

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

(1) ESTABLISHMENT BY THE MANAGER OF A NEW SUBSIDIARY IN THE PRC; AND

(2) NEW PAYMENT ARRANGEMENT FOR THE MANAGER'S FEE

The Manager is pleased to announced that, to enhance the existing management structure of Yuexiu REIT, the Manager has established a wholly-owned subsidiary in the PRC (being the Onshore Manager) to assist with the Delegated Asset Management Services in respect of the Mainland Portfolio on a going-forward basis.

The remuneration payable by Yuexiu REIT to the Manager for the Asset Management Services pursuant to the Trust Deed comprises two components: (i) a base fee of 0.3% per annum of the Value (as defined in the Trust Deed) of the Deposited Property; and (ii) a service fee of 3% per annum of the Net Property Income (as defined in the Trust Deed). The Manager's Fee is presently paid only to the Manager (except the part paid in the form of Units which the Manager has designated another wholly-owned subsidiary of Yuexiu Property, Yuexiu International Investment Limited, to receive).

Under the new management structure, for the service fee in respect of each Subject Property, the Subject Property Company will pay such fee directly to the Onshore Manager, who will be receiving such fee in place of the Manager. The Service Fee payable to the Onshore Manager will be calculated on the same basis as the service fee component of the Manager's Fee by reference to the net property income derived from the Subject Properties. The Manager will in turn waive the portion of Manager's Fee payable by Yuexiu REIT that is equivalent to the amount of Service Fee paid directly to the Onshore Manager, so that there will be no double remuneration.

The Manager believes that setting up the Onshore Manager and implementing the New Payment Arrangement will enhance the existing management structure and administrative efficiency. The new structure and arrangement will better align the onshore and offshore teams providing asset management services with Yuexiu REIT's strategic goals, reduce administrative costs by minimising the number of cross-border transactions, and lower foreign exchange risks. Having regard to these benefits, the Board (including the independent non-executive Directors) is of the view that the establishment of the Onshore Manager and the New Payment Arrangement: (a) do not have any adverse impact on Unitholders; and (b) are in the best interests of Yuexiu REIT and the Unitholders as a whole.

The establishment of the Onshore Manager and the New Payment Arrangement (including the entry into of the Asset Management Service Agreements to effect such arrangement) do not require any amendment to the Trust Deed as there will not be any alteration of the level or structure of the Manager's Fee and the Manager's Fee will continue to be paid out of the Deposited Property as required under the Trust Deed. Furthermore, pursuant to paragraph 8.7E of the REIT Code, the New Payment Arrangement, which pertains to payment for the services provided indirectly by the Manager as contemplated and permitted under the Trust Deed, does not constitute a connected party transaction of Yuexiu REIT under Chapter 8 of the REIT Code. Accordingly, the establishment of the Onshore Manager and the New Payment Arrangement (including the entry into of the Asset Management Service Agreements to effect such arrangement) do not require Unitholders' approval.

This announcement is made pursuant to paragraph 10.3 of the REIT Code.

1. BACKGROUND

As Yuexiu REIT's Properties are predominantly located in the PRC, historically, when discharging its Asset Management Services in respect of the Mainland Portfolio, the Manager was assisted by the Existing Onshore Team employed by another subsidiary of Yuexiu Property whom it worked with and supervised on a day-to-day basis.

The Manager's Fee payable under the Trust Deed is currently paid solely to the Manager (except the part paid in the form of Units, which the Manager has designated a wholly-owned subsidiary of Yuexiu Property, Yuexiu International Investment Limited, to receive). The Manager would then pay for the salaries of the Existing Onshore Team out of its own resources, funded by the Manager's Fee.

2. ESTABLISHMENT BY THE MANAGER OF A NEW SUBSIDIARY IN THE PRC

To enhance the existing management structure of Yuexiu REIT, the Manager has established a wholly-owned subsidiary in the PRC (being the Onshore Manager) to assist with the Delegated Asset Management Services in respect of the Mainland Portfolio on a going-forward basis. The key personnel of the Onshore Manager include members of the Existing Onshore Team who were previously employed by another subsidiary of Yuexiu Property and have the appropriate level of qualification, skill and experience required to perform the Delegated Asset Management Services. The Manager will maintain overall supervision and monitoring of the performance of the Onshore Manager and remain ultimately responsible for the acts and omissions of the Onshore Manager in providing the Delegated Asset Management Services.

For further details of the Delegated Asset Management Services to be provided by the Onshore Manager, please refer to section 4 headed "Asset Management Service Agreements" below.

3. NEW PAYMENT ARRANGEMENT

The remuneration payable by Yuexiu REIT to the Manager for the Asset Management Services pursuant to the Trust Deed comprises two components: (i) a base fee of 0.3% per annum of the Value (as defined in the Trust Deed) of the Deposited Property; and (ii) a service fee of 3% per annum of the Net Property Income (as defined in the Trust Deed).

Under the new management structure, there will be a change to the payment arrangement with respect to the service fee component of the Manager's Fee (the "**New Payment Arrangement**"). Specifically, for the service fee in respect of each Subject Property, the Subject Property Company will pay such fee directly to the Onshore Manager, who will be receiving such fee in place of the Manager. The

Service Fee payable to the Onshore Manager will be calculated on the same basis as the service fee component of the Manager's Fee by reference to the net property income derived from the Subject Properties. The Manager will in turn waive the portion of Manager's Fee payable by Yuexiu REIT that is equivalent to the amount of Service Fee paid directly to the Onshore Manager, so that there will be no double remuneration.

The New Payment Arrangement only applies with respect to the Subject Properties and the Subject Property Companies, all being companies incorporated in the PRC and direct owners of the Subject Properties. The existing payment arrangement for the Manager's Fee will continue to apply with respect to the Properties which are not Subject Properties.

For the avoidance of doubt, there will be no change to the Manager's Fee calculation methodology or the Asset Management Services provided pursuant to the Trust Deed. There will also be no change to the existing payment arrangement for the base fee component of the Manager's Fee, which will continue to be paid by Yuexiu REIT to the Manager directly for all Properties.

4. ASSET MANAGEMENT SERVICE AGREEMENTS

The New Payment Arrangement with respect to the Subject Properties is documented in the Asset Management Service Agreements entered into between the Onshore Manager on the one hand and each of the Subject Property Companies on the other hand. Pursuant to the Asset Management Service Agreements, each Subject Property Company as owner of the relevant Subject Property has agreed to appoint the Onshore Manager to provide Delegated Asset Management Services with respect to the relevant Subject Property.

The principal terms of each Asset Management Service Agreement are summarised below:

Date: 30 June 2025

Parties: (1) the relevant Subject Property Company, as owner of the relevant Subject Property
(2) the Onshore Manager, as service provider

**Delegated Asset
Management
Services:**

The Onshore Manager shall provide services in respect of the relevant Subject Property Company and Subject Property as reasonably requested by the Subject Property Company from time to time, including but not limited to the following:

- (a) **Financial and Bank Account Management:** Managing liquidity, financial planning, tax compliance, financial reporting, and dividend scheduling, to support the Subject Property Company's financial operations.
- (b) **Compliance and Risk Management:** Ensuring legal ownership and the enforceability of contracts, and monitoring compliance with applicable laws, regulations, and guidelines relevant to Yuexiu REIT or its activities.
- (c) **Capital Improvement and Property Renovation Management:** Planning and supervising building maintenance, upgrades, and renovation projects to preserve and enhance asset value.
- (d) **(Applicable to Guangzhou IFC only) Hotel and Serviced Apartments Management:** Overseeing the operations of the Hotel and Serviced Apartments, monitoring performance of and liaising with the operators of the Hotel and Serviced Apartments, and safeguarding Yuexiu REIT's interests in those properties.

**Staffing and
service
standard:**

The Onshore Manager shall: (i) employ adequate personnel required to properly perform the Delegated Asset Management Services, who should have the appropriate level of qualification, skill and experience for the relevant positions, responsibilities and duties; and (ii) ensure that none of the personnel employed for day-to-day operational functions is engaged in any other appointment which may give rise to potential conflicts of interest with the duties and responsibilities of the Onshore Manager under the Asset Management Service Agreement.

The Onshore Manager shall ensure that each member of its staff shall observe and abide by the provisions of the Asset Management Service Agreement, the Trust Deed, the REIT Code and, where applicable, the compliance manual of the Manager and any other policies and procedures of the Manager as notified to the Onshore Manager in writing, in performing or supervising the performance of the Delegated Asset Management Services.

Service Fee:

The Service Fee for the Delegated Asset Management Services shall be 3% per annum of the net property income as per the audited accounts of the relevant Subject Property Company for the most recent completed financial year, except in the case of the Wuhan Property (which is indirectly owned as to 67% by Yuexiu REIT), the Service Fee with respect to which shall be calculated by reference to 67% of the net property income derived from the relevant Subject Property Company.

The Service Fee shall be payable by the Subject Property Company semi-annually in arrears and accrue daily from the effective date of the Asset Management Service Agreement. Each semi-annual payment shall be made in RMB by the timing indicated on the invoice prepared by the Onshore Manager within seven days of the publication of the semi-annual financial statements and the audited financial statements of Yuexiu REIT, unless otherwise agreed between the parties.

If the sum of the semi-annual payments of the Service Fee received by the Onshore Manager in any financial year is:

- (a) more than the amount as calculated based on the above formula, any excess shall be reconciled by the Onshore Manager paying to the relevant Subject Property Company an amount equal to such excess; or

(b) less than the amount as calculated based on the above formula, any shortfall shall be reconciled by the relevant Subject Property Company paying the Onshore Manager an amount equal to such shortfall,

and the parties may set off any excess or shortfall amount in the next semi-annual payment.

**Term and
Termination:**

The Asset Management Service Agreement shall be effective on and from 1 July 2025 and shall continue until its termination upon the occurrence of the following events: (a) the Units ceasing to be listed on the Stock Exchange; (b) the relevant Subject Property Company ceasing to hold any interest in the relevant Subject Property or the relevant Subject Property Company ceasing to be a subsidiary of Yuexiu REIT; (c) the Manager ceasing to be the manager of Yuexiu REIT; (d) the Onshore Manager ceasing to be a subsidiary of the Manager; (e) the Manager ceasing to be a subsidiary of Yuexiu Property; (f) two months following a breach by a party thereto of any of its obligations under the Asset Management Service Agreement which is not remedied within 60 days; and (g) three months following the date on which a party gives notice to the other party to terminate the Asset Management Service Agreement.

5. REASONS FOR AND BENEFITS OF THE NEW ARRANGEMENTS WITH THE ONSHORE MANAGER

The Manager believes that (1) its establishment of the Onshore Manager and (2) the New Payment Arrangement will bring the following benefits for Yuexiu REIT:

Enhance existing management structure

By transitioning the Existing Onshore Team to the Onshore Manager, there will be better alignment and coordination between the onshore and offshore teams providing asset management services to Yuexiu REIT. The direct parent-subsidiary relationship between the Manager and the Onshore Manager will facilitate more streamlined communication and decision-making processes, as well as more direct oversight and

accountability. Consolidating the onshore staff under the Onshore Manager will also foster stronger integration between the offshore and onshore teams under one brand (i.e. the Manager), ensuring that the onshore team's efforts are more closely aligned with the strategic objectives and priorities of the Manager for Yuexiu REIT.

Enhance administrative efficiency and cost reduction

By enabling the Subject Property Companies to remunerate the Onshore Manager directly in RMB onshore, this arrangement minimises the number of cross-border transactions, thereby reducing the administrative burden, processing time, and associated costs (e.g. banking fees) involved in managing these transactions, as well as Yuexiu REIT's exposure to foreign exchange risks.

Having regard to the abovementioned benefits, the Manager is of the view that the New Payment Arrangement, including the entering into of the Asset Management Service Agreements, is also in the best interests of Yuexiu REIT and its Unitholders.

6. REGULATORY IMPLICATIONS

As there will not be any alteration of the level or structure of the Manager's Fee and the Manager's Fee will continue to be paid out of the Deposited Property as required under the Trust Deed, the establishment of the Onshore Manager and the New Payment Arrangement (including the entry into of the Asset Management Service Agreements to effect such arrangement) do not require any amendment to the Trust Deed. Furthermore, given the New Payment Arrangement pertains to the payment for the services provided (indirectly) by the Manager as contemplated and permitted under the Trust Deed, pursuant to paragraph 8.7E of the REIT Code, the New Payment Arrangement (including the entry into of the Asset Management Service Agreements to effect such arrangement) does not constitute a connected party transaction of Yuexiu REIT under Chapter 8 of the REIT Code.

Accordingly, the establishment of the Onshore Manager and the New Payment Arrangement (including the entry into of the Asset Management Service Agreements to effect such arrangement) do not require Unitholders' approval.

7. BOARD'S AND TRUSTEE'S VIEWS

Board's view

Having considered the benefits set out in section 5 headed "Reasons for and Benefits of the new arrangements with the Onshore Manager" above, and having taken into account the duties of the Manager set out in the REIT Code and the Trust Deed, the

Board (including the independent non-executive Directors) is of the view that the establishment of the Onshore Manager and the New Payment Arrangement: (a) do not have any adverse impact on Unitholders; and (b) are in the best interests of Yuexiu REIT and the Unitholders as a whole.

The Board is also satisfied that the Manager's establishment of the Onshore Manager and the New Payment Arrangement are in compliance with the REIT Code and the Trust Deed and do not require the approval of Unitholders.

Trustee's view

Based on the information, analysis and confirmations provided by the Manager, the Trustee has no objection to the New Payment Arrangement.

8. INFORMATION ABOUT THE PARTIES

Yuexiu REIT is a Hong Kong collective investment scheme constituted as a unit trust by the Trust Deed, and is authorised under section 104 of the SFO. Yuexiu REIT, the Units of which are listed on the Main Board of the Stock Exchange, is principally engaged in the business of leasing of commercial properties in Mainland China and Hong Kong with the primary objective of generating long-term and steady distributions to Unitholders through actively managing its assets and expanding its operations. As at the date of this announcement, Yuexiu REIT's property portfolio mainly consists of six commercial properties located in Guangzhou, one commercial property located in Shanghai, one commercial property located in Wuhan, one commercial property located in Hangzhou and several units in an office building located in Hong Kong.

Each Subject Property Company is a company incorporated in the PRC with limited liability and, as at the date of this announcement, a subsidiary of Yuexiu REIT and the direct owner of a Subject Property.

The Onshore Manager is a company incorporated in the PRC with limited liability and is principally engaged in the business of commercial real estate asset management. As at the date of this announcement, the Onshore Manager is a wholly-owned subsidiary of the Manager, which is in turn wholly-owned by Yuexiu Property, a company incorporated under the laws of Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 00123).

The Manager is a company incorporated under the laws of Hong Kong with limited liability and, as at the date of this announcement, a licensed corporation under the SFO to carry out Type 9 (asset management) regulated activity. The principal business activity of the Manager is managing Yuexiu REIT.

9. GENERAL

Details of the Service Fee paid by the Subject Property Companies to the Onshore Manager and the corresponding amount of the Manager's Fee waived by the Manager will be disclosed in Yuexiu REIT's interim and annual reports and, as and when appropriate, in future announcements of Yuexiu REIT.

This announcement is made pursuant to paragraph 10.3 of the REIT Code.

10. DEFINITIONS

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

Asset Management Service Agreement	collectively, all the asset management service agreements dated 30 June 2025 entered into between the Onshore Manager on the one hand and a Subject Property Company on the other hand, each an “ Asset Management Service Agreement ”
Asset Management Services	the asset management services provided directly or indirectly by the Manager as contemplated under the Trust Deed
Board	the board of Directors
connected party transaction	has the meaning ascribed to this term in the REIT Code
Delegated Asset Management Services	the Asset Management Services delegated by the Manager to the Onshore Manager and performed by the Onshore Manager pursuant to the Asset Management Service Agreements
Deposited Property	all the assets of Yuexiu REIT for the time being held or deemed to be held upon the trusts constituted by the Trust Deed
Director(s)	director(s) of the Manager
Existing Onshore Team	the team of personnel employed by another subsidiary of Yuexiu Property to assist the Manager with discharging the Asset Management Services historically

Guangzhou IFC	the property known as Guangzhou International Finance Center (廣州國際金融中心), located at No. 5 Zhujiang West Road, Tianhe District, Guangzhou, Guangdong Province, PRC
Guangzhou IFC Property Company	廣州越秀城建國際金融中心有限公司 (Guangzhou Yue Xiu City Construction International Finance Center Co., Ltd.*), a limited liability company incorporated in the PRC which developed and owns Guangzhou IFC
Hangzhou Property	the property known as Hangzhou Victory Business Center Tower 2 (杭州維多利商務中心2幢) located in Qianjiang New Town, Jianggan District, Hangzhou, Zhejiang Province, PRC
Hong Kong	The Hong Kong Special Administrative Region of the People's Republic of China
Hotel and Serviced Apartments	the hotel and serviced apartments components of Guangzhou IFC, currently operated under the names “Four Seasons Hotel Guangzhou” and “Ascott IFC Guangzhou”, respectively
Mainland Portfolio	the Properties located in Mainland China
Manager	Yuexiu REIT Asset Management Limited, in its capacity as the manager of Yuexiu REIT, a company incorporated under the laws of Hong Kong and a licensed corporation to carry out Type 9 (asset management) regulated activity as defined in the SFO, which is wholly-owned by Yuexiu Property as at the date of this announcement
Manager's Fee	the remuneration payable by Yuexiu REIT to the Manager for the Asset Management Services pursuant to the Trust Deed which comprises two components: (i) a base fee of 0.3% per annum of the Value (as defined in the Trust Deed) of the Deposited Property; 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 Yuexiu REIT

New Payment Arrangement	has the meaning ascribed to this term in section 3 headed “New Payment Arrangement” in this announcement
Onshore Manager	廣州越房資企業管理有限公司 (Guangzhou Yuefangzi Enterprise Management Co.,Ltd.*), a limited liability company incorporated in the PRC and as at the date of this announcement, is directly wholly-owned by the Manager
PRC	The People’s Republic of China but excluding, for the purposes of this announcement, Hong Kong, Taiwan and the Macau Special Administrative Region
Properties	the properties owned by Yuexiu REIT
REIT Code	the Code on Real Estate Investment Trusts published by the SFC as amended, supplemented or otherwise modified for the time being
RMB	Renminbi, the official currency of the PRC
Subject Properties	the Properties that are directly held by SPVs that are incorporated in the PRC, namely, Guangzhou IFC, Shanghai Yue Xiu Tower, the Hangzhou Property, the Wuhan Property and Yuexiu Financial Tower, each a “ Subject Property ”
Subject Property Companies	the SPVs each of which is a subsidiary of Yuexiu REIT and a direct owner of a Subject Property, each a “ Subject Property Company ”
Service Fee	the service fee payable by the Subject Property Companies to the Onshore Manager pursuant to the Asset Management Service Agreements
SFC	the Securities and Futures Commission of Hong Kong
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)

Shanghai Yue Xiu Tower	the property known as Yuexiu Tower (越秀大廈), located at No. 388 Fushan Road, Lot No. Qiu 2/9 Jiefang 302, Weifang Xincun Street, Pudong New District, Shanghai, PRC
SPV	a special purpose vehicle that is owned and controlled by Yuexiu REIT in accordance with the REIT Code and the Trust Deed
Stock Exchange	The Stock Exchange of Hong Kong Limited
Trust Deed	the trust deed constituting Yuexiu REIT dated 7 December 2005 and entered into between the Trustee and the Manager in their respective personal capacities, as may be amended, restated and/or supplemented from time to time
Trustee	HSBC Institutional Trust Services (Asia) Limited, in its capacity as trustee of Yuexiu REIT. All references to the Trustee in this announcement are, as the context may require, to the Trustee acting on behalf of Yuexiu REIT and on the instructions of the Manager
Unit	one undivided unit in Yuexiu REIT
Unitholder	any person registered as holding a Unit on the register of Unitholders
Wuhan Property	the entire 68-storey office and commercial development known as Wuhan Yuexiu Fortune Centre (武漢越秀財富中心), the entire 5-storey shopping arcade known as Starry Victoria Shopping Centre (星匯維港購物中心) and the carpark spaces, located at No. 1 Zhongshan Avenue, Qiao Kou District, Wuhan, Hubei Province, the PRC
Yuexiu Financial Tower	the property known as Yuexiu Financial Tower (越秀金融大廈) located at No. 28 Zhu Jiang East Road, Tianhe District, Guangzhou, Guangdong Province, the PRC

Yuexiu Property

Yuexiu Property Company Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 00123)

Yuexiu REIT

Yuexiu Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO subject to applicable conditions from time to time (whose Units are listed on the Stock Exchange), and the companies controlled by it, as the context requires

%

per cent or percentage

** For identification purposes only*

Yours faithfully,
By Order of the Board
Yuexiu REIT Asset Management Limited
(as Manager of Yuexiu Real Estate Investment Trust)
YU Tat Fung
Company Secretary

Hong Kong, 30 June 2025

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

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

Non-executive Directors: *Mr. JIANG Guoxiong (Chairman) 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 Xiaou*