

*The Securities and Futures Commission of Hong Kong, The Stock Exchange of Hong Kong Limited and Hong Kong Exchanges and Clearing Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**越秀房地產投資信託基金**

**YUEXIU 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: 00405)**

**Managed by**



**越秀房託資產管理有限公司**

**YUEXIU REIT ASSET MANAGEMENT LIMITED**

## **ANNOUNCEMENT**

### **PAYMENT OF MANAGER'S FEE TO YUEXIU REIT ASSET MANAGEMENT LIMITED ENTIRELY BY WAY OF UNITS**

The Relevant Period Manager's Fee for the period from 1 July 2024 to 31 December 2024 is RMB82,792,427 (which is equivalent to approximately HK\$89,703,158).

As disclosed in the final results announcement of the REIT dated 17 March 2025 for the year ended 31 December 2024, to mitigate the impact of the economic downturn on the performance of the REIT, the REIT Manager has decided to waive RMB40,000,000 of the Manager's Fee payable for the Relevant Period (which is equivalent to approximately HK\$43,338,823). The remaining Relevant Period Manager's Fee amounts to RMB42,792,427 (which is equivalent to approximately HK\$46,364,335) (being the Subject Manager's Fee).

As stated in the REIT's announcement dated 15 January 2024, the REIT Manager elected to receive the Manager's Fee for the financial year ended 31 December 2024 entirely in the form of Units. However, if, in accordance with the Election, the entire amount of the Subject Manager's Fee were paid in the form of Units, the resultant number of Units to be issued, in aggregate with the number of the 1H24 Manager Fee Units, would cause the 3% Threshold to be exceeded in respect of the financial year ended 31 December 2024, and would hence require Unitholders' approval. Pursuant to the Trust Deed and the Election, if Unitholders' approval is not obtained, payment of that part of the Manager's Fee that would otherwise cause the 3% Threshold to be exceeded if paid in the form of Units would be paid in the form of cash.

Notwithstanding the above, the REIT Manager has agreed to waive the payment of such excess part of the Subject Manager's Fee that would otherwise have been paid in cash, being RMB3,293,318 (which is equivalent to approximately HK\$3,568,213).

In respect of the Remaining Manager's Fee (being RMB39,499,109 (which is equivalent to approximately HK\$42,796,122)), this has been settled by the issuance of 50,348,379 Units (representing approximately 0.98% of the 5,141,086,550 Units in issue immediately after such issuance) on 1 April 2025 at the price of HK\$0.85 per Unit (being the average closing price of the Units on the Stock Exchange for the ten consecutive trading days immediately preceding the date on which the Manager Fee Units are issued).

As the REIT Manager wishes to concentrate on its management functions, it has designated YXII to receive the Manager Fee Units issued to settle the Remaining Manager's Fee. YXII held 485,199,322 Units immediately before its receipt of the abovementioned Manager Fee Units. Immediately after the issuance of the abovementioned Manager Fee Units and as at the date of this announcement, YXII holds 535,547,701 Units (representing approximately 10.42% of the 5,141,086,550 Units in issue immediately after such issue). As at the date of this announcement, the REIT Manager does not have any interest in any Units.

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

Reference is made to the announcement of Yuexiu Real Estate Investment Trust (the "REIT") dated 15 January 2024 in relation to election of payment method of Manager's Fee entirely by way of Units (the "Election Announcement"). Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meaning as those defined in the Election Announcement.

## CALCULATION OF MANAGER'S FEE

The Manager's Fee for the period from 1 July 2024 to 31 December 2024 (the "**Relevant Period**") is the aggregate of the Base Fee (as defined below) and the Service Fee (as defined below) in respect of the Relevant Period, which amounts to a total of RMB82,792,427 (which is equivalent to approximately HK\$89,703,158) (the "**Relevant Period Manager's Fee**").

The Base Fee and the Service Fee are calculated on the following basis:

- (i) a base fee of 0.3% per annum of the Value (as defined in the Trust Deed) of the Deposited Property payable semi-annually in arrears and calculated as at the last day of each six-month period (the "**Base Fee**"); and
- (ii) a service fee of 3% per annum of the Net Property Income (as defined in the Trust Deed) as shown in the last published audited annual financial statements of the REIT (being RMB1,444,929,000 for the financial year ended 31 December 2024), subject to certain adjustments, payable semi-annually in arrears (the "**Service Fee**").

As disclosed in the final results announcement of the REIT dated 17 March 2025 for the year ended 31 December 2024, to mitigate the impact of the economic downturn on the performance of the REIT, the REIT Manager has decided to waive RMB40,000,000 of the Manager's Fee payable for the Relevant Period (which is equivalent to approximately HK\$43,338,823). The remaining Relevant Period Manager's Fee amounts to RMB42,792,427 (which is equivalent to approximately HK\$46,364,335) (the "**Subject Manager's Fee**").

As stated in the Election Announcement, the REIT Manager had notified the Trustee in writing of its election (the "**Election**") in respect of the Manager's Fee for the year ended 31 December 2024 to be paid to the REIT Manager entirely in the form of Units (the "**Manager Fee Units**"), provided that, if (i) the relevant threshold for the issuance of Units without Unitholders' approval (including the threshold of 20% (or such other percentage as permitted by the REIT Code) of outstanding Units that the REIT Manager may issue in each financial year without Unitholders' approval pursuant to the REIT Code, and any other limit or threshold specified in any waiver from strict compliance with the REIT Code granted by the SFC) are exceeded and Unitholders' approval is not obtained, or (ii) any thresholds for triggering a mandatory offer under the Code on Takeovers and Mergers issued by the SFC will be reached as a result, then payment of that excess part of the Manager's Fee will be made in the form of cash.

## SETTLEMENT OF SUBJECT MANAGER'S FEE

Pursuant to paragraph 12.6 of the REIT Code, in respect of each financial year, the maximum number of Units that may be issued as payment of all or part of the Manager's Fee for that financial year without Unitholders' approval shall, in the aggregate, be limited to such number of Units which represents 3% of the total number of Units outstanding as at the last day of the immediately preceding financial year plus the number of Units (if any) issued in the relevant financial year for the purposes of financing any acquisition of real estate by the REIT (the "**3% Threshold**").

As disclosed in the REIT's announcement dated 2 September 2024, 75,000,000 Units were issued by the REIT on 2 September 2024 as partial payment of the Manager's Fee for the period from 1 January 2024 to 30 June 2024, with the remaining part of the Manager's Fee for that period to be settled by issuing up to 22,123,766 Units at such later date which the REIT Manager considers is in the interests of independent Unitholders. Accordingly, the REIT may issue up to 97,123,766 Units as payment of the Manager's Fee for the period from 1 January 2024 to 30 June 2024 (the "**1H24 Manager Fee Units**").

If, in accordance with the Election, the entire amount of the Subject Manager's Fee were paid in the form of Units, the resultant number of Units to be issued, in aggregate with the number of 1H24 Manager Fee Units, would cause the 3% Threshold to be exceeded in respect of the financial year ended 31 December 2024, and would hence require Unitholders' approval. Pursuant to Clause 15.1(e)(iii) of the Trust Deed and the Election, if Unitholders' approval is not obtained, payment of that part of the Manager's Fee that would otherwise cause the 3% Threshold to be exceeded if paid in the form of Units would be paid in the form of cash.

Notwithstanding the above, the REIT Manager has agreed to waive the payment of such excess part of the Subject Manager's Fee that would otherwise have been paid in cash, being RMB3,293,318 (which is equivalent to approximately HK\$3,568,213).

In respect of the remaining part of the Subject Manager's Fee (being RMB39,499,109, equivalent to approximately HK\$42,796,122) (the "**Remaining Manager's Fee**"), this has been settled by the issuance of 50,348,379 Units (representing approximately 0.98% of the 5,141,086,550 Units in issue immediately after such issuance) on 1 April 2025 at the price of HK\$0.85 per Unit (being the average closing price of the Units on the Stock Exchange for the ten consecutive trading days immediately preceding the date on which the Manager Fee Units are issued).

As the REIT Manager wishes to concentrate on its management functions, it has designated Yuexiu International Investment Limited (“YXII”), a wholly-owned subsidiary of Yuexiu Property, to receive the Manager Fee Units issued to settle the Remaining Manager’s Fee. YXII was also previously designated by the REIT Manager to receive the Units issued or to be issued as payment of the Manager’s Fee prior to the Relevant Period, and held 485,199,322 Units immediately before its receipt of the Manager Fee Units for the Relevant Period. Immediately after the issuance of the Manager Fee Units for the Relevant Period and as at the date of this announcement, YXII holds 535,547,701 Units (representing approximately 10.42% of the 5,141,086,550 Units in issue immediately after such issue). YXII is not a nominee of the REIT Manager and does not hold the Manager Fee Units on behalf of the REIT Manager. As at the date of this announcement, the REIT Manager does not have any interest in any Units.

The Manager Fee Units are denominated in HK\$. The exchange rate adopted by the REIT Manager to calculate the number of Units that are issuable by the REIT for payment of the Subject Manager’s Fee (which is denominated in RMB) is the average closing exchange rate, as announced by the People’s Bank of China, for the five business days preceding the date of this announcement.

## **REGULATORY IMPLICATIONS**

The payment of the Remaining Manager’s Fee by way of Units is in accordance with the terms of the Trust Deed and does not require specific prior approval of the Unitholders pursuant to paragraphs 12.2 and 12.6 of the REIT Code.

147,472,145 Units, being the total of the number of Units issued and the maximum number of Units issuable so far as payment of the Manager’s Fee in respect of the financial year ended 31 December 2024, represent approximately 3% of the Units outstanding as at 31 December 2023 (being the last day of the immediately preceding financial year). Such total number of Units, in aggregate with the number of new Units issued on a non-pro rata basis during the financial year ended 31 December 2024 (if any), does not increase the total number of Units outstanding as at 31 December 2023 by more than 20%. Such total number of Units also does not exceed the 3% Threshold stipulated under paragraph 12.6 of the REIT Code. No Unit had been issued for the purpose of financing any acquisition of real estate by the REIT during the financial year ended 31 December 2024.

## OUTSTANDING MANAGER FEE UNITS

As at the date of this announcement, parts of the Manager's Fee payable for the periods from 1 July 2023 to 31 December 2023 and from 1 January 2024 to 30 June 2024, amounting to RMB3,275,674 (or approximately HK\$3,610,473) and RMB19,393,162 (or approximately HK\$21,238,815), respectively, are outstanding and will be settled by the REIT issuing further tranches of new Units at such later date(s) which the REIT Manager considers is in the interests of the independent Unitholders provided the Trustee has no objection to such issuance(s). The aggregate maximum number of Units that may be issued to settle such outstanding Manager's Fee is 25,562,312 Units (representing approximately 0.49% of the 5,166,648,862 Units in issue immediately after such issue). For further details, please refer to the REIT's announcements dated 24 March 2024 and 2 September 2024.

## GENERAL

The REIT Manager confirms that, to the best of its knowledge, save as disclosed in this announcement, it is not aware of any other information discloseable under paragraphs 10.3 and 10.4 of the REIT Code.

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

By order of the board of directors of  
**Yuexiu REIT Asset Management Limited**  
(as manager of Yuexiu Real Estate Investment Trust)  
**YU Tat Fung**  
*Company Secretary*

Hong Kong, 1 April 2025

*As at the date of this announcement, the Board of the REIT Manager comprises:*

*Executive Directors:* **Mr. LIN Deliang (Chairman) and Ms. OU Haijing**

*Non-executive Directors:* **Mr. LI Feng and Mr. ZENG Zhizhao**

*Independent Non-executive Directors:* **Mr. CHAN Chi On, Derek, Mr. CHAN Chi Fai, Brian, Mr. CHEUNG Yuk Tong and Mr. CHEN Xiaoou**