefit expense.

9 **Finance costs — excluding amounts attributable to unitholders**

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Interest expense for bank borrowings	50,826	61,398
Amortisation of transaction costs for bank borrowings	18,290	12,521
Net foreign exchange transaction gains	(2,819)	(85,803)
Transfer from hedging reserve		
- interest rate and currency swaps: cash flow hedge	<u>—</u>	<u>80,613</u>
	<u>66,297</u>	<u>68,729</u>

10 **Income tax expenses**

Since one of the subsidiaries of the group, Guangzhou Jieyacheng, is a sino-foreign co-operative joint venture in China, it is subject to corporate income tax at a rate of 25% under new Corporate Income Tax Law of China.

For other subsidiaries with operations in China, the corporate income tax was paid by way of withholding tax.

No Hong Kong profits tax has been provided as the Group has no assessable profit in Hong Kong.

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Current income tax		
- Hong Kong profits tax	—	—
- China enterprise income tax	11,101	4,649
Deferred income tax	<u>2,435</u>	<u>6,713</u>
	<u>13,536</u>	<u>11,362</u>

The tax on the Group's profit before tax and transactions with unitholders differs from the theoretical amount that would arise using the corporate income tax rate of China as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Profit before tax and transactions with unitholders	<u>313,953</u>	<u>244,335</u>
Tax calculated at domestic tax rates of 25%	78,488	61,084
Income not subject to profit tax	(72,014)	(54,208)
Expenses not deductible for tax purposes	4,072	3,092
Withholding tax on unremitted earnings of a subsidiary	<u>2,990</u>	<u>1,394</u>
	<u>13,536</u>	<u>11,362</u>

The weighted average applicable tax rate was 25% (2008: 25%).

11 Earnings per unit based upon profit after tax before transactions with unitholders

Earnings per unit based upon profit after tax before transactions with unitholders for the year ended 31 December 2009 is HK\$0.28 (2008: HK\$0.22). The calculation of earnings per unit is based on profit after tax before transactions with unitholders of approximately HK\$300,417,000 (2008: HK\$232,973,000) and on average units in issue of 1,065,973,000 units (2008: 1,038,318,383 units) during the year.

Diluted earnings per unit is same as the basic earnings per unit as there is no dilutive instrument for the years ended 31 December 2009 and 2008.

12 Capital commitments

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Capital commitments in respect of investment properties, contracted but not provided for	<u>4,076</u>	<u>2,101</u>

13 Future minimum rental receivable

At 31 December 2009, the Group had future minimum rental receivable under non-cancellable leases as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Not later than one year	372,064	502,864
Later than one year and not later than five years	263,900	588,559
Later than five years	<u>25,133</u>	<u>62,984</u>
	<u>661,097</u>	<u>1,154,407</u>

**PERFORMANCE TABLE
AS AT 31 DECEMBER**

	2009	2008	2007	2006
Net assets attributable to unitholders (HK\$'000)	4,073,707	4,022,319	3,534,544	3,199,707
Net asset attributable to unitholders per unit (HK\$)	3.82	3.77	3.53	3.2
The highest premium of the traded price to net asset value (HK\$)	N/A ⁽ⁱ⁾	N/A	N/A	0.500
The highest discount of the traded price to net asset value (HK\$)	2.19 ⁽ⁱ⁾	2.54	0.695	0.350
Net yield per unit	9.58% ⁽ⁱⁱ⁾	12.21%	11.83%	7.96%
Number of units in issue (units)	1,065,972,687	1,065,972,687	1,000,000,000	1,000,000,000

Notes:

- (i) The highest premium is calculated based on the highest traded price of HK\$3.06 (2008: HK\$3.11) on The Stock Exchange of Hong Kong Limited during the year ended 31 December 2009. The highest discount is calculated based on the lowest traded price of HK\$1.63 (2008: HK\$1.23) on The Stock Exchange of Hong Kong Limited during the year ended 31 December 2009.
- (ii) Net yield per unit is calculated based on profit after tax before transactions with unitholders per unit for the year ended 31 December 2009 over the traded price of HK\$2.94 (2008: HK\$1.79) as at 31 December 2009.

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, 18 March 2010

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.