

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.



(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



ANNOUNCEMENT

(1) CONTINUING CONNECTED PARTY TRANSACTIONS; AND (2) DESPATCH OF CIRCULAR, EGM AND CLOSURE OF REGISTER OF UNITHOLDERS

**Independent Financial Adviser to the Independent Board Committee,
the Independent Unitholders and the Trustee**



CONTINUING CONNECTED PARTY TRANSACTIONS

In anticipation of the expiries of the Existing Framework Agreements, on 22 November 2023, the relevant parties to the Existing Framework Agreements entered into corresponding New Framework Agreements for a new term of three years, commencing from 1 January 2024 and ending on 31 December 2026.

Save for the New Leasing Framework Agreement, which is conditional upon the passing of the EGM Resolution, none of the New Framework Agreements are conditional upon the approval of Independent Unitholders under Chapter 14A of the Listing Rules (modified as appropriate pursuant to the REIT Code).

DESPATCH OF CIRCULAR, EGM AND CLOSURE OF REGISTER OF UNITHOLDERS

Details of the above are more particularly set out in the Circular, which is expected to be despatched on 22 November 2023 together with the EGM Notice and the form of proxy for the EGM.

The EGM will be held at Plaza 1 to 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 13 December 2023 at 2:00 p.m., for the purpose of considering and, if thought fit, passing with or without amendments, the resolution set out in the EGM Notice and set out in the body of the Circular.

In order to determine which Unitholders will qualify to attend and vote at the EGM, the register of Unitholders of Yuexiu REIT will be closed from Friday, 8 December 2023 to Wednesday, 13 December 2023 (both days inclusive). During this period, no transfers of Units will be effected.

This announcement is made pursuant to paragraphs 10.3 and 10.5A of the REIT Code. The Board wishes to announce that the Manager proposes to seek approval for the CCPT Matters Requiring Approval.

1 CONTINUING CONNECTED PARTY TRANSACTIONS

1.1 Background

On 13 November 2021, Yuexiu REIT published a circular (the “**2021 Acquisition Circular**”) in relation to, among other things, the entry into of the Existing Leasing Framework Agreement, Existing Tenancy Services Framework Agreement and Existing Property Management Framework Agreement on 24 October 2021. These agreements set out the framework terms governing the relevant Connected Leasing Transactions, Connected TSAs and Connected PMAs which were either in place or to be entered into or renewed from time to time during the term of the relevant agreement.

Each of the Existing Framework Agreements is for a term of two years from 1 January 2022 to 31 December 2023, which may be renewed for a successive period of two years (or for any other period which may be shorter or longer than two years as the parties may agree otherwise, provided that such other period will not be longer than three years). The Existing Framework Agreements were and continue to be,

together with the Yuexiu Continuing CPTs contemplated thereunder, regulated with reference to Chapter 14A of the Listing Rules (modified as appropriate pursuant to the REIT Code) until the end of their term.

In anticipation of the expiries of the Existing Framework Agreements, on 22 November 2023, the relevant parties to the Existing Framework Agreements entered into corresponding New Framework Agreements for a new term of three years, commencing from 1 January 2024 and ending on 31 December 2026.

The principal terms and conditions of the New Framework Agreements are the same as those of the corresponding Existing Framework Agreements, save for their term (being three years, instead of two) and, with respect to the New Leasing Framework Agreement only, the scope of the Properties to which it pertains. In particular, while the Existing Leasing Framework Agreement covered only the Mainland Portfolio of Yuexiu REIT at that time (i.e. after completion of Yuexiu REIT's acquisition of Yuexiu Financial Tower), the Manager, to align with market practice and to ensure consistent leasing standards across all of Yuexiu REIT's portfolio, having regard to potential acquisitions that may be made by Yuexiu REIT from time to time (such as the acquisition of the Hong Kong Properties subsequently in December 2022), has agreed with GZYZ (being the counterparty to the Existing Leasing Framework Agreement and the New Leasing Framework Agreement) that the scope of the New Leasing Framework Agreement shall cover leasing and licensing transactions pertaining to all the Properties owned by Yuexiu REIT from time to time regardless of their location.

For the principal terms of each of the New Framework Agreements, please refer to the sections headed "1.2.1 New Leasing Framework Agreement", "1.2.2 New Tenancy Services Framework Agreement" and "1.2.3 New Property Management Framework Agreement" in this announcement.

Save for the New Leasing Framework Agreement, which is conditional upon the passing of the EGM Resolution, none of the New Framework Agreements are conditional upon the approval of Independent Unitholders under Chapter 14A of the Listing Rules (modified as appropriate pursuant to the REIT Code).

1.2 Non-exempt Continuing Connected Party Transactions with Yuexiu Connected Persons Group

Yuexiu REIT Group (through the Manager) entered into the following continuing connected party transactions which are subject to the reporting, announcement, and, in the case of the New Leasing Framework Agreement, the circular and Independent Unitholders' approval requirements under the REIT Code and Chapter 14A of the Listing Rules (modified as appropriate pursuant to the REIT Code):

1.2.1 New Leasing Framework Agreement

As part of Yuexiu REIT's ordinary and usual course of business, the Property Companies and members of the Yuexiu Connected Persons Group entered into, or will from time to time enter into or renew agreements relating to the leasing or licensing in respect of the Properties, including those pertaining to the naming rights of the Properties ("**Connected Leasing Transactions**"). As at 30 June 2023, other than leasing of premises within a building (such as an office unit or a shop), the Connected Leasing Transactions also include leasing of the carparks located at City Development Plaza, Fortune Plaza, Guangzhou IFC, Yuexiu Financial Tower, Wuhan Property, Shanghai Yue Xiu Tower, and Hangzhou Property, and licensing of signage spaces in the common areas and on the exterior of Yuexiu Financial Tower for displaying the names and logos of designated companies under the Connected Naming Rights Agreement.

As the Connected Leasing Transactions constitute continuing connected party transactions of Yuexiu REIT, the Manager (on behalf of the Yuexiu REIT Group) entered into the New Leasing Framework Agreement with GZYX on 22 November 2023, which is conditional upon the passing of the EGM Resolution in relation to the CCPT Matters Requiring Approval. The Property Companies (as landlords) will enter into or renew individual leases or licences with the Yuexiu Connected Tenants and other members of the Yuexiu Connected Persons Group from time to time consistent with the New Leasing Framework Agreement.

The principal terms of the New Leasing Framework Agreement are set out below:

1.2.1.1 Term and termination

The New Leasing Framework Agreement is for a term of three years from 1 January 2024 to 31 December 2026, which renewable for a successive period of three years, subject to the compliance with the relevant requirements of the REIT Code and the Listing Rules. The New Leasing Framework Agreement is conditional on the passing of the EGM Resolution to approve the CCPT Matters Requiring Approval, failing which the New Leasing Framework Agreement shall automatically terminate pursuant to its terms.

Upon the renewal of the New Leasing Framework Agreement, Yuexiu REIT will re-comply with the applicable disclosure and/or Independent Unitholders' approval requirements and other requirements under the REIT Code and the Listing Rules. In the event that the term of the annual caps, to which the Connected Leasing Transactions entered into in accordance with the New Leasing Framework Agreement are subject, expires prior to the end of the term of any Connected Leasing Transaction and is not renewed, Yuexiu REIT will comply in full with the applicable requirements under the REIT Code and the Listing Rules in respect of such Connected Leasing Transaction for the excess term.

The New Leasing Framework Agreement will be terminated where: (a) either party gives the other party not less than three months' prior written notice, provided that all the then-subsisting Connected Leasing Transactions have been terminated; (b) the Units cease to be listed on the Stock Exchange (except for temporary suspension of trading); (c) the Manager ceases to be a subsidiary of GZYZ and GZYZ ceases to be an associate of a Substantial Unitholder of Yuexiu REIT (being Dragon Yield); (d) the transactions under all the then-subsisting Connected Leasing Transactions cease to be connected party transactions and/or continuing connected party transactions as defined under the REIT Code and the Listing Rules (modified as appropriate pursuant to the REIT Code); (e) a party to the New Leasing Framework Agreement ceases to carry on business; or (f) a party to the New Leasing Framework Agreement commits a material breach of any material obligation thereunder and in the case of a breach that is capable of remedy, fails to remedy that breach within 30 days of receipt of a written notice from the other party stating the particulars of the breach and requiring it to be remedied.

1.2.1.2 Pricing policy

Pursuant to the New Leasing Framework Agreement, each party thereto agrees that, and agrees to procure the relevant contracting parties to the Connected Leasing Transactions to ensure that, each Connected Leasing Transaction shall be entered into or otherwise conducted: (a) in writing; (b) on an arm's length basis and in the ordinary and usual course of business of Yuexiu REIT; (c) on normal commercial terms or better (as defined under rule 14A.06(26) of the Listing Rules) that are fair and reasonable and in the best interests of the Unitholders; (d) at a rent that is determined by reference to the then current open market rent at the commencement date of the term of the relevant Connected Leasing Transaction which would be paid by a willing tenant to a willing landlord for similar premises in a similar development; and (e) in compliance with the terms of the New Leasing Framework Agreement and all applicable provisions of the REIT Code, the Listing Rules and the Trust Deed.

1.2.1.3 Existing annual caps, historical transaction amounts and New Annual Caps

The table below sets out: (i) the historical transaction amounts in respect of the Connected Leasing Transactions for the years ended 31 December 2020 to 2022 and for the six months ended 30 June 2023; (ii) the existing annual caps in respect of the Connected Leasing Transactions for the years ended 31 December 2020 to 2025; and (iii) the New Annual Caps for the Connected Leasing Transactions covered by the New Leasing Framework Agreement.

| | | For the year ended / ending | | | | | | |
|---|--------------------------------------|--|---------------------------|---------------------------|-----------------------------|--------------------------|--------------------------|---------------------|
| | | 31 December 2020 | 31 December 2021 | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 December 2025 | 31 December 2026 |
| | | Existing Annual Caps / (Historical Transaction Amounts) ('000) | | | | | | |
| Mainland Portfolio | Existing Annual Caps | RMB337,874 ⁽¹⁾ | RMB394,186 ⁽²⁾ | RMB583,994 ⁽³⁾ | RMB649,195 ⁽³⁾ | N/A | N/A | N/A |
| | Historical Transaction Amounts | (RMB247,583) | (RMB251,210) | (RMB349,155) | (RMB174,279) ⁽⁴⁾ | | | |
| Hong Kong Properties | Existing Annual Caps | N/A ⁽⁵⁾ | N/A ⁽⁵⁾ | HK\$308.4 ⁽⁵⁾ | HK\$3,700.8 ⁽⁵⁾ | HK\$2,620 ⁽⁵⁾ | HK\$1,694 ⁽⁵⁾ | N/A |
| | Historical Transaction Amounts | | | (HK\$84) | (HK\$1,834) ⁽⁴⁾ | | | |
| Total ⁽⁶⁾ | Existing Annual Caps | RMB337,874 | RMB394,186 | RMB584,277 | RMB652,595 | RMB2,407 | RMB1,556 | N/A |
| | Historical Transaction Amounts | (RMB247,583) | (RMB251,210) | (RMB349,232) | (RMB175,964) | | | |
| | | New Annual Caps ⁽⁶⁾⁽⁷⁾ ('000) | | | | | | |
| All the properties of Yuexiu REIT | N/A | N/A | N/A | N/A | N/A | RMB545,918 | RMB573,372 | RMB603,203 |

Notes:

- (1) Pursuant to the 2017 Extended Waiver.
- (2) Pursuant to the 2020 Extended Waiver.
- (3) Pursuant to the Existing Leasing Framework Agreement.
- (4) Historical transaction amounts for the six months ended 30 June 2023.
- (5) As disclosed in the Hong Kong Acquisition Announcement.
- (6) To calculate the total amount of existing annual caps, historical transaction amounts and New Annual Caps in RMB, HK\$ received in respect of the Hong Kong Properties has been converted into RMB at the exchange rate of HKD1.00 to RMB0.91866, being the prevailing exchange rate as announced by the People's Bank of China as at the Latest Practicable Date. This exchange rate is for illustration purposes only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at that rate or any other rate at all.
- (7) For the reasons set out in the section headed "1.1 Background" in this announcement, the Connected Leasing Transactions covered by the New Leasing Framework Agreement will include, among others, those pertaining to the Hong Kong Properties. Accordingly, rather than having two separate sets of annual caps for the Mainland Portfolio and the Hong Kong Properties, the Manager proposes a combined annual cap for all Connected Leasing Transactions covered by the New Leasing Framework Agreement as also set out above.

As the New Annual Caps overlap with the existing annual caps for the Hong Kong Properties for the years ending 31 December 2024 and 2025, the New Annual Caps shall replace the existing annual caps for the same period conditional upon the passing of the EGM Resolution, while the existing annual caps for the Hong Kong Properties shall apply until 31 December 2023.

1.2.1.4 Basis of Calculation of New Annual Caps

The proposed caps in respect of the Connected Leasing Transactions were calculated on the following basis:

- (a) determining the actual rent payable to Yuexiu REIT under the subsisting Connected Leasing Transactions for each of the years ending 31 December 2024, 2025 and 2026. Where an existing Connected Leasing Transaction expires prior to 31 December 2026, the Manager has assumed that the Connected Leasing Transaction will be renewed at a new rental rate which is 5% higher than the last rental rate for the expired lease, and will increase by a further 5% for each subsequent year; and
- (b) applying a buffer of 20% for the total actual or assumed rent calculated on the above-mentioned basis. Such buffer is intended to: (i) cater for contingencies such as changes in rental rates or other market conditions; and (ii) provide flexibility for any new or additional Connected Leasing Transactions to be entered into or assumed by Yuexiu REIT as a result of, during the relevant financial periods: (x) members of the Yuexiu Connected Persons Group taking up the premises currently leased to independent third parties when such leases expire; and (y) new Properties (if any) being acquired by Yuexiu REIT.

The Manager's use of an assumed annual rental growth rate of 5% for determining the proposed caps for the Connected Leasing Transactions is based principally on the following factors: (a) the high volatility of rentals of properties in the PRC and Hong Kong; (b) the potential increases in rentals of comparable properties by reference to historical figures; and (c) inflation.

1.2.1.5 Reasons for, and benefits of, the New Leasing Framework Agreement

Given the sizeable and established operations of the members of the Yuexiu Connected Persons Group, the leasing of areas within the Properties to members of the Yuexiu Connected Persons Group has provided a stable source of rental income to Yuexiu REIT. The Manager takes the view that the leasing of these areas to members of the Yuexiu Connected Persons Group is in line with Yuexiu REIT's key investment objective to provide Unitholders with stable distributions through investing in income-producing real estate.

In addition, the Manager considers that the New Leasing Framework Agreement can set out a framework for and streamline and standardise the leasing processes in respect of all the properties or premises owned by Yuexiu REIT from time to time (including the Hong Kong Properties), and is therefore conducive to the continuous growth and operations of, and will generate recurrent rental income for, Yuexiu REIT. Further, the Manager is of the view that the New Leasing Framework Agreement can provide a basis on which Yuexiu REIT will comply with the relevant reporting, announcement and annual review requirements (to the extent applicable) in compliance with the REIT Code and the Listing Rules, thereby reducing the ongoing administrative and compliance costs upon Yuexiu REIT in respect of the Connected Leasing Transactions which are entered into in its ordinary and usual course of business. Accordingly, the Manager considers the New Leasing Framework Agreement to be beneficial to Yuexiu REIT and its Unitholders as a whole.

1.2.1.6 Application of the REIT Code and the Listing Rules

GZYZ is the ultimate holding company of the Manager and a Substantial Unitholder of Yuexiu REIT (being Dragon Yield), and therefore an associate of such entities and a connected person of Yuexiu REIT. Accordingly, the Connected Leasing Transactions constitute continuing connected party transactions of Yuexiu REIT pursuant to the REIT Code and the Listing Rules. As the highest applicable percentage ratio for the transactions contemplated under the New Leasing Framework Agreement is, on an annual basis, expected to exceed 5%, these transactions will be subject to the reporting, annual review, announcement, circular and Independent Unitholders' approval requirements under Chapter 14A of the Listing Rules (modified as appropriate pursuant to the REIT Code). The Connected Leasing Transactions do not constitute a transaction as defined under Chapter 14 of the Listing Rules.

1.2.2 New Tenancy Services Framework Agreement

As part of Yuexiu REIT's ordinary and usual course of business, members of the Yuexiu Connected Persons Group and members of the Yuexiu REIT Group have entered into, or will from time to time enter into or renew, the tenancy services agreements for the Properties (collectively, the "**Connected TSAs**"). Under the Connected TSAs, members of the Yuexiu Connected Persons Group provide tenancy services to the Yuexiu REIT Group including, among other things: (i) lease management services; (ii) rental collection services; (iii) tenant relationship management services; and (iv) marketing services. As consideration for these services, an annual leasing agent fee ranging from approximately 3% to approximately 4% of the annual gross rental of the relevant Property is typically charged by the relevant member of the Yuexiu Connected Persons Group. Such fee was and will be determined based on arms' length negotiation, and was no less favourable than the fees which independent third parties would charge in comparison for provision of similar services.

As the Connected TSAs constitute continuing connected party transactions of Yuexiu REIT, the Manager (on behalf of the Yuexiu REIT Group) entered into the New Tenancy Services Framework Agreement to set out the framework for the entry into and renewal of, individual Connected TSAs from time to time.

The principal terms of the New Tenancy Services Framework Agreement are set out below.

1.2.2.1 Term and termination

The New Tenancy Services Framework Agreement is for a term of three years from 1 January 2024 to 31 December 2026, which is renewable for a successive period of three years, subject to the compliance with the relevant requirements of the REIT Code and the Listing Rules.

Upon renewal of the New Tenancy Services Framework Agreement, Yuexiu REIT will re-comply with the applicable disclosure and/or Independent Unitholders' approval requirements and other requirements under the REIT Code and the Listing Rules. In the event that the term of the annual caps, to which the Connected TSAs entered into in accordance with the New Tenancy Services Framework Agreement are subject, expires prior to the end of the term of any Connected TSA and is not renewed, Yuexiu REIT will comply in full with the applicable requirements under the REIT Code and the Listing Rules in respect of such Connected TSA for the excess term.

The New Tenancy Services Framework Agreement will be terminated where: (a) either party gives the other party not less than three months' prior written notice, provided that all the then-subsisting Connected TSAs have been terminated; (b) the Units cease to be listed on the Stock Exchange (except for temporary suspension of trading); (c) the Manager ceases to be a subsidiary of GZYX and GZYX ceases to be an associate of a Substantial Unitholder of Yuexiu REIT (being Dragon Yield); (d) the transactions under all the then-subsisting Connected TSAs cease to be connected party transactions and/or continuing connected party transactions as defined under the REIT Code and the Listing Rules (modified as appropriate pursuant to the REIT Code); (e) a party to the New Tenancy Services Framework Agreement ceases to carry on business; or (f) a party to the New Tenancy Services Framework Agreement commits a material breach of any material obligation thereunder and in the case of a breach that is capable of remedy, fails to remedy that breach within 30 days of receipt of a written notice from the other party stating the particulars of the breach and requiring it to be remedied.

1.2.2.2 Pricing policy

Pursuant to the New Tenancy Services Framework Agreement, each party thereto agrees that, and agrees to procure the relevant contracting parties to the Connected TSAs to ensure that, each Connected TSA shall be entered into or otherwise conducted: (a) in writing; (b) on an arm's length basis and in the ordinary and usual course of business of Yuexiu REIT; (c) on normal commercial terms or better (as defined under rule 14A.06(26) of the Listing Rules) that are fair and reasonable and in the best interests of the Unitholders; (d) at the prevailing market rate generally offered by independent third parties in respect of similar services; and (e) in compliance with the terms of the New Tenancy Services Framework Agreement and all applicable provisions of the REIT Code, the Listing Rules and the Trust Deed.

1.2.2.3 Existing annual caps, historical transaction amounts and New Annual Caps

The table below sets out: (i) the existing annual caps in respect of the Connected TSAs for the years ended 31 December 2020 to 2023; (ii) the historical transaction amounts during this period; and (iii) the New Annual Caps in respect of the Connected TSAs entered into in accordance with the New Tenancy Services Framework Agreement.

| | For the year ended/ending | | | | | | |
|--------------------------------|---|-----------------------|-----------------------|-------------------------|---------------------|---------------------|---------------------|
| | 31 December 2020 | 31 December 2021 | 31 December 2022 | 31 December 2023 | 31 December 2024 | 31 December 2025 | 31 December 2026 |
| | Existing Annual Caps/(Historical Transaction Amounts) | | | | | | |
| | RMB'000 | | | | | | |
| Existing Annual Caps | 76,794 ⁽¹⁾ | 59,824 ⁽²⁾ | 78,945 ⁽³⁾ | 86,313 ⁽³⁾ | N/A | N/A | N/A |
| Historical Transaction Amounts | (43,973) | (43,861) | (46,713) | (24,743) ⁽⁴⁾ | | | |
| | New Annual Caps | | | | | | |
| | RMB'000 | | | | | | |
| | N/A | N/A | N/A | N/A | 62,352 | 65,470 | 68,743 |

Notes:

- (1) Pursuant to the 2017 Extended Waiver.
- (2) Pursuant to the 2020 Extended Waiver.
- (3) Pursuant to the Existing Leasing Framework Agreement.
- (4) Historical transaction amounts for the six months ended 30 June 2023.

1.2.2.4 Basis of Calculation of New Annual Caps

The New Annual Cap for the year ending 31 December 2024 has been calculated on the following basis:

- (a) annualising the amount of actual fees paid by Yuexiu REIT for the Connected TSAs for the six months ended 30 June 2023;

- (b) applying an increment of 5% to the amount resulting from paragraph (a) above, as assumed rental growth rate over the year (noting that the fees are charged as a percentage of annual gross rental), with some minor rounding up of figures; and
- (c) applying an increment of 20% to the amount resulting from paragraph (b) above, as a buffer for contingencies such as: (i) changes in rental or other market conditions; and (ii) increase in tenancy services transaction activities.

The proposed caps for the years ending 31 December 2025 and 2026 in relation to the Connected TSAs have been determined by applying an increment of 5% to the proposed cap for the preceding year, as assumed growth rate over the year, with some minor rounding up of figures. The Manager's use of an assumed annual rental growth rate of 5% for determining the proposed caps for the Connected TSAs is based on expected inflationary increases in tenancy works expenses and the historical growth of transaction amounts.

1.2.2.5 Reasons for, and benefits of, the New Tenancy Services Framework Agreement

Over the course of the operation of Yuexiu REIT, the Property Companies have from time to time entered into or renewed tenancy services agreements with members of the Yuexiu Connected Persons Group to provide tenancy services to tenants of the Properties. The Manager believes that these members of the Yuexiu Connected Persons Group are well-positioned to provide tenancy services to tenants given the established business relationship with the Property Companies and understanding of the operations, standards and specific needs of the Property Companies.

The Manager considers that the New Tenancy Services Framework Agreement can provide a basis on which Yuexiu REIT will comply with the relevant reporting, announcement and annual review requirements (to the extent applicable) in compliance with the REIT Code and the Listing Rules, and thereby enhances administrative efficiency and saves costs for Yuexiu REIT in complying with such requirements. Accordingly, it is expected that the arrangements under the New Tenancy Services Framework Agreement would be cost-efficient and in the interests of Yuexiu REIT and its Unitholders.

1.2.2.6 Application of the REIT Code and the Listing Rules

Yuexiu Property, which wholly-owns the Manager and a Substantial Unitholder of Yuexiu REIT (being Dragon Yield), is an associate of the Manager and Dragon Yield and hence a connected person of Yuexiu REIT. Accordingly, the transactions under the New Tenancy Services Framework Agreement constitute continuing connected party transactions of Yuexiu REIT pursuant to the REIT Code and the Listing Rules. As the highest applicable percentage ratio for the transactions contemplated under

the New Tenancy Services Framework Agreement is, on an annual basis, expected to exceed 0.1% but be less than 5%, these transactions will be exempt from the circular (including the opinion and recommendations from an independent financial adviser) and Independent Unitholders' approval requirements, but will be subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules (modified as appropriate pursuant to the REIT Code).

1.3 Fully-exempt Continuing Connected Party Transactions with Yuexiu Connected Persons Group

Yuexiu REIT Group entered into the following continuing connected party transactions which are fully exempt from the reporting, annual review, announcement and Independent Unitholders' approval requirements under the REIT Code and Chapter 14A of the Listing Rules (modified as appropriate pursuant to the REIT Code):

1.3.1 New Property Management Framework Agreement

As part of the Yuexiu REIT's ordinary and usual course of business, members of the Yuexiu Connected Persons Group and members of the Yuexiu REIT Group have entered into, or will from time to time enter into or renew, the property management agreements in respect of the Properties (collectively, the "**Connected PMAs**"). The property management services provided by the members of the Yuexiu Connected Persons Group under the Connected PMAs include, among other things, upkeep, repair and maintenance services of the common areas and facilities of the Properties, monitoring and security services, obtaining the relevant insurances required for the Properties, drawing up a user manual and establishing local rules for the properties, as well as producing annual property management plans. Under the existing Connected PMAs, the relevant property manager is entitled to collect a monthly property management fee from tenants which ranges from RMB12.5 to RMB55.0 per square metre, depending on the nature of the relevant Property.

As the Connected PMAs constitute continuing connected party transactions of Yuexiu REIT, the Manager (on behalf of the Yuexiu REIT Group) entered into the New Property Management Framework Agreement to set out the framework for the entering and renewal of individual Connected PMAs from time to time.

The principal terms of the New Property Management Framework Agreement are set out below.

1.3.1.1 Term and termination

The New Property Management Framework Agreement is for a term of three years from 1 January 2024 to 31 December 2026, which is renewable for a successive period of three years, subject to the compliance with the relevant requirements of the REIT Code and the Listing Rules.

Upon renewal of the New Property Management Framework Agreement, Yuexiu REIT will re-comply with the applicable disclosure and/or Independent Unitholders' approval requirements and other requirements under the REIT Code and the Listing Rules. In the event that the term of the annual caps, to which the Connected PMAs entered into in accordance with the New Property Management Framework Agreement are subject expires prior to the end of the term of any Connected PMA and is not renewed, Yuexiu REIT will comply in full with the applicable requirements under the REIT Code and the Listing Rules in respect of such Connected PMA for the excess term.

The New Property Management Framework Agreement will be terminated where: (a) either party gives the other party not less than three months' prior written notice, provided that all the then-subsisting Connected PMAs have been terminated; (b) the Units cease to be listed on the Stock Exchange (except for temporary suspension of trading); (c) the Manager ceases to be a subsidiary of GZYX and GZYX ceases to be an associate of a Substantial Unitholder of Yuexiu REIT (being Dragon Yield); (d) the transactions under all the then-subsisting Connected PMAs cease to be connected party transactions and/or continuing connected party transactions as defined under the REIT Code and the Listing Rules (modified as appropriate pursuant to the REIT Code); (e) a party to the New Property Management Framework Agreement ceases to carry on business; or (f) a party to the New Property Management Framework Agreement commits a material breach of any material obligation thereunder and in the case of a breach that is capable of remedy, fails to remedy that breach within 30 days of receipt of a written notice from the other party stating the particulars of the breach and requiring it to be remedied.

1.3.1.2 Pricing policy

Pursuant to the New Property Management Framework Agreement, each party thereto agrees that, and agrees to procure the relevant contracting parties to the Connected PMAs to ensure that, each Connected PMA shall be entered into or otherwise conducted: (a) in writing; (b) on an arm's length basis and in the ordinary and usual course of business of Yuexiu REIT; (c) on normal commercial terms or better (as defined under rule 14A.06(26) of the Listing Rules) that are fair and reasonable and in the best interests of the Unitholders; and (d) in compliance with the terms of the New Property Management Framework Agreement and all applicable provisions of the REIT Code, the Listing Rules and the Trust Deed.

1.3.1.3 Annual caps and historical transaction amounts

As the property management fees payable under the Connected PMAs are paid by tenants, rather than Yuexiu REIT or the Property Companies, the historical transaction amounts since 1 January 2020 have been nil. For the same reason, the annual caps for the New Property Management Framework Agreement for each of the years ending 31 December 2024, 2025 and 2026 will be nil.

1.3.1.4 Application of the REIT Code and the Listing Rules

GZYG is the ultimate holding company of the Manager and a Substantial Unitholder of Yuexiu REIT (being Dragon Yield), and therefore an associate of such entities and a connected person of Yuexiu REIT. Accordingly, the transactions under the New Tenancy Services Framework Agreement therefore constitutes continuing connected party transactions of Yuexiu REIT pursuant to the REIT Code and the Listing Rules.

As the property management fees payable under the Connected PMAs will be paid by the relevant tenants and no property management fees will be paid by the Yuexiu REIT Group, the transactions contemplated under the New Property Management Framework Agreement will be within the *de minimis* threshold under rule 14A.76(1) of the Listing Rules (modified as appropriate pursuant to the REIT Code) and be fully exempt from the reporting, annual review, announcement and Independent Unitholders' approval requirements under Chapter 14A of the Listing Rules (modified as appropriate pursuant to the REIT Code).

1.4 Internal controls

The Manager has established an internal control system to ensure that connected party transactions between the Yuexiu REIT Group and the Yuexiu Connected Persons Group are monitored and that such transactions are undertaken on terms in compliance with the REIT Code. As required by the REIT Code, all connected party transactions must, among other things, be carried out at arm's length, on normal commercial terms and in the interests of Unitholders. The following internal control measures are in place to ensure that such transactions satisfy the foregoing criteria:

- (a) For the Connected Leasing Transactions, the Manager shall engage an independent valuer (whom may be the then principal valuer of Yuexiu REIT, or if the principal valuer is unavailable, an independent property consultancy firm which is able to satisfy the requisite criteria under Chapter 6 of the REIT Code) to opine on whether any lease or licence agreement is on normal commercial terms, and whether the rental amount thereunder is fair and reasonable and represent the prevailing market rent for similar properties in the locality that are used for similar purposes, before any such agreement is entered into or when it is renewed (except where it is conducted on standard or published rates).

- (b) For the Connected TSAs, before entering into or renewing transactions for tenancy services, the Manager shall obtain three quotations (where practicable) from different service providers, including one from the relevant member of the Yuexiu Connected Persons Group and two from independent third parties (where practicable), to conduct a comparison of the fees before the transaction is entered into, to ensure that such fees are at the then prevailing market rate.
- (c) For the Connected PMAs, given property management fees were historically borne by tenants rather than Yuexiu REIT or the Property Companies, the Manager will ensure that such arrangement remains the same with respect to all existing Connected PMAs and any Connected PMAs entered into from time to time.
- (d) The Manager maintains a register to record all connected party transactions which are entered into by members of the Yuexiu REIT Group and where applicable, the bases, including quotations from independent third parties and/or independent valuations obtained to support such bases, on which they are entered into. The Manager will review the quotations to ensure reasonableness having regard to the scale, scope and quality of services required, and the reputation, experience and track record of performance of the service providers.
- (e) The register of connected party transactions is reviewed by the Manager on a quarterly basis to ensure the relevant annual caps are not exceeded.
- (f) As a general rule, the Manager will demonstrate to the Audit Committee of the Board that all connected party transactions are carried out at arm's length, on normal commercial terms and in the interests of Unitholders. In particular, the Audit Committee is provided with a summary of the connected party transactions including their transaction amounts on a half-yearly basis.
- (g) The internal auditor of the Manager will review all connected party transactions entered into by the Yuexiu REIT Group on an annual basis. The Manager will incorporate into its internal audit plan a review of all connected party transactions entered into by the Yuexiu REIT Group.

1.5 Review and reporting

The Yuexiu Continuing CPTs will be subject to the following review and reporting processes pursuant to paragraph 8.7A of the REIT Code and rules 14A.55 to 14A.59, 14A.71 and 14A.72 of the Listing Rules (as modified under the REIT Code):

1.5.1 Annual review by the INEDs

The INEDs shall review the Yuexiu Continuing CPTs annually and confirm in Yuexiu REIT's annual report for the relevant financial period that each of those transactions has been entered into: (a) in the ordinary and usual course of business of the Yuexiu REIT Group; (b) on normal commercial terms or better; and (c) in accordance with the relevant agreement governing it on terms that are fair and reasonable and in the interests of Yuexiu REIT and the Unitholders as a whole.

1.5.2 Annual review by the auditors

In respect of each relevant financial year, the Manager shall engage the auditors of Yuexiu REIT to report on the Yuexiu Continuing CPTs annually. The auditors of Yuexiu REIT must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that any such transactions: (a) have not been approved by the Board; (b) were not, in all material respects, in accordance with the pricing policies of the Yuexiu REIT Group; (c) were not entered into, in all material respects, in accordance with the relevant agreement governing it; and (d) have exceeded the applicable annual cap. The Manager shall provide a copy of such auditors' letter to the SFC at least 10 Business Days before the bulk printing of the annual report of Yuexiu REIT.

1.5.3 Auditors' access to records

The Manager shall allow, and ensure that the counterparties to the Yuexiu Continuing CPTs allow, the auditors of Yuexiu REIT sufficient access to their records for the purpose of reporting on such transactions.

1.5.4 Notification to the SFC

The Manager shall promptly notify the SFC and publish an announcement if the INEDs and/or the auditors of Yuexiu REIT cannot confirm the matters set out in sections 1.5.1 and 1.5.2 above, respectively above. The SFC may require the Manager to re-comply with the announcement and Unitholders' approval requirements and may impose additional conditions.

1.5.5 Annual reports

A brief summary of the Yuexiu Continuing CPTs containing the information specified in rules 14A.71 and 14A.72 of the Listing Rules shall be included in Yuexiu REIT's annual reports.

1.6 Views relating to the New Framework Agreements

Pursuant to rule 14A.40 of the Listing Rules, the Independent Board Committee (comprising all of the INEDs) has been established by the Board to advise the Independent Unitholders on the matters relating to the New Leasing Framework Agreement. Pursuant to rule 14A.44 of the Listing Rules, the Independent Financial Adviser has been appointed to make recommendations to the Independent Board Committee, the Independent Unitholders and the Trustee on the matters relating to the New Leasing Framework Agreement under rule 14A.45 of the Listing Rules.

1.6.1 Board

The Board (including the INEDs) considers that the Connected Leasing Transactions contemplated under the New Leasing Framework Agreement form an integral part of the normal business and operations of Yuexiu REIT, and having taken account of the duties of the Manager under the Trust Deed and the REIT Code, is of the view that:

- (a) the terms of the New Leasing Framework Agreement and the basis for the Connected Leasing Transactions contemplated thereunder, as well as the proposed New Annual Caps and the basis of arriving at the same, are fair and reasonable as far as the Independent Unitholders are concerned and are in the interests of Yuexiu REIT, the Independent Unitholders, as well as the Unitholders as a whole;
- (b) the Connected Leasing Transactions contemplated under the New Leasing Framework Agreement: (i) are and will be conducted in the ordinary and usual course of business of Yuexiu REIT and consistent with the investment objectives and strategy of Yuexiu REIT and in compliance with the REIT Code and the Trust Deed; (ii) are and will be conducted on terms which are and will be at arm's length and on normal commercial terms; and (iii) are and will be fair and reasonable and in the interests of Yuexiu REIT, the Independent Unitholders, as well as the Unitholders as a whole; and
- (c) the Connected TSAs contemplated under the New Tenancy Services Framework Agreement and the Connected PMAs contemplated under the New Property Management Framework Agreement: (i) are consistent with the investment objectives and strategy of Yuexiu REIT and in compliance with the REIT Code

and the Trust Deed; (ii) are on normal commercial terms, in the ordinary and usual course of business of the Yuexiu REIT Group and will be carried out at arm's length; and (iii) are fair and reasonable and in the interests of Yuexiu REIT and the Unitholders as a whole.

Accordingly, the Board recommends that the Independent Unitholders vote at the EGM in favour of the EGM Resolution to approve the New Leasing Framework Agreement and the proposed New Annual Caps applicable thereto.

1.6.2 Independent Financial Adviser

The Independent Financial Adviser has confirmed that it is of the view that:

- (a) the terms of the New Leasing Framework Agreement and the basis for the Connected Leasing Transactions contemplated thereunder, as well as the proposed New Annual Caps and the basis of arriving at the same, are fair and reasonable as far as the Independent Unitholders are concerned and are in the interests of Yuexiu REIT, the Independent Unitholders, as well as the Unitholders as a whole; and
- (b) the Connected Leasing Transactions contemplated under the New Leasing Framework Agreement: (i) are and will be conducted in the ordinary and usual course of business of Yuexiu REIT and consistent with the investment objectives and strategy of Yuexiu REIT and in compliance with the REIT Code and the Trust Deed; (ii) are and will be conducted on terms which are and will be at arm's length and on normal commercial terms; and (iii) are and will be fair and reasonable and in the interests of Yuexiu REIT, the Independent Unitholders, as well as the Unitholders as a whole.

Your attention is drawn to the Letter from the Independent Financial Adviser appended to the Circular which contains the Independent Financial Adviser's opinion and recommendation (including the reasons for its opinion and the factors that it has taken into consideration in forming its opinion).

1.6.3 Independent Board Committee

The Independent Board Committee, having taken into account the opinion and recommendation of the Independent Financial Adviser, is of the view that:

- (a) the terms of the New Leasing Framework Agreement and the basis for the Connected Leasing Transactions contemplated thereunder, as well as the proposed New Annual Caps and the basis of arriving at the same, are fair and reasonable as far as the Independent Unitholders are concerned and are in the interests of Yuexiu REIT, the Independent Unitholders, as well as the Unitholders as a whole; and

- (b) the Connected Leasing Transactions contemplated under the New Leasing Framework Agreement: (i) are and will be conducted in the ordinary and usual course of business of Yuexiu REIT and consistent with the investment objectives and strategy of Yuexiu REIT and in compliance with the REIT Code and the Trust Deed; (ii) are and will be conducted on terms which are and will be at arm's length and on normal commercial terms; and (iii) are and will be fair and reasonable and in the interests of Yuexiu REIT, the Independent Unitholders, as well as the Unitholders as a whole.

Accordingly, the Independent Board Committee recommends that the Independent Unitholders vote at the EGM in favour of the EGM Resolution to approve the New Leasing Framework Agreement and the proposed New Annual Caps applicable thereto.

Your attention is drawn to the Letter from the Independent Board Committee appended to the Circular which contains the Independent Board Committee's opinion and recommendation.

1.6.4 Trustee

Based and in sole reliance on: (1) the opinion of the Board set out in this announcement and the information and assurances provided by the Manager; (2) the Letter from the Independent Financial Adviser; and (3) the Letter from the Independent Board Committee, in each case, to be set out in the Circular, the Trustee, having taken into account its duties in the Trust Deed and the REIT Code is of the view that:

- (a) the terms of the New Leasing Framework Agreement and the basis for the Connected Leasing Transactions contemplated thereunder, as well as the proposed New Annual Caps and the basis of arriving at the same, are fair and reasonable and in the interests of Yuexiu REIT, the Independent Unitholders, as well as the Unitholders as a whole;
- (b) the Connected Leasing Transactions contemplated under the New Leasing Framework Agreement are: (i) consistent with the investment objectives and strategy of Yuexiu REIT and in compliance with the REIT Code and the Trust Deed; (ii) on normal commercial terms; and (iii) fair and reasonable and in the interests of Yuexiu REIT, the Independent Unitholders, as well as the Unitholders as a whole;
- (c) the Connected TSAs contemplated under the New Tenancy Services Framework Agreement and the Connected PMAs contemplated under the New Property Management Framework Agreement are: (i) consistent with the investment objectives and strategy of Yuexiu REIT and in compliance with the REIT Code and the Trust Deed; (ii) on normal commercial terms; and (iii) fair and reasonable and in the interests of Yuexiu REIT and the Unitholders as a whole; and

- (d) Independent Unitholders' approval is required for the New Leasing Framework Agreement, but Independent Unitholders' approval is not required under the REIT Code or the Trust Deed for the entry into of the New Tenancy Services Framework Agreement and the New Property Management Framework Agreement.

Subject to such Independent Unitholders' approval of the CCPT Matters Requiring Approval, the Trustee does not have any objection to the entry into of the Connected Leasing Transactions, the Connected TSAs and the Connected PMAs in accordance with the terms of the New Leasing Framework Agreement, the New Tenancy Services Framework Agreement and the New Property Management Framework Agreement respectively (and the New Annual Caps applicable thereto).

The Trustee has not made any assessment of the merits or impact of the New Leasing Framework Agreement, the Connected Leasing Transactions contemplated under the New Leasing Framework Agreement and the proposed New Annual Caps applicable thereto, other than for the purposes of fulfilling its duties in the Trust Deed and the REIT Code. The Trustee's view is not to be taken as a recommendation or representation by the Trustee of the merits or impact of the terms of the New Leasing Framework Agreement, the Connected Leasing Transactions contemplated under the New Leasing Framework Agreement and the proposed New Annual Caps applicable thereto. **Accordingly, the Trustee urges all Unitholders, including those who are in any doubt as to the merits or impact of the terms of the New Leasing Framework Agreement, the Connected Leasing Transactions contemplated under the New Leasing Framework Agreement and the proposed New Annual Caps applicable thereto, to seek their own financial or other professional advice.**

2 INFORMATION ON PARTIES TO THE YUEXIU FRAMEWORK AGREEMENTS

(a) Yuexiu REIT and Manager

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 is principally engaged in the business of leasing of commercial properties in the PRC 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. The Manager is Yuexiu REIT Asset Management Limited, a subsidiary of Yuexiu Property, and the principal business activity of the Manager is being the manager of Yuexiu REIT.

(b) Yuexiu Property and GZYX

Yuexiu Property is a Hong Kong listed company (stock code: 00123) principally engaged in property development and investment, mainly focusing on properties in Guangzhou, the Pearl River Delta, Yangtze River Delta, Bohai Rim Economic Zone and Central Region.

GZYX is a company established in the PRC with limited liability, which is majority owned by the Guangzhou Municipal People's Government of the PRC. GZYX is the holding company of Yue Xiu and, through its indirect ownership of approximately 43.4% of the issued shares of Yuexiu Property, the ultimate holding company of Yuexiu Property and its subsidiaries which includes the Manager and a Substantial Unitholder of Yuexiu REIT (being Dragon Yield). GZYX and its subsidiaries are engaged in various businesses, including (i) real estate and property development business; (ii) commercial banking, asset management, finance leasing, futures, business investment and other financial services; (iii) transportation, infrastructure and construction business; and (iv) livestock breeding, dairy industry, food processing and other businesses.

3 DESPATCH OF CIRCULAR, EGM, CLOSURE OF REGISTER OF UNITHOLDERS AND RESTRICTIONS ON VOTING

3.1 Despatch of Circular

Details of the above are more particularly set out in the Circular, which is expected to be despatched on 22 November 2023 together with the EGM Notice and the form of proxy for the EGM.

3.2 EGM

The EGM will be held at Plaza 1 to 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 13 December 2023 at 2:00 p.m., for the purpose of considering and, if thought fit, passing with or without amendments, the resolution set out in the EGM Notice. You can vote at the EGM if you are a Unitholder on Wednesday, 13 December 2023 which is the EGM Record Date.

3.3 Closure of Register of Unitholders

In order to determine which Unitholders will qualify to attend and vote at the EGM, the register of Unitholders of Yuexiu REIT will be closed from Friday, 8 December 2023 to Wednesday, 13 December 2023 (both days inclusive). During this period, no transfers of Units will be effected. For those Unitholders who are not already on the register of Unitholders, in order to qualify to attend and vote at the EGM, all Unit certificates accompanied by the duly completed transfer forms must be lodged with the unit registrar of Yuexiu REIT, Tricor Investor Services Limited of 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 7 December 2023.

3.4 Restrictions on Voting

As (i) Mr. Zeng Zhizhao, a non-executive Director, holds a senior management position with Yuexiu Property, and (ii) Mr. Li Feng, a non-executive Director, holds a senior management position with GZYY, each of them has abstained from voting on the board resolutions of the Manager in relation to the New Framework Agreements. Save as disclosed above, no Director had a material interest in the New Framework Agreements and thus was required to abstain from voting on the board resolutions of Yuexiu REIT in relation to the New Framework Agreements.

4 DEFINITIONS

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

| | |
|----------------------------------|--|
| 2017 Extended Waiver | the extension of the existing continuing connected party transaction waiver for the three financial years ended 31 December 2018 to 2020, as fully described in the circular of Yuexiu REIT dated 15 November 2017 |
| 2020 Extended Waiver | has the meaning ascribed to it in the 2021 Acquisition Circular |
| 2021 Acquisition Circular | has the meaning ascribed to it in the section headed “1.1 Background” in this announcement |
| associate | has the meaning ascribed to this term in the REIT Code |
| Audit Committee | the audit committee of the Manager |
| Board | the board of Directors |

| | |
|--|--|
| Business Day | any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between the hours of 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general business in Hong Kong |
| CCPT Matters Requiring Approval | the New Leasing Framework Agreement and the proposed New Annual Caps applicable thereto for the financial years ending 31 December 2024, 2025 and 2026 |
| Circular | the circular of Yuexiu REIT dated 22 November 2023 to be despatched by the Manager containing, amongst others: (i) the details of the CCPT Matters Requiring Approval; (ii) a letter from the Independent Board Committee in relation to the CCPT Matters Requiring Approval; and (iii) a letter from the Independent Financial Adviser in relation to the CCPT Matters Requiring Approval |
| City Development Plaza | means a 24-storey office commercial building erected over a 4-storey retail commercial podium and 2-storey basement carpark, located at Nos. 185, 187 and 189 Ti Yu West Road, Tianhe District, Guangzhou, Guangdong Province, the PRC, of which Yuexiu REIT holds the strata units comprising a majority of the total gross floor area |
| Connected Leasing Transactions | has the meaning ascribed to this term in the section headed “1.2.1 New Leasing Framework Agreement” in this announcement |
| Connected Naming Rights Agreement | the naming rights agreement dated 24 October 2021 entered into between Gain Force Investments Ltd. (being a wholly-owned subsidiary of Yuexiu REIT and the indirect owner of Yuexiu Financial Tower) and Yuexiu Property in respect of Yuexiu Financial Tower |
| connected person | has the meaning ascribed to this term in the REIT Code |

| | |
|---|--|
| Connected PMAs | has the meaning ascribed to this term in the section headed “1.3.1 New Property Management Framework Agreement” in this announcement |
| Connected TSAs | has the meaning ascribed to this term in the section headed “1.2.3 New Tenancy Services Framework Agreement” in this announcement |
| Director(s) | director(s) of the Manager |
| Dragon Yield | Dragon Yield Holding Limited, a BVI business company incorporated in the BVI and which is directly wholly-owned by Yuexiu Property and is a Substantial Unitholder of Yuexiu REIT holding approximately 30.81% of the issued Units as at the Latest Practicable Date |
| EGM | the extraordinary general meeting of Unitholders convened by and referred to in the EGM Notice |
| EGM Notice | the notice included in the Circular in respect of the EGM to consider and, if thought fit, approve the CCPT Matters Requiring Approval |
| EGM Record Date | 13 December 2023, being the date by reference to which the eligibility of the Unitholders to participate in the EGM will be determined |
| EGM Resolution | the resolution to be passed at the EGM, as set out in the EGM Notice |
| Existing Framework Agreements | collectively, the Existing Leasing Framework Agreement, Existing Property Management Framework Agreement and Existing Tenancy Services Framework Agreement |
| Existing Leasing Framework Agreement | the framework agreement dated 24 October 2021 entered into by the Manager (on behalf of the Yuexiu REIT Group) and GZYS setting out the terms and conditions and pricing policy governing the Connected Leasing Transactions which are either in place or to be entered into or renewed from time to time for the period from 1 January 2022 to 31 December 2023 |

**Existing Property
Management Framework
Agreement**

the framework agreement dated 24 October 2021 entered into by the Manager (on behalf of the Yuexiu REIT Group) and GZYY setting out the terms and conditions and pricing policy governing the Connected PMAs which are either in place or to be entered into or renewed from time to time for the period from 1 January 2022 to 31 December 2023

**Existing Tenancy Services
Framework Agreement**

the framework agreement dated 24 October 2021 entered into by the Manager (on behalf of the Yuexiu REIT Group) and Yuexiu Property setting out the terms and conditions and pricing policy governing the Connected TSAs which are either in place or to be entered into or renewed from time to time for the period from 1 January 2022 to 31 December 2023

Fortune Plaza

means a 30-storey office tower (East Tower) and a 20-storey office tower (West Tower) erected over a 6-storey retail commercial podium and a 2-storey basement carpark, located at Nos. 114, 116 and 118 Ti Yu East Road, Tianhe District, Guangzhou, Guangdong Province, the PRC, of which Yuexiu REIT holds the strata units comprising a majority of the total gross floor area

Guangzhou IFC

means 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

GZYY

Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團股份有限公司), a company established in the PRC with limited liability, which is majority owned by the Guangzhou Municipal People's Government of the PRC. GZYY is a connected person of Yuexiu REIT for the reasons stated in the section headed "1.2.1.6 Application of the REIT Code and the Listing Rules" in this announcement

Hangzhou Property

means 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

| | |
|---|--|
| HK\$ | Hong Kong dollars, the lawful currency of Hong Kong |
| Hong Kong | The Hong Kong Special Administrative Region of the People's Republic of China |
| Hong Kong Acquisition Announcement | the announcement of Yuexiu REIT dated 20 December 2022 |
| Hong Kong Properties | Units 1 to 3 on the 17th floor and Units 1 to 3 on the 23rd floor of Yue Xiu Building, Nos.160-174 Lockhart Road, Wanchai, Hong Kong and acquired by Yuexiu REIT on 20 December 2022, particulars of which were set out in the Hong Kong Acquisition Announcement |
| Independent Board Committee | the independent committee established by the Board to advise the Independent Unitholders on the CCPT Matters Requiring Approval, comprising Mr. CHAN Chi On, Derek, Mr. CHAN Chi Fai, Brian, Mr. CHEUNG Yuk Tong and Mr. CHEN Xiaou, being all of the INEDs |
| Independent Financial Adviser | Somerley Capital Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee, the Independent Unitholders and the Trustee on the CCPT Matters Requiring Approval |
| Independent Unitholders | Unitholders other than those who have a material interest in the relevant resolutions that is different from that of all other Unitholders, within the meaning of paragraph 8.7F of the REIT Code |
| INED(s) | independent non-executive Director(s) |
| Latest Practicable Date | 16 November 2023, being the latest practicable date prior to the printing of the Circular for the purpose of ascertaining certain information contained in the Circular |
| Listing Rules | The Rules Governing the Listing of Securities on the Stock Exchange |

| | |
|--|--|
| Manager | Yuexiu REIT Asset Management Limited, in its capacity as manager of Yuexiu REIT, a company incorporated under the laws of Hong Kong, a licensed corporation to carry out Type 9 (asset management) regulated activity as defined in the SFO, which is directly wholly-owned by Yuexiu Property |
| Mainland Portfolio | means the Properties located in the PRC |
| New Annual Cap(s) | the proposed new annual cap amount(s) for the three years ending 31 December 2024, 2025 and 2026 respectively, as set out in the section headed “1.2.1.3 Existing annual caps, historical transaction amounts and New Annual Caps” (in respect of the Connected Leasing Transactions), and the section headed “1.2.2.3 Existing annual caps, historical transaction amounts and New Annual Caps” (in respect of the Connected TSAs) in this announcement |
| New Framework Agreements | collectively, the New Leasing Framework Agreement, the New Property Management Framework Agreement and the New Tenancy Services Framework Agreement |
| New Leasing Framework Agreement | the framework agreement dated 22 November 2023 by the Manager (on behalf of the Yuexiu REIT Group) and GZYX setting out the terms and conditions and pricing policy governing the Connected Leasing Transactions which are either in place or to be entered into or renewed from time to time for the period from 1 January 2024 to 31 December 2026 |
| New Property Management Framework Agreement | the framework agreement dated 22 November 2023 entered into by the Manager (on behalf of the Yuexiu REIT Group) and GZYX setting out the terms and conditions and pricing policy governing the Connected PMAs which are either in place or to be entered into or renewed from time to time for the period from 1 January 2024 to 31 December 2026 |

| | |
|---|--|
| New Tenancy Services Framework Agreement | the framework agreement dated 22 November 2023 entered into by the Manager (on behalf of the Yuexiu REIT Group) and Yuexiu Property setting out the terms and conditions and pricing policy governing the Connected TSAs which are either in place or to be entered into or renewed from time to time for the period from 1 January 2024 to 31 December 2026 |
| Ordinary Resolution | a resolution of Unitholders passed by a simple majority of the votes of those present, whether in person or by proxy, and entitled to vote, where the votes shall be taken by way of poll, but with a quorum of two or more Unitholders holding at least 10% of the Units in issue |
| 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 or premises owned by Yuexiu REIT from time to time |
| Property Companies | means the SPVs each of which is a subsidiary of Yuexiu REIT and a direct owner of a Property |
| REIT | real estate investment trust |
| 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 |
| 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 | means “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 |
| Substantial Unitholder | has the same meaning as “substantial holder” as defined under the REIT Code |
| Trust Deed | the trust deed constituting Yuexiu REIT dated 7 December 2005 and entered into between the Trustee and the Manager, as may be amended and 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 as acquired by Yuexiu REIT on 21 December 2017, the particulars of which are described in the circular of Yuexiu REIT dated 15 November 2017 |
| Yue Xiu | Yue Xiu Enterprises (Holdings) Limited (越秀企業(集團)有限公司), a company incorporated in Hong Kong with limited liability, and the indirect holding company of Yuexiu Property, which in turn directly wholly-owns the Manager and a Substantial Unitholder of Yuexiu REIT (being Dragon Yield). As the indirect holding company of the Manager and Dragon Yield, Yue Xiu is an associate of both entities and therefore a connected person of Yuexiu REIT |

| | |
|---------------------------------------|--|
| 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 |
| Yuexiu Connected Persons Group | GZYY and its subsidiaries and associates (which for the avoidance of doubt, excludes the Yuexiu REIT Group), all of which are associates of the Manager and/or Substantial Unitholder of Yuexiu REIT (being Dragon Yield) and hence connected persons of Yuexiu REIT |
| Yuexiu Connected Tenants | tenants and licensees of the Connected Leasing Transactions |
| Yuexiu Continuing CPTs | collectively, the Connected Leasing Transactions, Connected TSAs and Connected PMAs |
| Yuexiu Financial Tower | the property known as “Yuexiu Financial Tower (越秀金融大厦)” 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: 123). Yuexiu Property is a connected person of Yuexiu REIT for the reasons stated in the section headed “1.2.2.6 Application of the REIT Code and the Listing Rules” in this announcement |
| 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, or Yuexiu Real Estate Investment Trust and the companies controlled by it, as the context requires |

Yuexiu REIT Group

Yuexiu REIT and its subsidiaries

%

per cent or percentage

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, 22 November 2023

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

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