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Managed by



ANNOUNCEMENT

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

The Relevant Period Manager's Fee for the period from 1 January 2024 to 30 June 2024 is RMB85,136,362 (which is equivalent to approximately HK\$93,238,815). As stated in Yuexiu REIT's announcement dated 15 January 2024, the REIT Manager elected to receive the Manager's Fee for the financial year ending 31 December 2024 entirely in the form of Units.

The Relevant Period Manager's Fee will be settled in two tranches, specifically: (1) RMB65,743,200 (which is equivalent to approximately HK\$72,000,000) has been settled by the issuance of one tranche of new Units on the Manager Fee Units Reference Date (being 2 September 2024) at the then prevailing Market Price as determined pursuant to the Trust Deed (being HK\$0.96); and (2) RMB19,393,162 (which is equivalent to approximately HK\$21,238,815) will be deferred and settled after the Manager Fee Units Reference Date by the issuance of another tranche of new Units at the applicable Market Price at such later date which the REIT Manager considers is in the interests of the independent Unitholders provided the Trustee has no objection to such issuance. In total, the REIT Manager may receive up to 97,123,766 new Units for the Relevant Period, representing approximately 1.91% of the 5,092,861,937 Units in issue (as enlarged by the Issued Manager Fee Units and the maximum number of Deferred Manager Fee Units).

Given the deferment as described above would not result in more Manager Fee Units being issued and would defer the dilutive impact resulting from the issuance of such Units for the independent Unitholders, the Board (including all the independent non-executive Directors) considers that the deferment is in the interests of the independent Unitholders.

Based on the information and confirmations provided by the REIT Manager and the applicable provisions of the Trust Deed, the Trustee has no objection to such deferment.

Together with the maximum number of 2023 Deferred Manager Fee Units that may be issued pursuant to the Trust Deed (being 3,438,546 Units), the aggregate maximum number of Units that may be issued to settle the Manager's Fee which is outstanding as at the date of this announcement is 100,562,312 Units (representing approximately 1.97% of the 5,096,300,483 Units in issue immediately after such issue).

As the REIT Manager wishes to concentrate on its management functions, it has designated YXII to receive the Manager Fee Units (including both the Issued Manager Fee Units and the Deferred Manager Fee Units). Accordingly, the Issued Manager Fee Units were and the Deferred Manager Fee Units will be issued to YXII instead of the REIT Manager. YXII was also previously designated by the REIT Manager to receive the Manager Fee Units prior to the Relevant Period, and held 410,199,322 Units immediately before its receipt of the Issued Manager Fee Units for the Relevant Period. Immediately after the issuance of the Issued Manager Fee Units and as at the date of this announcement, YXII holds 485,199,322 Units (representing approximately 9.57% of the 5,070,738,171 Units in issue immediately after such issue). As at the date of this announcement, the REIT Manager does not have any interest in any Units.

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

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

CALCULATION OF MANAGER'S FEE

The Manager's Fee for the period from 1 January 2024 to 30 June 2024 (the **"Relevant Period"**) is the aggregate of the Base Fee (as defined below) and the Service Fee (as defined below) in respect of the Relevant Period, which amounts to a total of RMB85,136,362 (which is equivalent to approximately HK\$93,238,815) (the **"Relevant Period Manager's Fee"**).

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

- (i) a base fee of 0.3% per annum of the Value (as defined in the Trust Deed) of the Deposited Property payable semi-annually in arrears and calculated as at the last day of each six-month period (the **"Base Fee"**); and
- (ii) a service fee of 3% per annum of the Net Property Income (as defined in the Trust Deed) as shown in the last published audited annual financial statements of the REIT (being RMB1,475,262,000 for the financial year ended 31 December 2023), subject to certain adjustments, payable semi-annually in arrears (the **"Service Fee"**).

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

SETTLEMENT OF RELEVANT PERIOD MANAGER'S FEE

The Relevant Period Manager's Fee (being RMB85,136,362 (which is equivalent to approximately HK\$93,238,815)) will be settled in the form of Units in two tranches, specifically:

- (1) RMB65,743,200 (which is equivalent to approximately HK\$72,000,000) has been settled by the issuance of one tranche of new Units on 2 September 2024 (the **"Manager Fee Units Reference Date"**) at the then prevailing Market Price as determined pursuant to the Trust Deed (the **"Issued Manager Fee Units"**); and

- (2) RMB19,393,162 (which is equivalent to approximately HK\$21,238,815) will be deferred and settled after the Manager Fee Units Reference Date by issuing another tranche of new Units at the applicable Market Price at such later date which the REIT Manager considers is in the interests of the independent Unitholders provided the Trustee has no objection to such issuance (the **“Deferred Manager Fee Units”**).

Pursuant to the Trust Deed, the number of Issued Manager Fee Units was determined by dividing the relevant HK\$ equivalent amount (being HK\$72,000,000) by the higher of: (i) the average closing price of the Units on the Stock Exchange for the ten trading days immediately preceding the date on which the such Units were issued; and (ii) the closing price of the Units on the Stock Exchange on the trading day immediately preceding the date on which such Units were issued (the **“Market Price”**). Based on the prevailing Market Price of HK\$0.96 (being the closing price of the Units on the Stock Exchange on the trading day immediately preceding the date on which the Issued Manager Fee Units were issued), 75,000,000 new Units (being the Issued Manager Fee Units) were issued to the REIT Manager on the Manager Fee Units Reference Date.

In respect of the Deferred Manager Fee Units, the Market Price at which such Units will be issued shall be equal to the higher of: (i) the Market Price on the Manager Fee Units Reference Date (being HK\$0.96 as stated above); and (ii) the Market Price on the date that the Deferred Manager Fee Units are issued, whereas the Market Price on the date that the Deferred Manager Fee Units are issued shall be equal to the higher of: (a) the closing price of the Units on the Stock Exchange on the trading day immediately preceding the date on which the Deferred Manager Fee Units are issued; and (b) the average closing price of the Units in the ten trading days immediately preceding the date on which the Deferred Manager Fee Units are issued. Based on the prevailing Market Price of HK\$0.96 on the Manager Fee Units Reference Date, which would pursuant to the aforementioned formula represent the minimum Market Price for the Deferred Manager Fee Units, the maximum number of Deferred Manager Fee Units that the REIT Manager may receive is 22,123,766 Units.

In total, the REIT Manager may receive up to 97,123,766 new Units for the Relevant Period, representing approximately 1.91% of the 5,092,861,937 Units in issue (as enlarged by the Issued Manager Fee Units and the maximum number of Deferred Manager Fee Units). Such maximum number of new Units is equal to the number of new Units that the REIT Manager would ordinarily have been entitled to receive in the absence of any deferral of part of the Relevant Period Manager’s Fee. The issuance of the Manager Fee Units (including the Deferred Manager Fee Units) shall comply with the Trust Deed, the compliance manual of the REIT Manager (including the rules on dealings by the Directors, the REIT Manager and its senior executives, officers and employees as adopted by the REIT Manager on terms no less exacting than those of the Model Code for Securities Transactions by Director of Listed

Issuers set out in the Listing Rules (as if applicable to REITs)) and all applicable laws and regulations. Given the deferment as described above would not result in more Manager Fee Units being issued and would defer the dilutive impact resulting from the issuance of such Units for the independent Unitholders, the Board (including all the independent non-executive Directors) considers that the deferment is in the interests of the independent Unitholders.

Based on the information and confirmations provided by the REIT Manager and the applicable provisions of the Trust Deed, the Trustee has no objection to such deferment.

As the REIT Manager wishes to concentrate on its management functions, it has designated Yuexiu International Investment Limited (“YXII”), a wholly-owned subsidiary of Yuexiu Property, to receive the Manager Fee Units (including both the Issued Manager Fee Units and the Deferred Manager Fee Units). Accordingly, the Issued Manager Fee Units were and the Deferred Manager Fee Units will be issued to YXII instead of the REIT Manager. YXII was also previously designated by the REIT Manager to receive the Manager Fee Units issued prior to the Relevant Period, and held 410,199,322 Units immediately before its receipt of the Issued Manager Fee Units for the Relevant Period. Immediately after the issuance of the Issued Manager Fee Units and as at the date of this announcement, YXII holds 485,199,322 Units (representing approximately 9.57% of the 5,070,738,171 Units in issue immediately after such issue). YXII is not a nominee of the REIT Manager and does not hold the Manager Fee Units on behalf of the REIT Manager. As at the date of this announcement, the REIT Manager does not have any interest in any Units.

The Manager Fee Units are denominated in HK\$. The exchange rate adopted by the REIT Manager to calculate the number of Units that are issuable by the REIT (including both the Issued Manager Fee Units and the Deferred Manager Fee Units) for payment of the Relevant Period Manager’s Fee (which is denominated in RMB) is the average closing exchange rate, as announced by the People’s Bank of China, for the five business days preceding the Manager Fee Units Reference Date.

REGULATORY IMPLICATIONS

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

The number of the new Units issued by Yuexiu REIT to the REIT Manager as payment of all or part of the Manager’s Fee for each financial year shall be counted as part of the 20% of outstanding Units that Yuexiu REIT may issue in each financial

year without Unitholders' approval pursuant to paragraph 12.2 of the REIT Code. In addition, pursuant to paragraph 12.6 of the REIT Code, in respect of each financial year, the maximum number of Units that may be issued to the REIT Manager as payment of all or part of the Manager's Fee for that financial year without Unitholders' approval shall, in the aggregate, be limited to such number of Units as represents 3% of the total number of Units outstanding as at the last day of the immediately preceding financial year plus the number of Units (if any) issued in the relevant financial year for the purposes of financing any acquisition of real estate by Yuexiu REIT.

97,123,766 Units, being the total of the number of Units issued and the maximum number of Units issuable so far as payment of the Manager's Fee in respect of the financial year ending 31 December 2024, represent approximately 1.98% of the Units outstanding as at 31 December 2023 (being the last day of the immediately preceding financial year). Such total number of Units, in aggregate with the number of new Units issued on a non-pro rata basis during the financial year ending 31 December 2024 (if any), does not increase the total number of Units outstanding as at 31 December 2023 (being the last day of the immediately preceding financial year) by more than 20%. Such total number of Units also does not exceed the 3% limit stipulated under paragraph 12.6 of the REIT Code. As at the date of this announcement, no Unit had been issued for the purpose of financing any acquisition of real estate by Yuexiu REIT during the financial year ending 31 December 2024.

PREVIOUSLY DEFERRED MANAGER FEE UNITS

As stated in REIT's announcement dated 24 March 2024, part of the Manager's Fee payable for the period from 1 July 2023 to 31 December 2023 (being RMB 3,275,674, or approximately HK\$3,610,473), which shall be settled by issuing another tranche of new Units (the "**2023 Deferred Manager Fee Units**"), has been deferred to such later date which the REIT Manager considers is in the interests of the independent Unitholders provided the Trustee has no objection to such issuance. As at the date of this announcement, the 2023 Deferred Manager Fee Units have not been issued. The maximum number of the 2023 Deferred Manager Fee Units that may be issued pursuant to the terms of the Trust Deed is 3,438,546 Units (representing approximately 0.07% of the 5,074,176,717 Units in issue immediately after such issue). Together with the Deferred Manager Fee Units, the aggregate maximum number of Units that may be issued to settle the outstanding Manager's Fee payable to the REIT Manager is 100,562,312 Units (representing approximately 1.97% of the 5,096,300,483 Units in issue immediately after such issue).

GENERAL

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

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

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

Hong Kong, 2 September 2024

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

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

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

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