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**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) MAJOR AND CONNECTED PARTY TRANSACTIONS RELATING TO  
(A) DISPOSAL OF 50% INTEREST IN YUEXIU FINANCIAL TOWER  
TO A CONNECTED PERSON; AND  
(B) INTERNAL REORGANISATION;  
(2) REFINANCING WITH NEW BANK FACILITY;  
(3) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER;  
AND  
(4) EGM AND CLOSURE OF REGISTER OF UNITHOLDERS**

**Financial Advisers to the Manager**



**DBS**



**中銀國際 BOCI**

## **The Disposal and the Internal Reorganisation**

On 8 September 2025, the Transferors (being wholly-owned special purpose vehicles of Yuexiu REIT, as transferors), the External Transferee (being a connected person of Yuexiu REIT, as transferee), and the Internal Reorganisation Party (being a non-wholly-owned subsidiary of Yuexiu REIT, as transferee) entered into the Equity Transfer Agreement for: (1) the Disposal; and (2) the Internal Reorganisation relating to the equity interests in the Target Companies.

The Target Companies are the registered legal owners of the land use rights and current ownership rights underlying the Property known as “Yuexiu Financial Tower (越秀金融大厦)”, which was acquired by Yuexiu REIT in 2021.

Under the Equity Transfer Agreement, the parties have agreed that: (1) the Disposal shall be effected by the Limited Liability Partnership (as transferor) transferring 50% of the equity interests in the Target Companies to the External Transferee (as transferee), and (2) thereafter, the Internal Reorganisation shall be effected by the Transferors (as transferors) transferring the remaining 50% equity interests in the Target Companies to the Internal Reorganisation Party (as transferee). Completion of the Disposal and the Internal Reorganisation is subject to Independent Unitholders’ approval for the Transaction Matters Requiring Approval being obtained at the EGM.

The Share Consideration payable by the External Transferee and the Internal Reorganisation Party for the transfer of the equity interests in the Target Companies under the Disposal and the Internal Reorganisation shall equal: (i) the Target Companies Fair Value (being RMB3,682,124,000 based on the Reference NAV); (ii) minus the Agreed Discount (being RMB249,000,000), subject to adjustments to reflect the difference between the Reference NAV and the Completion NAV. The Share Consideration based on the Reference NAV shall be RMB3,433,124,000. The Agreed Discount, which represents the difference between the Appraised Value (being RMB8,049 million) and the value which the Manager and the External Transferee have agreed to be attributed to the Property (being RMB7,800 million), was determined based on arm’s length negotiations. Considering the Agreed Discount represents approximately 3.1% of the Appraised Value, which is close to those of comparable transactions, the Board (including the INEDs) considers the Agreed Discount is fair and reasonable and in the best interests of Yuexiu REIT and its Unitholders as a whole.

Following completion of the Disposal and the Internal Reorganisation, Yuexiu REIT's effective beneficial interest in the Target Companies and the Property will be reduced to 49.495%, and the Target Companies will cease to be subsidiaries of Yuexiu REIT. As Yuexiu REIT will no longer have majority ownership and control of the Property through the Target Companies, the Property will be regarded as a "Minority-owned Property" of Yuexiu REIT under 7.7B of the REIT Code. The Manager has applied for, and the SFC has granted, approval for the Property to be regarded as a "Qualified Minority-owned Property" under 7.7C of the REIT Code, subject to the entry into of the Joint Venture Agreement.

### **The Refinancing**

To refinance some of the existing indebtedness of Yuexiu REIT, on 29 August 2025, the Target Companies obtained a commitment letter issued by a lending bank which is an Independent Third Party for an RMB-denominated New Bank Facility in the principal amount of up to RMB4,000 million. The New Bank Facility will bear an interest at a margin of 0.65% per annum below the 5-year loan prime rate as announced by the People's Bank of China, and will mature and become payable 15 years from the date of its first drawdown. For illustrative purposes, the 5-year loan prime rate as at the date of this announcement was 3.5%, which was announced on 20 August 2025.

The New Bank Facility will be secured by a mortgage over the Property and charges over the rental receivable accounts of the Target Companies. In addition, GZYY has agreed to provide a comfort letter in favour of the lending bank in respect of the Target Companies' obligations under the New Bank Facility.

To facilitate the post-completion capital structure agreed between the External Transferee and the Internal Reorganisation Party, the Equity Transfer Agreement contemplates that the Target Companies will, after the Disposal Completion Date, draw RMB3,000 million from the New Bank Facility and/or, if available, other facilities extended by one or more Independent Third Party lenders on the same or more favourable terms. The amount drawn down under the New Bank Facility and/or those other facilities will be used to discharge part of the Existing Payables owed to the Limited Liability Partnership (being a subsidiary of Yuexiu REIT) which will in turn be remitted out of the PRC together with the net proceeds from the Disposal to repay some of the existing offshore indebtedness of Yuexiu REIT.

## **Use of proceeds**

The net proceeds from the Disposal, which are calculated based on the gross proceeds that Yuexiu REIT will receive from the External Transferee (including indirectly through the repayment of part of the Existing Payables by the Target Companies with the Shareholder Loan extended by the External Transferee), after deducting the Expenses, stamp duty and withholding tax estimated to be payable in connection with the Disposal, the Internal Reorganisation and the repatriation of proceeds offshore, are expected to be approximately RMB2,300 million. Including the RMB3,000 million expected to be drawn from the New Bank Facility (and/or, if available, other facilities extended by one or more Independent Third Party lenders on the same or more favourable terms) for the Refinancing, the total proceeds of approximately RMB5,300 million are intended to be fully applied towards the scheduled repayment and/or early repayment (as the case may be) of existing indebtedness of Yuexiu REIT.

## **Regulation implications**

The External Transferee, being a wholly-owned subsidiary of GZYY, is an associate of the Manager and Dragon Yield, and hence a connected person of Yuexiu REIT. The Internal Reorganisation Party is a non-wholly-owned subsidiary of Yuexiu REIT owned as to 1.00% directly by a subsidiary of GZYY (being GCCD Group) and 0.01% indirectly by Yuexiu Property, which are both connected persons of Yuexiu REIT. Given the Disposal and the Internal Reorganisation are linked to each other forming one significant proposal, through which each of the abovementioned connected persons will become directly or indirectly interested in the Target Companies, the Disposal, the Internal Reorganisation and the transactions contemplated under the Equity Transfer Agreement (including the entry into of the Joint Venture Agreement and the Shareholder Loan Agreements and the transactions contemplated thereunder) constitute connected party transactions of Yuexiu REIT under Chapter 8 of the REIT Code and Chapter 14A of the Listing Rules (modified as appropriate pursuant to 2.26 and 8.7A of the REIT Code).

As the highest applicable percentage ratio in respect of the Disposal and the Internal Reorganisation exceeds 5%, the Disposal, the Internal Reorganisation and the transactions contemplated under the Equity Transfer Agreement (including the entry into of the Joint Venture Agreement and the Shareholder Loan Agreements and the transactions contemplated thereunder) are subject to the announcement, circular, reporting and independent Unitholders' approval requirements under Chapter 8 of the REIT Code and Chapter 14A of the Listing Rules (modified as appropriate pursuant to 2.26 and 8.7A of the REIT Code).

Furthermore, as the highest applicable percentage ratio in respect of the Disposal and the Internal Reorganisation exceeds 25% but is less than 75%, the Disposal, the Internal Reorganisation and the transactions contemplated under the Equity Transfer Agreement (including the entry into of the Joint Venture Agreement and the Shareholder Loan Agreements and the transactions contemplated thereunder) constitute a major transaction of Yuexiu REIT and are subject to the notification, announcement, circular and Unitholders' approval requirements under Chapter 14 of the Listing Rules (modified as appropriate pursuant to 2.26 and 10.10B of the REIT Code).

While the New Bank Facility is related to the Disposal and the Internal Reorganisation, it has been separately negotiated with an Independent Third Party lending bank and, accordingly, is not one of the matters requiring Unitholders' approval.

### **Opinions**

Having regard to the reasons for, terms of, and factors and other information taken into consideration in relation to, the Transaction Matters Requiring Approval as described in this announcement, the Board (including the INEDs) considers that the Transaction Matters Requiring Approval are: (i) in the ordinary and usual course of business of Yuexiu REIT; (ii) consistent with the investment objectives and strategy of Yuexiu REIT, and in compliance with the REIT Code and the Trust Deed; and (iii) on terms which are normal commercial terms, are at arm's length and are fair and reasonable and in the best interests of Yuexiu REIT, the Independent Unitholders and the Unitholders as a whole in accordance with the REIT Code.

The Independent Board Committee, comprising all of the INEDs, has been established in accordance with Rule 14A.41 of the Listing Rules to advise the Independent Unitholders on the Transaction Matters Requiring Approval.

Somerley Capital Limited has been appointed as the Independent Financial Adviser of Yuexiu REIT to advise the Independent Board Committee, the Independent Unitholders and the Trustee on the Transaction Matters Requiring Approval pursuant to Rule 14A.44 of the Listing Rules.

The respective opinions of the Independent Board Committee, the Independent Financial Adviser and the Trustee with regard to the Transaction Matters Requiring Approval will be set out in the Circular.

### **EGM, closure of register of Unitholders and Circular**

The Manager will seek Independent Unitholders' approval for the Transaction Matters Requiring Approval by way of an Ordinary Resolution.

The EGM will be held at 11:00 a.m. on Friday, 26 September 2025, at Plaza 1 to 4, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong, for the purpose of considering and, if thought fit, passing with or without amendments, the resolution set out in the EGM Notice.

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 Tuesday, 23 September 2025 to Friday, 26 September 2025, both days inclusive, during which period no transfer of units will be registered. For those Unitholders who are not on the register of Unitholders, in order to be qualified 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 Monday, 22 September 2025.

The Circular containing, among other things: (a) a letter from the Board to the Unitholders with further information on the Transaction Matters Requiring Approval; (b) a letter from the Independent Board Committee to Independent Unitholders regarding the Transaction Matters Requiring Approval; (c) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee, the Independent Unitholders and the Trustee regarding the Transaction Matters Requiring Approval; (d) the Independent Property Valuer's valuation report in respect of the Property; (e) the Independent Auditor's assurance report on the unaudited pro forma financial information; and (f) EGM Notice, will be issued and despatched to the Unitholders on or before 10 September 2025.

**The completion of the Disposal and the Internal Reorganisation is subject to and conditional upon Independent Unitholders' approval being obtained at the EGM for the Transaction Matters Requiring Approval. Accordingly, the Disposal or the Internal Reorganisation may or may not complete. Unitholders, as well as any prospective investors of Yuexiu REIT, are therefore advised to exercise caution when dealing in the Units.**

## 1. INTRODUCTION

The Board is pleased to announce that on 8 September 2025, Yuexiu REIT (through the Transferors) entered into the Equity Transfer Agreement with the External Transferee and the Internal Reorganisation Party (the latter being a non-wholly-owned subsidiary of Yuexiu REIT) for the Disposal and the Internal Reorganisation of the equity interests in the Target Companies, which are the registered legal owners of the land use and ownership rights of Yuexiu Financial Tower (越秀金融大廈).

Following the completion of the Disposal and the Internal Reorganisation, Yuexiu REIT's effective beneficial interest in the Target Companies and the Property will be reduced to 49.495%, and the Target Companies will cease to be subsidiaries of Yuexiu REIT. The SFC has granted approval for the Property to be regarded as a "Qualified Minority-owned Property" under 7.7C of the REIT Code, subject to the entry into of the Joint Venture Agreement.

Separately, the Target Companies have secured a commitment for a RMB-denominated New Bank Facility in the principal amount of up to RMB4,000 million. RMB3,000 million is expected to be drawn from the New Bank Facility and/or, if available, other facilities extended by one or more Independent Third Party lenders on the same or more favourable terms to discharge part of the Existing Payables owed to a subsidiary of Yuexiu REIT. These funds, together with the net proceeds from the Disposal, will be remitted offshore to repay existing indebtedness of Yuexiu REIT.

## **2. PROPERTY**

### **2.1 Key information**

The Property, known as "Yuexiu Financial Tower (越秀金融大厦)", is located in the core area of Guangzhou Zhujiang New Town (廣州珠江新城), a core central business district in Guangzhou. Guangzhou is the capital city of Guangdong province in Southern China and a key strategic location in the Greater Bay Area. The Property comprises: (a) a 68-storey above-ground Grade A office building (comprising a 4-storey retail component and a 64-storey office component); and (b) a 4-storey basement with 827 underground carpark spaces.

The following table sets out certain key information relating to the Property as at 30 June 2025, except where otherwise specified:

<b>Address:</b>	No. 28, Zhujiang East Avenue, Tianhe District, Guangzhou, Guangdong Province, PRC
<b>Year and month of completion:</b>	August 2015
<b>Term of land use rights:</b>	<p>The period commencing on 16 April 2007 and ending on 15 April 2057 in respect of the office portion and the carpark spaces</p> <p>The period commencing on 16 April 2007 and ending on 15 April 2047 in respect of the commercial portion</p>



<b>Ownership certificates:</b>	Obtained in 2017
<b>Gross floor area:</b>	Office: 166,378.62 sq.m. Retail: 3,818.19 sq.m. Carpark spaces: 10,289.05 sq.m. Other: 29,797.08 sq.m. <sup>(1)</sup>
<b>Gross rentable area:</b>	Office: 166,378.62 sq.m. Retail: 3,818.19 sq.m.
<b>Number of carpark spaces:</b>	827
<b>Average rent (RMB/sq.m.) (exclusive of value-added tax) for the month of June 2025<sup>(2)</sup>:</b>	Office: RMB193.2 Retail: RMB231.5
<b>Occupancy rate (excluding carpark spaces)<sup>(3)</sup>:</b>	Office: 81.7% Retail: 100.0%
<b>Revenue</b>	
- for the six months ended 30 June 2025	RMB165.1 million
- for the year ended 31 December 2024	RMB362.0 million
- for the year ended 31 December 2023	RMB399.0 million

*Notes:*

- (1) Includes public utility rooms and fire refuge floors.
- (2) Based on the gross floor area leased to tenants.
- (3) Occupancy rate calculated based on leased gross rentable area excluding the carpark spaces.

## **2.2 Appraised Value**

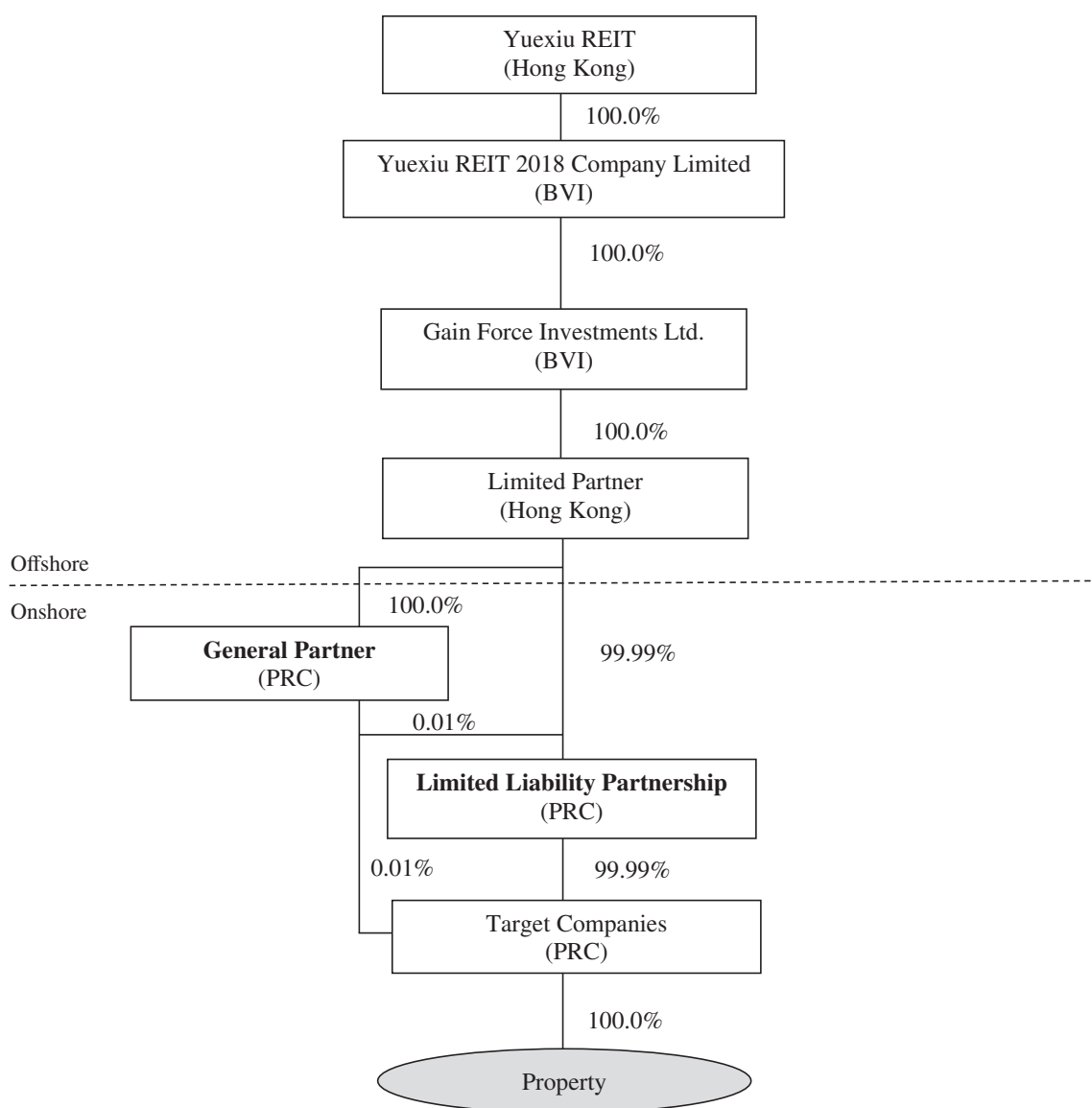
Savills Valuation and Professional Services Limited, the current principal valuer of Yuexiu REIT, has been appointed as the Independent Property Valuer to appraise the value of the Property for the purpose of the Disposal. The Appraised Value of the Property (as assessed by the Independent Property Valuer as at 30 June 2025) was RMB8,049 million.



The Appraised Value does not take into account the other assets and liabilities of the Target Companies attributable to the Share Consideration. Since the Disposal and the Internal Reorganisation are conducted by way of selling the equity interests in the Target Companies (being the registered legal owners of the Property), the consideration for the Disposal and the Internal Reorganisation (being the Share Consideration) also factors in other assets and liabilities of the Target Companies, which are expected to consist primarily of approximately RMB4,300 million of the Existing Payables immediately prior to the Disposal Completion Date.

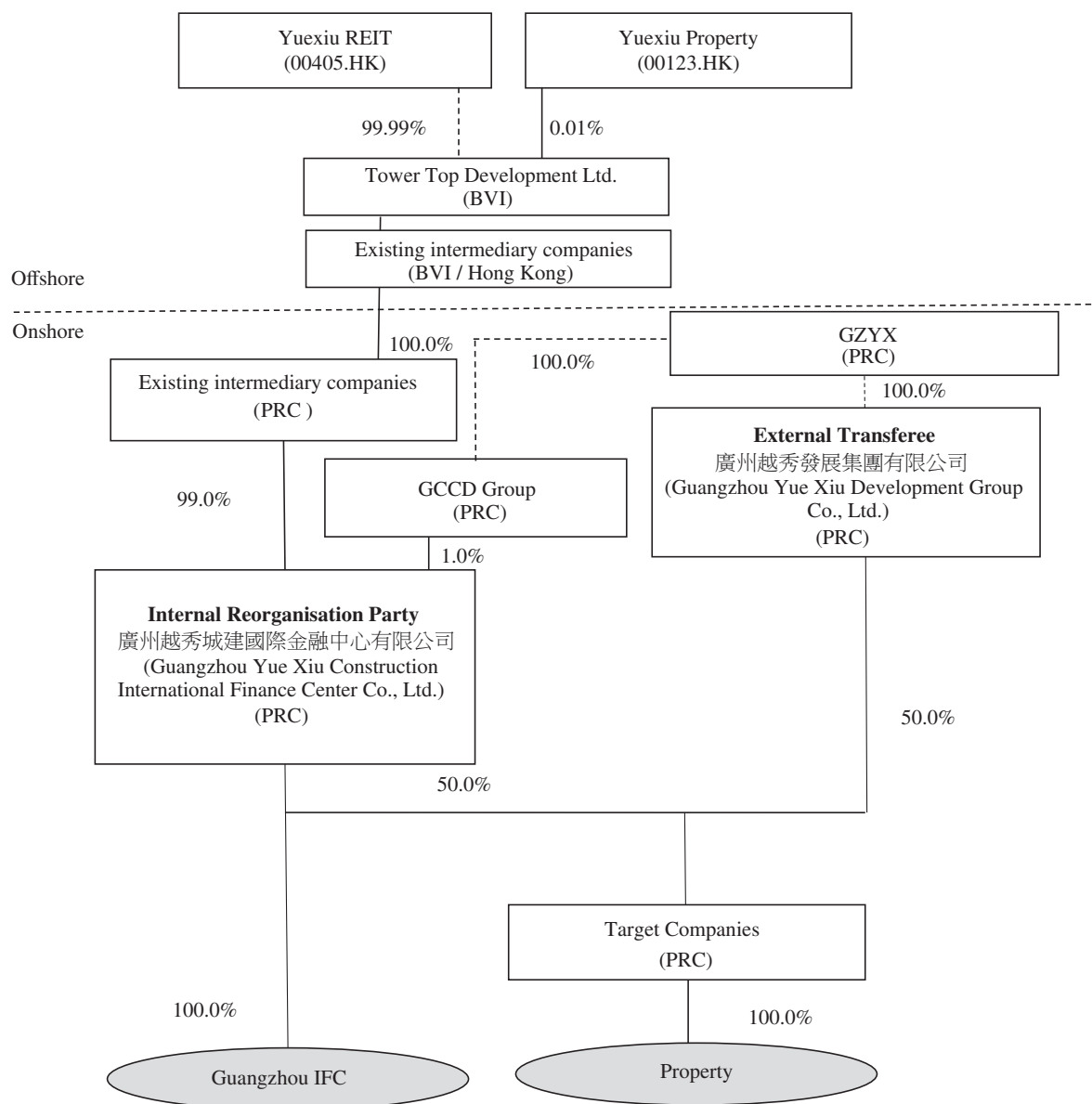
## 2.3 Current holding structure of the Property

Below is a chart showing the simplified holding structure of the Property as at the date of this announcement:



## 2.4 Expected holding structure of the Property after completion of the Disposal and the Internal Reorganisation

The simplified expected holding structure of the Property after completion of the Disposal and the Internal Reorganisation will be as follows:



### 3. DISPOSAL AND INTERNAL REORGANISATION

#### 3.1 Equity Transfer Agreement

On 8 September 2025, the Transferors (being special purpose vehicles of Yuexiu REIT and the owners of all the equity interests in the Target Companies), the External Transferee and the Internal Reorganisation Party entered into the Equity Transfer Agreement for the Disposal and the Internal Reorganisation. Pursuant to the Equity Transfer Agreement, the parties shall first effect the Disposal of 50% of the equity interests in the Target Companies to the External Transferee, and following completion of the Disposal, effect the Internal Reorganisation by transferring to the Internal Reorganisation Party (being a non-wholly-owned subsidiary of Yuexiu REIT) the remaining 50% of the equity interests in the Target Companies.

The principal terms of the Equity Transfer Agreement are set out below:

**Date** : 8 September 2025

**Parties** : (1) 廣州滙盛實業投資合夥企業 (有限合夥) (Guangzhou Huisheng Industrial Investment Enterprise Partnership (Limited Liability Partnership)), as transferor;

(2) 廣州駿盛經濟信息諮詢有限公司 (Guangzhou Junsheng Economic Information Consultancy Co., Ltd., as the general partner of the Limited Liability Partnership), as transferor;

(3) 廣州越秀發展集團有限公司 (Guangzhou Yue Xiu Development Group Co., Ltd.), being the External Transferee, as transferee; and

(4) 廣州越秀城建國際金融中心有限公司 (Guangzhou Yue Xiu Construction International Finance Center Co., Ltd.), being the Internal Reorganisation Party, as transferee.

<b>Subject matter</b>	<p>: The transfer of the equity interests in:</p> <ul style="list-style-type: none"> <li>(a) 廣州佳耀置業有限公司 (Guangzhou Jiayao Real Estate Co., Ltd.);</li> <li>(b) 廣州晉耀置業有限公司 (Guangzhou Jinyao Real Estate Co., Ltd.);</li> <li>(c) 廣州景耀置業有限公司 (Guangzhou Jingyao Real Estate Co., Ltd.); and</li> <li>(d) 廣州譽耀置業有限公司 (Guangzhou Yuyao Real Estate Co., Ltd.)</li> </ul> <p>(being the Target Companies), which are the registered legal owners of the land use rights and current ownership rights underlying the Property.</p>
<b>Transactions</b>	<p>: The transactions under the Equity Transfer Agreement comprise:</p> <ul style="list-style-type: none"> <li>(A) <b>Disposal</b> — the transfer to the External Transferee of 50% of the equity interests in the Target Companies by the Limited Liability Partnership; and</li> <li>(B) <b>Internal Reorganisation</b> — the transfer to the Internal Reorganisation Party (being a non-wholly-owned subsidiary of Yuexiu REIT) of: <ul style="list-style-type: none"> <li>(a) 49.99% of the equity interests in the Target Companies by the Limited Liability Partnership; and</li> <li>(b) 0.01% of the equity interests in the Target Companies by the General Partner.</li> </ul> </li> </ul>
<b>Share Consideration</b>	<p>: The consideration payable by the External Transferee and the Internal Reorganisation Party for the transfer of the equity interests in the Target Companies under the Disposal and the Internal Reorganisation (the “<b>Share Consideration</b>”) shall equal: (i) the Target Companies Fair Value (being RMB3,682,124,000 based on the Reference NAV); (ii) <u>minus</u> the Agreed Discount (being RMB249,000,000), subject to adjustments to reflect the difference between the Reference NAV and the Completion NAV. The Share Consideration based on the Reference NAV shall be RMB3,433,124,000.</p>

The Share Consideration has been arrived at on a willing buyer and a willing seller arm's length basis with reference to:

- (i) **“Target Companies Fair Value”**, being approximately RMB3,682,124,000 based on the Reference NAV; and
- (ii) **“Agreed Discount”** (being RMB249 million), which represents the difference between the Appraised Value (being RMB8,049 million) and the value which the Manager and the External Transferee have agreed to be attributed to the Property (being RMB7,800 million), was determined based on arm's length negotiations. Considering the Agreed Discount represents approximately 3.1% of the Appraised Value, which is close to those of comparable transactions, the Board (including the INEDs) considers the Agreed Discount is fair and reasonable and in the best interests of Yuexiu REIT and its Unitholders as a whole.

**“Reference NAV”**, being RMB3,682,124,000, is calculated by reference to the net asset value of the Target Companies based on the unaudited financial statements of the Target Companies as at 30 June 2025 prepared in accordance with PRC GAAP, adopting the Appraised Value of RMB8,049 million as the fair value of the Property, and excluding:

- (a) from the assets of the Target Companies, the Target Companies' long-term deferred amortised expenses and construction in progress as recorded on those financial statements, the value of which is already considered and reflected in the Appraised Value; and
- (b) from the liabilities of the Target Companies, the deferred tax liabilities of the Target Companies as recorded on those financial statements. Based on the Manager's tax advisers' advice, such liabilities are very unlikely to crystallise as the Target Companies will continue to hold the Property for long-term investment purposes.

The External Transferee shall pay to the Limited Liability Partnership an amount equal to 50% of the Share Consideration (based on the Reference NAV) by bank transfer within 10 working days after the satisfaction of the Conditions Precedent.

The Internal Reorganisation Party shall pay to the Transferors an aggregate amount equal to 50% of the Share Consideration (based on the Reference NAV, if the Final Completion Statement has not yet been agreed or determined then) by bank transfer within five working days following the extension by the External Transferee of the Shareholder Loan to the Target Companies and the drawdown of RMB3,000 million from the New Bank Facility (and/or, if available, other facilities extended by one or more Independent Third Party lenders on the same or more favourable terms) by the Target Companies in accordance with the Equity Transfer Agreement.

The completion accounts for the Target Companies for the period between 30 June 2025 and the Disposal Completion Date (the “**Completion Accounts**”) shall be audited by Ernst & Young, who will deliver such accounts within 30 working days following the Disposal Completion Date. The Transferors shall within five working days of receipt of the Completion Accounts prepare and provide to the Transferees a draft completion statement based on the Completion Accounts (the “**Draft Completion Statement**”), and the parties shall within five working days thereafter (or such other day as the parties may agree in writing) agree on the Draft Completion Statement. The Draft Completion Statement as agreed between the parties or, in the event of a dispute, as amended to reflect any modifications agreed between the parties or the determination of Ernst & Young (as an expert) shall be the final and binding (the “**Final Completion Statement**”). The Completion NAV shall be the net asset value of the Target Companies as stated on the Final Completion Statement. For the avoidance of doubt, the Completion NAV will also adopt the Appraised Value of RMB8,049 million as the fair value of the Property and disregard the items excluded from the calculation of the Reference NAV.

Following the agreement or determination of the Final Completion Statement:

- (a) If the Completion NAV exceeds the Reference NAV:
  - (i) the External Transferee shall pay to the Limited Liability Partnership; and (ii) to the extent not already accounted for in the payment of 50% of the Share Consideration made by the Internal Reorganisation Party before then, the Internal Reorganisation Party shall pay to the Transferors in aggregate, an amount equal to 50% of such excess in cash within 15 days of the agreement or determination of the Final Completion Statement; or
- (b) If the Completion NAV is less than the Reference NAV: (i) the Limited Liability Partnership shall pay to the External Transferee; and (ii) to the extent not already accounted for in the payment of 50% of the Share Consideration made by the Internal Reorganisation Party before then, the Transferors shall pay to the Internal Reorganisation Party, an aggregate amount equal to 50% of such shortfall in cash within 15 days of the agreement or determination of the Final Completion Statement; or
- (c) If the Completion NAV is equal to the Reference NAV, neither the Transferors nor the Transferees shall be required to make any further payment to the other in respect of the Completion NAV.

**Conditions precedent** : Completion of the Disposal and the Internal Reorganisation shall be subject to and conditional upon the following conditions (collectively, the “**Conditions Precedent**”):

- (a) the resolution approving the Transaction Matters Requiring Approval having been passed by the Independent Unitholders at the EGM; and
- (b) there being no statute, regulation or decision imposed on or affecting the Transferors, the Target Companies and/or the Property which would prohibit or materially delay the Disposal or the Internal Reorganisation or which would prohibit or materially restrict the operation of the Target Companies or the Property having been enacted or taken by any PRC government authority.



None of the Conditions Precedent may be waived by any party.

**Steps to complete the  
Disposal and the  
Internal  
Reorganisation**

: The parties shall procure that the following shall take place within 40 working days after the satisfaction of the Conditions Precedent (or such other day as the parties may agree in writing):

- (i) within 10 working days after the satisfaction of the Conditions Precedent (or such other day as the parties may agree in writing), the Limited Liability Partnership as transferor shall transfer 50% of the equity interests in Target Companies to the External Transferee upon receipt of 50% of the Share Consideration (based on the Reference NAV) from the External Transferee, and procure the Target Companies to register the transfer with AMR;
- (ii) following the receipt by the Target Companies of the notice of acceptance of registration of the aforesaid transfer from AMR, the External Transferee and the Target Companies shall enter into a Shareholder Loan Agreement and pursuant thereto the External Transferee shall extend an amount of RMB650,000,000 to the Target Companies as Shareholder Loan, which shall be utilised entirely to repay part of the Existing Payables;
- (iii) within five working days following the completion of (ii) above and the drawdown of RMB3,000 million under the New Bank Facility (and/or, if available, other facilities extended by one or more Independent Third Party lenders on the same or more favourable terms) in accordance with the Equity Transfer Agreement (or such other day as the parties may agree in writing): (a) the Transferors shall jointly effect the transfer of the other 50% of the equity interests in the Target Companies to the Internal Reorganisation Party upon receipt of 50% of the Share Consideration (based on the Reference NAV) from the Internal Reorganisation Party, and procure the Target Companies to register the transfer with AMR; and (b) the External Transferee and the Internal Reorganisation Party shall execute the Joint Venture Agreement and new articles of association of the Target Companies; and

(iv) following the receipt by the Target Companies of the notice of acceptance of registration of the transfer described in (iii) above from AMR, the Internal Reorganisation Party and the Target Companies shall enter into a Shareholder Loan Agreement and pursuant thereto the Internal Reorganisation Party shall extend an amount of RMB650 million to the Target Companies as Shareholder Loan, which shall also be utilised entirely to repay part of the Existing Payables.

**Refinancing**

: Within 15 working days following the Disposal Completion Date (or such other day as the parties may agree in writing), the Transferors and the External Transferee shall procure the Target Companies to: (a) draw RMB3,000 million under the New Bank Facility and/or, if available, other facilities extended by one or more Independent Third Party lenders on the same or more favourable terms; (b) utilise the entire proceeds from the drawdown to repay the Existing Payables owed to the Limited Liability Partnership; and (c) take all appropriate actions to facilitate the above.

**Representations,  
warranties,  
undertakings,  
covenant and  
indemnity**

: The Equity Transfer Agreement contains certain customary representations, warranties and undertakings in respect of, among other things, the Transferors, the Target Companies, the equity interests in the Target Companies and the Property, all of which are given by the Transferors and are customary terms for transactions of this nature and scale.

The Equity Transfer Agreement also contains certain customary representations and warranties given by the Transferees with respect to themselves, all of which are customary terms for transactions of this nature and scale.

**Limitation of liability** : The aggregate maximum liability of the Transferors in respect of all claims made by a Transferee under the Equity Transfer Agreement shall not exceed the 50% of the Share Consideration. In addition, the Transferors shall not be liable for any individual claim made by a Transferee that does not exceed RMB1,600,000 or for any claim unless and until the aggregate liability of the Transferors in respect of all claims made by such Transferee exceeds RMB6,000,000, in which case the Transferors shall be liable for the whole amount. These thresholds were agreed through arm's length negotiations between the Manager and the External Transferee, with reference to those adopted in the 2021 Acquisition, and are set at 50% of those previously agreed levels.

The Transferors shall not be liable for any non-tax-related claim made by any Transferee unless such Transferee has given notice of such claim within three years after the Disposal Completion Date.

The Transferors shall not be liable for any claims made by any Transferee relating to any taxes, fees, tariffs, value-added tax, corporate income tax, stamp duty, land appreciation tax, deed tax, property tax, and urban land use tax that have not been disclosed or settled by the Target Companies, unless such Transferee has given notice of such claim: (i) in connection with events occurring or existing between 23 December 2021 (being the date of completion of the 2021 Acquisition) and the Disposal Completion Date, within five years after the Disposal Completion Date; and (ii) in connection with events occurring or existing before 23 December 2021, within three years after the Disposal Completion Date. The Transferors shall not bear any liability for any claims related to deferred tax liabilities.

The Manager considers that the abovementioned liability caps and limitation periods, including those pertaining to tax-related claims in connection with events occurring or existing before completion of the 2021 Acquisition, are commercially reasonable and appropriate, as they are in line with normal commercial terms expected of transactions of similar nature. In forming this view, the Manager has also taken into account its operational experience and familiarity with the affairs relating to the Target Companies and the Property since the 2021 Acquisition, which helps mitigate the risk of potential liability exposure. Accordingly, the Board (including all the INEDs) considers that the limitation of liability regime under the Equity Transfer Agreement is on normal commercial terms and is fair and reasonable, and that the interests of Yuexiu REIT and its Unitholders as a whole are sufficiently protected.

**Termination**

: The Equity Transfer Agreement may be terminated by a party prior to the Internal Reorganisation Date: (i) if any other party fails to comply with any of its obligations with respect to the steps to complete the Disposal, the Internal Reorganisation and the Refinancing; or (ii) if the Conditions Precedent is not satisfied by the end of 31 December 2025 (or such later date as agreed between the Transferors and the Transferees).

Upon termination, the Equity Transfer Agreement will cease to have effect, except for certain provisions relating to confidentiality, announcements, and other general matters which will remain binding on all parties. For the avoidance of doubt, the External Transferee shall not have any right to terminate the Equity Transfer Agreement after completion of the Disposal.

**Governing law**

: The laws of the PRC

### 3.2 Shareholder Loan Agreement

In accordance with the Equity Transfer Agreement: (a) the External Transferee shall enter into a Shareholder Loan Agreement with the Target Companies on the Disposal Completion Date; and (b) the Internal Reorganisation Party shall enter into a Shareholder Loan Agreement with the Target Companies on the Internal Reorganisation Date. Pursuant to the Shareholder Loan Agreements, the External Transferee and the Internal Reorganisation Party shall each advance a Shareholder Loan in the amount of RMB650 million to the Target Companies. The aggregate amount of Shareholder Loans to be extended by the External Transferee and the Internal Reorganisation Party will be RMB1,300 million.

The principal terms of each Shareholder Loan Agreement are set out below:

<b>Parties</b>	: (1) 廣州越秀發展集團有限公司 (Guangzhou Yue Xiu Development Group Co., Ltd.) or 廣州越秀城建國際金融中心有限公司 (Guangzhou Yue Xiu Construction International Finance Center Co., Ltd.), as the case may be, as lender; and  (2) 廣州佳耀置業有限公司 (Guangzhou Jiayao Real Estate Co., Ltd.); 廣州晉耀置業有限公司 (Guangzhou Jinyao Real Estate Co., Ltd.); 廣州景耀置業有限公司 (Guangzhou Jingyao Real Estate Co., Ltd.); and 廣州譽耀置業有限公司 (Guangzhou Yuyao Real Estate Co., Ltd.), being the Target Companies, as borrowers
<b>Principal amount</b>	: RMB650,000,000, to be advanced by the External Transferee on the Disposal Completion Date or, as the case may be, by the Internal Reorganisation Party on the Internal Reorganisation Date (the “ <b>Shareholder Loan</b> ”)
<b>Purpose</b>	: To be used to discharge the balance of the Existing Payables owing from the Target Companies to the Limited Liability Partnership as at the Disposal Completion Date or the Internal Reorganisation Date (as the case may be)
<b>Term</b>	: 36 months from the date of the Shareholder Loan Agreement, subject to renewal by the agreement of all parties

- Interest rate** : A fixed interest rate of 4.3% per annum, calculated on the actual number of days elapsed and on the basis of 365-day year.
- The fixed interest rate of 4.3% was determined through arm's length negotiations by reference to the coupon rate of the latest medium term notes issued by Yuexiu REIT's subsidiary on 2 April 2025. Having regard to this rate being higher than Yuexiu REIT's cost of borrowing under those notes, the Manager considers it to be fair and reasonable and in the interests of Yuexiu REIT and its Unitholders.
- Interest payments** : Interest payments shall be made on a quarterly basis
- Repayment** : One-off repayment of the principal amount at the end of the initial term (or any renewal term, whichever is later). The borrowers may make early repayment with the consent of the lender and the borrowers' shareholders, and the interest on the early repaid amount shall be calculated based on the actual number of days the loan was outstanding.
- Governing law** : The laws of the PRC
- 3.3 Joint Venture Agreement**
- Upon receipt of 50% of the Share Consideration from the Internal Reorganisation Party, the External Transferee and the Internal Reorganisation Party shall enter into the Joint Venture Agreement to govern the terms and conditions of the joint ownership of the Target Companies and the Property.
- The principal terms of the Joint Venture Agreement are set out below:
- Parties** : (1) 廣州越秀發展集團有限公司 (Guangzhou Yue Xiu Development Group Co., Ltd.), being the External Transferee; and
- (2) 廣州越秀城建國際金融中心有限公司 (Guangzhou Yue Xiu Construction International Finance Center Co., Ltd.), being the Internal Reorganisation Party.
- Board composition** : The board of directors of each of the Target Companies will consist of six directors, three of whom shall be nominated by the External Transferee and the remaining three by the Internal Reorganisation Party. The chairman of the board shall be a director nominated by the External Transferee.

**General manager and  
chief financial  
officer**

The general manager of the Target Companies shall be appointed by the board of directors.

The chief financial officer of the Target Companies shall be a person nominated by the Internal Reorganisation Party and appointed by the board of directors.

**Shareholders' and  
board decisions**

: Resolutions tabled at the shareholders' meetings or board meetings (as the case may be) shall be approved by simple majority of votes. Where there is an equality of votes in the first round of voting, the External Transferee's votes shall be weighted 51% (in the case of a shareholders' meeting) and the chairman of the board shall have an additional vote (in the case of a board meeting) in the second round of voting. A board meeting may only be convened if more than half of the directors are present, including one director nominated by each of the shareholders. Any director who has a direct or indirect interest in a proposed contract, business, or arrangement of the Target Companies to declare such interest during the relevant board meeting. Directors with a conflict of interest in legal matters involving a related party must abstain from voting and are excluded from the quorum for that resolution.

**Reserved matters**

: Certain key matters are subject to the unanimous approval of the shareholders or the directors (as the case may be) of the Target Companies (the "**Reserved Matters**"), which include:

- (a) amendment of the Joint Venture Agreement or the constitutive documents of the Target Companies;
- (b) mergers, dissolution, liquidation or change of corporate form of Target Companies;
- (c) cessation of the business of the Target Companies, or change of the business scope of the Target Companies, including changing the business policy and investment plans of the Target Companies;
- (d) entering into any material transactions that are not in the ordinary and usual course of business of the Target Companies or any mergers;



- (e) changes to the profit distribution policy and loss recovery plan;
- (f) increase or reduction of the registered capital of the Target Companies;
- (g) issue of bonds or financial derivatives by the Target Companies;
- (h) incurring of borrowings, including but not limited to significant changes to existing financing, entrusted loans, and refinancing activities;
- (i) creation of mortgages, pledges, guarantees, or other forms of encumbrances on the Target Companies' assets, or the provision of guarantees, warranties, or indemnities by any of the Target Companies in its own name; and
- (j) disposal, acquisition or transfer of major assets (including tangible and intangible assets) or businesses, with a value (whether on a standalone or aggregate basis) exceeding RMB10 million.

The Reserved Matters, including the monetary threshold under (j) above, were agreed through arm's length negotiations between the Manager and the External Transferee, and are consistent with the key matters set out in 7.7C(h)(ii) of the REIT Code which a REIT is required to have veto rights over while investing in a "Qualified Minority-owned Property" under 7.7C of the REIT Code.

**Distribution policy** : All of the annual distributable profits of the Target Companies shall be distributed to the External Transferee and the Internal Reorganisation Party pro rata to their respective equity interests in the Target Companies.

**Information, inspection and audit rights** : Each shareholder has the right to receive (i) annual audited financial reports; and (ii) monthly unaudited financial reports, leasing reports, and property management reports. Each shareholder also has the right to inspect the Target Companies' books and records and their assets, including the Property.

Any shareholder may by advance notice conduct an internal control audit of the Target Companies to assess the soundness, reasonableness, and effectiveness of the internal control systems of the Target Companies, with full access to financial records, systems, and assets of the Target Companies.

**Restrictions on transfers**

: In the event of a proposed transfer of equity interests in the Target Companies by a shareholder:

- (i) unless otherwise agreed in writing, such shareholder shall transfer all (and not only a part) of the equity interests held by it in the Target Companies, together with all of the shareholder loans extended by it to the Target Companies, if any;
- (ii) the other shareholder shall have a right of first refusal over the proposed transfer by a shareholder of its equity interests (and shareholder loans, if any);
- (iii) if the other shareholder does not exercise its right of first refusal: (a) the transferring shareholder shall have a “drag-along” right to require the other shareholder to sell its equity interests in (and, if any, the shareholder loan to) the Target Companies to the proposed transferee on the same terms; and (b) if such shareholder does not exercise such “drag-along” right, the other shareholder shall have a “tag-along” right to require the proposed transferee to acquire its equity interests in (and, if any, the shareholder loan to) the Target Companies on the same terms (and unless otherwise agreed, the proposed transfer shall not proceed if the proposed transfer is not completed on the same terms for all the parties within the prescribed periods);
- (iv) any proposed transferee: (a) must be of good creditworthiness and commercial reputation and have sufficient financial resources to acquire the equity interests in and (if any) shareholder loan to the Target Companies held by the transferor and perform the Joint Venture Agreement; (b) must not have a poor business record (for instance, revocation of business licences); and (c) must agree to abide by the terms of the Joint Venture Agreement.

The restrictions and limitations on transfer set out in (i) to (iii) above shall not apply to a transfer by a shareholder to any company or entity that directly or indirectly controls, is controlled by, or is under common control with it.

**Dispute and deadlock resolution** : If any dispute or claim arises between the shareholders in connection with the Joint Venture Agreement that cannot be resolved through negotiations, either party may submit the dispute or claim to the People's Court with jurisdiction in Guangzhou.

If a matter fails to obtain the requisite approval of the shareholders or board of directors within 30 days of notice of the relevant meeting, a deadlock shall be deemed to have arisen. In such case, either shareholder may, within seven days of the deadlock, make a proposal for resolving the deadlock to the other shareholder's senior representatives, and the shareholders shall use their best efforts to resolve the deadlock through good faith negotiations within 30 days of such proposal.

If the deadlock remains unresolved after such period, either shareholder may initiate the deadlock resolution mechanism under the Joint Venture Agreement, which includes an equity buy-out process based on a valuation of the equity interests in the Target Companies as determined by an independent third party appraiser approved by both shareholders. However, no shareholder may initiate the deadlock resolution mechanism within the first two years from the effective date of the Joint Venture Agreement.

If neither shareholder initiates the deadlock resolution mechanism within 24 months following the unresolved date, or if the equity buy-out contemplated under such mechanism is not completed within 24 months of initiation, either shareholder may require the liquidation of all Target Companies pursuant to the Joint Venture Agreement.

**Buy-out upon default** : If a party commits a breach of the Joint Venture Agreement and fails to cure its breach within 30 days, the other party is entitled, among other rights and remedies, to acquire the equity interests in the Target Companies held by the party in breach and terminate the Joint Venture Agreement.

**Governing law** : The laws of the PRC

Provisions in the Joint Venture Agreement relating to, among other things, Reserved Matters, distribution policy and deadlock resolution, will also be contained in the new articles of association of the Target Companies to be adopted on Internal Reorganisation Date.

Following completion of the Disposal and the Internal Reorganisation, Yuexiu REIT's effective beneficial interest in the Target Companies and the Property will be reduced to 49.495%, and the Target Companies will cease to be subsidiaries of Yuexiu REIT. As Yuexiu REIT will no longer have majority ownership and control of the Property through the Target Companies, the Property will be regarded as a "Minority-owned Property" of Yuexiu REIT under 7.7B of the REIT Code. The Manager has applied for, and the SFC has granted, approval for the Property to be regarded as a "Qualified Minority-owned Property" under 7.7C of the REIT Code, subject to the entry into of the Joint Venture Agreement. Following the completion of the Disposal and the Internal Reorganisation, the Target Companies will no longer be consolidated in Yuexiu REIT's accounts but will be recognised as an investment in associate under the equity method of accounting.

Like any other joint venture investments, the arrangement with the External Transferee under the Joint Venture Agreement may involve certain risks which are inherent in joint ownership arrangements, including the Manager not having complete management control and oversight over the daily operations and financial condition of the Property, reliance on the property managers and other external service providers to manage the affairs of the Property, and the potential for an exit by or disputes with the External Transferee or its successor or transferee. Disputes with the External Transferee or its successor or transferee may lead to legal proceedings, and serious disputes may also lead to Yuexiu REIT prematurely disposing of its equity interests in the Target Companies and interest in the Property (for example, in the event that a deadlock cannot be resolved), and there is no assurance that Yuexiu REIT will be able to dispose of its equity interests at fair market value under such circumstances, which in turn may negatively impact the value of Yuexiu REIT's investment. The Manager has sought to mitigate such risks by clearly setting out the respective rights, obligations and responsibilities of each

shareholder of the Target Companies in the Joint Venture Agreement (including providing that the Reserved Matters shall be subject to unanimous approval) and mechanisms for resolving any dispute or deadlock and (if necessary) effecting any exits.

**Continued investment in the Property after the Internal Reorganisation Date may expose Yuexiu REIT to risks inherent in minority ownership, including limited management and operation control and reliance on external parties. Serious disputes or a default by the counterparty could lead to premature disposal of Yuexiu REIT's interest in the Target Companies holding the Property, potentially at below market value. Unitholders and prospective investors are therefore advised to exercise caution when dealing in the Units.**

#### **4. REFINANCING**

To refinance some of the existing indebtedness of Yuexiu REIT, on 29 August 2025, the Target Companies obtained a commitment letter issued by a lending bank which is an Independent Third Party for an RMB-denominated loan facility in the principal amount of up to RMB4,000 million (the “**New Bank Facility**”). The New Bank Facility will bear an interest at a margin of 0.65% per annum below the 5-year loan prime rate as announced by the People's Bank of China, and will mature and become payable 15 years from the date of its first drawdown. For illustrative purposes, the 5-year loan prime rate as at the date of this announcement was 3.5%, which was announced on 20 August 2025.

The New Bank Facility will be secured by a mortgage over the Property and charges over the rental receivable accounts of the Target Companies. In addition, GZYS has agreed to provide a comfort letter in favour of the lending bank in respect of the Target Companies' obligations under the New Bank Facility.

To facilitate the post-completion capital structure agreed between the External Transferee and the Internal Reorganisation Party, the Equity Transfer Agreement contemplates that the Target Companies will, after the Disposal Completion Date, draw RMB3,000 million from the New Bank Facility and/or, if available, other facilities extended by one or more Independent Third Party lenders on the same or more favourable terms. The amount drawn down under the New Bank Facility and/or those other facilities will be used to discharge part of the Existing Payables owed to the Limited Liability Partnership (being a subsidiary of Yuexiu REIT) which will in turn be remitted out of the PRC together with the net proceeds from the Disposal to repay some of the existing offshore indebtedness of Yuexiu REIT.

While the New Bank Facility is related to the Disposal and the Internal Reorganisation, it has been separately negotiated with an Independent Third Party lending bank and, accordingly, is not one of the matters requiring Unitholders'

approval. If the Disposal and/or the Internal Reorganisation does not proceed (for example, in the event that the EGM Resolution is not passed), the Manager may still explore proceeding with the New Bank Facility. However, as negotiation with the lending bank to date have been conducted on the basis that the Disposal and the Internal Reorganisation will proceed, it remains uncertain whether the lending bank would be willing to extend the New Bank Facility on the same terms as set out in this announcement, or at all, under such circumstances. It is also uncertain whether other facilities from other Independent Third Party lenders will be available on the same or more favourable terms under such circumstances. Therefore, there can be no assurance that the New Bank Facility or any facility will be entered into on the same terms, or at all, or otherwise be able to bring Yuexiu REIT the benefits described in section 10 headed “Reasons for and Benefits of the Disposal, the Internal Reorganisation and the Refinancing”, if the Disposal and/or the Internal Reorganisation does not proceed.

The terms and conditions of the New Bank Facility (including the security package) described in this announcement are indicative only and subject to change depending on the market conditions at the time the New Bank Facility is finalised and the relevant loan agreement is signed, and do not represent the complete set of the actual terms and conditions. The actual terms and conditions of the New Bank Facility may differ from, or may comprise additional or fewer terms and conditions as compared with, the indicative terms and conditions described in this announcement. To the extent that there are any material changes to the indicative terms and conditions described in this announcement, the Manager will issue an announcement to provide further details.

## **5. INFORMATION ABOUT THE PARTIES**

### **5.1 Yuexiu REIT, Transferors and Target Companies**

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 with the primary objective of bringing long-term and steady investment incomes to Unitholders through actively managing its assets and expanding its operations. The manager of Yuexiu REIT 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.

The Transferors, being the Limited Liability Partnership and the General Partner, are both wholly-owned subordinate entities of Yuexiu REIT. The Limited Liability Partnership was established under the laws of the PRC and is owned as to 99.99% by the Limited Partner and 0.01% by the General Partner, both of which are indirectly wholly-owned by Yuexiu REIT. The General Partner is a limited liability company established in the PRC to act as the general partner of the Limited Liability Partnership. The Limited Liability Partnership and the General Partner are not currently engaged in any business other than the holding of the equity interests in Target Companies, of which they hold 99.99% and 0.01%, respectively.

The Target Companies are limited liability companies incorporated in the PRC and the registered legal owners of the land use rights and ownership rights underlying the Property. The principal business activities of the Target Companies are operation of self-owned property, property management, property related advisory service, hotel management, together with conference and exhibition service.

## **5.2 Internal Reorganisation Party**

The Internal Reorganisation Party is an existing subsidiary of Yuexiu REIT incorporated in the PRC with limited liability. It is indirectly owned as to 98.99% by Yuexiu REIT, 0.01% indirectly by Yuexiu Property and 1.0% directly by GCCD Group. The principal business activities of the Internal Reorganisation Party are investment holding and operation of self-owned property, property management, property related advisory service, hotel management, together with conference and exhibition service. As at the date of this announcement, the Internal Reorganisation Party is the registered legal owner of the land use rights and ownership rights underlying Guangzhou IFC and will, on and after the Internal Reorganisation Date, have a 50% interest in the Property through its equity interests in the Target Companies.

## **5.3 External Transferee, GCCD Group and Yuexiu Property**

The External Transferee is a wholly-owned subsidiary of GZYSX incorporated in the PRC with limited liability. The External Transferee is principally engaged in wholesale business and property leasing.

GCCD Group, which directly owns 1.0% of the Internal Reorganisation Party, is a wholly-owned subsidiary of GZYSX incorporated in the PRC with limited liability. GCCD Group is principally engaged in property development and investment of properties in Guangzhou, the PRC.

Yuexiu Property, which indirectly owns 0.01% of the Internal Reorganisation Party, 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.



The ultimate holding company of the External Transferee, GCCD Group and Yuexiu Property is GZYY, a company established in the PRC with limited liability, which is majority owned by the Guangzhou Municipal People's Government of the PRC. GZYY 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.

## 6. FINANCIAL INFORMATION OF THE TARGET COMPANIES

The total revenue and profit or loss of the Target Companies for the two financial years ended 31 December 2023 and 2024 and the six months ended 30 June 2025 were as follows:

	<b>For the financial year ended 31 December 2023 (<i>unaudited</i>) (RMB'000)</b>	<b>For the financial year ended 31 December 2024 (<i>unaudited</i>) (RMB'000)</b>	<b>For the six months ended 30 June 2025 (<i>unaudited</i>) (RMB'000)</b>
Total revenue	376,164 <sup>(1)</sup>	359,146 <sup>(1)</sup>	164,731 <sup>(2)</sup>
Net profit/(loss) before tax	178,970 <sup>(1)</sup>	(2,849) <sup>(1)(5)</sup>	17,026 <sup>(2)(6)</sup>
Net profit/(loss) after tax	136,938 <sup>(1)</sup>	(3,811) <sup>(1)(5)</sup>	12,314 <sup>(2)(6)</sup>

The total assets and net asset value of the Target Companies as at 31 December 2023 and 2024 and as at 30 June 2025 were as follows:

	<b>As at 31 December 2023 (<i>unaudited</i>) (RMB'000)</b>	<b>As at 31 December 2024 (<i>unaudited</i>) (RMB'000)</b>	<b>As at 30 June 2025 (<i>unaudited</i>) (RMB'000)</b>
Total assets	7,961,470 <sup>(3)</sup>	7,873,728 <sup>(3)</sup>	8,414,541 <sup>(4)(6)</sup>
Net asset value <sup>(8)</sup>	2,548,656 <sup>(1)</sup>	2,544,845 <sup>(1)</sup>	2,457,159 <sup>(2)(6)</sup>

*Notes:*

- (1) These figures were arrived at by arithmetically summing each of the Target Companies' respective revenue, net profit/(loss) before tax, net profit/(loss) after tax, net asset value (as the case may be) in the audited financials prepared in accordance with PRC GAAP of each of the Target Companies for the periods ended 31 December 2023 and 31 December 2024. These figures do not contain any inter-company transactions or amounts which require netting off.

- (2) These figures were arrived at by arithmetically summing each of the Target Companies' respective revenue, net profit/(loss) before tax, net profit/(loss) after tax, net asset value (as the case may be) in the management accounts prepared in accordance with PRC GAAP of each of the Target Companies for the period ended 30 June 2025. These figures do not contain any inter-company transactions or amounts which require netting off.
- (3) These figures were arrived at by arithmetically summing each of the Target Companies' respective total assets in the audited financials prepared in accordance with PRC GAAP of each of the Target Companies for 31 December 2023 and 31 December 2024, and then netting off the effect of inter-company transactions between the Target Companies.
- (4) These figures were arrived at by arithmetically summing each of the Target Companies' total assets in the management accounts prepared in accordance with PRC GAAP of each of the Target Companies for 30 June 2025, and then netting off the effect of inter-company transactions between the Target Companies.
- (5) The decline in net profit/(loss) before tax and net profit/(loss) after tax was mainly due to loss on fair value change of the Property.
- (6) As the management accounts were prepared in accordance with PRC GAAP, fair value change of the Property would only be recorded on annual basis. Hence, these figures had not yet reflected the decrease in fair value of the Property during the first half of 2025. For illustrative purpose, should the fair value change of the Property be factored in, the net loss before tax and net loss after tax of the Target Companies for the six months ended 30 June 2025 would have been approximately RMB217,974,000 and RMB163,936,000 respectively, while total assets and net asset value of the Target Companies as at 30 June 2025 would have been approximately RMB8,179,541,000 and RMB2,280,909,000, respectively, based on the estimation of the Manager. For the avoidance of doubt, such fair value change of the Property had already been reflected in the 2025 Interim Report.
- (7) The main difference between HKFRS, being the accounting standards adopted by Yuexiu REIT, PRC GAAP adopted by the Target Companies lies in the recognition of rental income. HKFRS recognises rental income on a straight-line basis, while PRC GAAP recognises the same on an accrual basis. The Manager does not consider the abovementioned difference between the two accounting standards has any material effect on the financial position of the Target Companies.
- (8) The net asset value presented herein section 6 headed "Financial information on the Target Companies" was prepared in accordance with PRC GAAP, and is different from the Reference NAV as described in section 3.1 headed "Equity Transfer Agreement", being RMB3,682,124,000, which adopted the Appraised Value of RMB8,049 million as the fair value of the Property, and excluded from the assets, the Target Companies' long-term deferred amortised expenses and construction in progress, and from the liabilities, the deferred tax liabilities of the Target Companies.

## 7. FEES AND CHARGES IN RELATION TO THE DISPOSAL

As the External Transferee is a connected person of Yuexiu REIT through the Manager, no transaction fee is payable to the Manager under the Trust Deed in connection with the Disposal.

Pursuant to the Trust Deed, the Trustee is entitled to charge additional fees for duties undertaken by the Trustee in connection with the Disposal which are of an exceptional nature or otherwise outside the scope of the Trustee's normal duties in the ordinary course of Yuexiu REIT's day-to-day business operations. The Trustee has agreed with the Manager that it will charge Yuexiu REIT a one-time additional fee of approximately HK\$860,000 for duties undertaken by it in connection with the Disposal (the "**Trustee's Disposal Additional Fee**"). For the avoidance of doubt, no additional fee is payable to the Trustee in connection with the Internal Reorganisation.

The total fees and charges payable in relation to the Disposal, including the Trustee's Disposal Additional Fee, advisory fees, professional fees, and other relevant expenses (the "**Expenses**"), are estimated to amount to approximately RMB10 million. The Expenses are one-off transaction expenses for the Disposal which are of a non-recurring nature.

## 8. USE OF PROCEEDS

The net proceeds from the Disposal, which are calculated based on the gross proceeds that Yuexiu REIT will receive from the External Transferee (including indirectly through the repayment of part of the Existing Payables by the Target Companies with the Shareholder Loan extended by the External Transferee), after deducting the Expenses, stamp duty and withholding tax estimated to be payable in connection with the Disposal, the Internal Reorganisation and the repatriation of proceeds offshore, are expected to be approximately RMB2,300 million. Including the RMB3,000 million expected to be drawn from the New Bank Facility (and/or, if available, other facilities extended by one or more Independent Third Party lenders on the same or more favourable terms) for the Refinancing, the total proceeds of approximately RMB5,300 million are intended to be fully applied towards the scheduled repayment and/or early repayment (as the case may be) of existing indebtedness of Yuexiu REIT.

## 9. FINANCIAL IMPACT OF THE DISPOSAL, THE INTERNAL REORGANISATION AND THE REFINANCING

The Manager expects that the Disposal and the Internal Reorganisation, together with the Refinancing, would lower Yuexiu REIT's gearing ratio and interest expense, and, on a pro forma basis, result in an accretion to the Total Distributable Income and DPU of Yuexiu REIT.

The pro forma financial effects of the Disposal and the Internal Reorganisation on Yuexiu REIT's revenue, Total Distributable Income and DPU, and the net asset value attributable to Unitholders per Unit will be presented in the Circular and reported on by the Independent Auditor pursuant to Rule 4.29(7) of the Listing Rules.

The Manager does not expect the Disposal or the Internal Reorganisation to have any material adverse impact on the financial position of the Yuexiu REIT Group as compared to that as at 30 June 2025 (as disclosed in the 2025 Interim Report).

### **9.1 Impact on gearing ratio**

As disclosed in the 2025 Interim Report, the gearing ratio of Yuexiu REIT was approximately 48.1% as at 30 June 2025. Following the completion of the Disposal, the Internal Reorganisation and the Refinancing, the gearing ratio of Yuexiu REIT is expected to decrease to approximately 41.2% assuming that the net proceeds from the Disposal, in aggregate with the amount to be drawn from the New Bank Facility and/or, if available, other facilities extended by one or more Independent Third Party lenders on the same or more favourable terms, are fully applied towards repaying existing indebtedness of Yuexiu REIT as described in section 8 headed "Use of Proceeds".

### **9.2 Expected loss**

The Manager estimates that a loss of approximately RMB165 million will result from the Disposal and the Internal Reorganisation. The estimated loss is calculated based on the difference between the Share Consideration of approximately RMB3,433 million (based on the Reference NAV) and the net asset value of the Target Companies as recorded in Yuexiu REIT's accounts prepared in accordance with HKFRS (being approximately RMB3,582 million), less: (i) the Expenses (being approximately RMB10 million) and (ii) stamp duty and withholding tax estimated to be payable in connection with the Disposal, the Internal Reorganisation and the repatriation of proceeds offshore (being approximately RMB6 million).

Notwithstanding the above, assuming that the Refinancing proceeds in parallel and the net proceeds from the Disposal are fully applied towards repaying Yuexiu REIT's existing indebtedness, the Manager expects a reduction in the overall interest expense of Yuexiu REIT. Such reduction, together with Yuexiu REIT's continued entitlement to receive its pro rata share of all the annual distributable profits through its minority investment in the Property, is expected to result in DPU accretion on a pro forma basis. Further details of the pro forma financial effects on the DPU will be set out in the Circular. Having regard to the expected DPU accretion and the broader strategic benefits outlined in section 10 headed "Reasons for and Benefits of

the Disposal, the Internal Reorganisation and the Refinancing”, the Manager considers the estimated loss to be acceptable and the Disposal and the Internal Reorganisation to be in the best interests of Yuexiu REIT and its Unitholders despite the same.

Based on current information available on the Target Companies, apart from the normal operating results of the Target Companies up to the expected Disposal Completion Date, there will be no other significant impact on the estimated figure of loss on the Disposal and the Internal Reorganisation.

### **9.3 Effects on earnings and assets and liabilities**

The Manager estimates that the Disposal and the Internal Reorganisation will result in a one-off loss on disposal of approximately RMB165 million. For further details of its calculation, please refer to section 9.2 headed “Expected loss” above. As the estimated amount of loss is calculated based on the Share Consideration derived from the Reference NAV, the definitive amount of loss to be recorded in Yuexiu REIT’s financial statements will necessarily take into account any difference between the Reference NAV and the Completion NAV and, accordingly, may be difference from the estimated amount.

Assuming the Disposal, the Internal Reorganisation and the Refinancing were completed on 30 June 2025: (a) the total assets of Yuexiu REIT would have decreased by approximately 13.6%, primarily due to the deconsolidation of the Target Companies from Yuexiu REIT’s consolidated financial statements; and (b) the total liabilities of Yuexiu REIT would have decreased by approximately 20.8%, primarily due to the repayment of existing indebtedness using the combined proceeds of approximately RMB5,300 million comprising the net proceeds of approximately RMB2,300 million from the Disposal and the RMB3,000 million to be drawn from the New Bank Facility and/or, if available, other facilities extended by one or more Independent Third Party lenders on the same or more favourable terms.

## **10. REASONS FOR AND BENEFITS OF THE DISPOSAL, THE INTERNAL REORGANISATION AND THE REFINANCING**

### **10.1 Reasons for the Disposal, the Internal Reorganisation and the Refinancing**

Amid the ongoing high interest rate environment and exchange rate volatility, the Manager has actively explored and assessed strategies to strengthen Yuexiu REIT’s capital structure and mitigate exposure to these market risks. The Disposal and the Internal Reorganisation, in conjunction with the Refinancing, represent a proactive and strategic initiative developed by the Manager, with the support of its indirect Substantial Unitholder, GZYY, to improve Yuexiu REIT’s overall financial resilience, reduce gearing, and lower interest expenses.

Prior to recommending the Disposal and the Internal Reorganisation, the Board considered various alternatives, including equity fundraising and selling the Property to Independent Third Parties through open tender or competitive bidding by auction. However, these options were deemed less favourable due to prevailing market conditions and execution risks. In particular, equity fundraising was not considered to be in the best interests of Unitholders, given the depressed Unit price and the subdued investor sentiment towards PRC-based real estate stocks in recent years.

Similarly, identifying and securing a third-party buyer through a public tender process within a commercially reasonable timeframe would be highly challenging. In contrast, a negotiated transaction structure offers greater certainty of execution, better control over timing and communication, and minimises unnecessary speculation or disruption to Unit price performance. Accordingly, the Board considers that negotiating a disposal independently with a known counterparty, without an open tender or auction process, is in line with the interests of Yuexiu REIT and its Unitholders.

The Board has evaluated the transaction terms and structure of the Disposal and the Internal Reorganisation and is of the view that the Disposal is conducted on normal commercial terms, at arm's length and is fair and reasonable and in the best interests of Yuexiu REIT and its Unitholders as a whole. In forming this view, the Board has considered and notes that the value attributed to the Property by the Manager and the External Transferee (being RMB7,800 million, as derived from the Agreed Discount of approximately 3.1% to the Appraised Value) is consistent with the original acquisition cost of Yuexiu REIT for the 2021 Acquisition, which was also RMB7,800 million (being the value attributed to the Property by the transaction parties at the time). Having regard to current market conditions and recent comparable transactions, the Board considers the Share Consideration (which takes into account the Agreed Discount) to be fair and reasonable and in the best interests of Yuexiu REIT and its Unitholders.

In addition to comparing the Share Consideration with the original acquisition cost of Yuexiu REIT, the Board has also given due regard to the transaction structure of the Disposal and the Internal Reorganisation, which will allow Yuexiu REIT to continue owning the Property and receiving distributions of profits from the Target Companies as a minority shareholder. Furthermore, robust minority protections have been secured under the Joint Venture Agreement, including equal board representation, veto rights over Reserved Matters, and full access to financial and operational information of the Target Companies and the Property. These governance arrangements are essential to Yuexiu REIT's continued investment in the Property as a "Qualified Minority-owned Property" under the REIT Code, and negotiating with an unknown third-party counterparty identified via a public tender or auction would have been highly challenging and unlikely to yield comparable governance arrangements.



In view of the above considerations and the expected benefits outlined in section 10.2 headed “Expected benefits of the Disposal, the Internal Reorganisation and the Refinancing” below, the Board (including all the INEDs) believe that the Disposal and the Internal Reorganisation offer an optimal solution to address the challenges currently facing by Yuexiu REIT.

## **10.2 Expected benefits of the Disposal, the Internal Reorganisation and the Refinancing**

The Board (including all the INEDs) believes that the Disposal and the Internal Reorganisation, together with the Refinancing, will bring the following benefits to the Unitholders:

### *Reduce gearing and lower financing costs*

Since Yuexiu REIT acquired Yuexiu Financial Tower in 2021, the HIBOR has increased from its low point at the end of 2021, influenced by various factors including recurring COVID-19 outbreaks in the PRC during 2022, the Russia-Ukraine conflict, greater global economic uncertainty, and rising inflation and interest rates in the US.

Amid these market headwinds, Yuexiu REIT experienced continued increases in financing costs, exerting pressure on its net profit and DPU. Additionally, fluctuations in the RMB exchange rate resulted in non-operating losses, which further impacted the net asset value. Elevated financing costs and RMB depreciation contributed to a higher gearing ratio, which stood at 48.1% as at 30 June 2025, compared to 40.2% as at 31 December 2021.

Assuming the net proceeds from the Disposal (being approximately RMB2,300 million), together with the RMB3,000 million to be drawn down as contemplated under the Equity Transfer Agreement are fully applied towards repaying Yuexiu REIT’s existing indebtedness, the gearing ratio of Yuexiu REIT is expected to decrease from 48.1% as at 30 June 2025 to approximately 41.2% upon the completion of the Disposal, the Internal Reorganisation and the Refinancing, as illustrated in section 9.1 headed “Impact on gearing ratio”.

The Refinancing is expected to complement and amplify the effects of the Disposal and the Internal Reorganisation by lowering interest expenses, which will help cushion Yuexiu REIT against potential risks should the interest rate environment remain elevated, and preserving the flexibility for Yuexiu REIT to make value-adding acquisitions in the future when such opportunities arise.



### *DPU accretive transaction and positive impact on Yuexiu REIT's external credit rating*

It is expected that, on a pro forma basis, had the Disposal, the Internal Reorganisation and the Refinancing been completed on 1 January 2025, assuming that the net proceeds from the Disposal and the amount to be drawn from the New Bank Facility (and/or, if available, other facilities extended by one or more Independent Third Party lenders on the same or more favourable terms) had been fully utilised for repaying existing indebtedness of Yuexiu REIT and that Yuexiu REIT would continue to receive, through the Internal Reorganisation Party, its pro rata share of all the annual distributable profits on the Target Companies pursuant to the Joint Venture Agreement, the Disposal and the Internal Reorganisation would have been accretive to DPU. Further details of the pro forma financial effects on the DPU will be set out in the Circular.

The Disposal is also expected to have a positive effect on Yuexiu REIT's external credit rating as all net proceeds therefrom will be applied towards repaying existing indebtedness, resulting in improvements to key credit metrics, including the Net Debt-to-EBITDA ratio and the interest coverage ratio. The Manager believes a strengthened credit profile will enhance Yuexiu REIT's ability to continue leveraging diverse fundraising channels, including the offshore bond market, to support future growth.

### *Portfolio rebalancing and upgrade*

The Disposal represents a significant strategic decision for Yuexiu REIT to optimise its portfolio composition. Following the Disposal, the proportion of Yuexiu REIT's revenue from office properties will decrease from 55% to 46% (based on the revenue contributed by the Property for the six months ended 30 June 2025). A more diversified property portfolio and asset optimisation further enhance Yuexiu REIT's ability to withstand market cyclical fluctuations.

The Disposal enables Yuexiu REIT to capture future growth potential in the office asset segment when the market recovers through its continued partial ownership in the Property, while strategically rebalancing its asset portfolio composition, improving its financial structure and enhancing its long-term competitiveness.

The Manager expects that, despite the Disposal, Yuexiu REIT will maintain the largest PRC asset portfolio and remain as a top 10 REIT by total asset size among listed REITs in Hong Kong and Singapore.

### *Tap on potential advantages of partnering with GZYY*

Following the Disposal, Yuexiu REIT will effectively be partnering with GZYY as its joint venture partner in its ownership of the Target Companies and the Property.

Leveraging GZYY's credit, resources and reputation, the Target Companies are expected to capture more favourable financing costs, further enhancing the yield of the Property. As a continuing minority shareholder, Yuexiu REIT stands to benefit from these improved financing conditions and the resulting uplift in investment returns.

#### *Unlock book value of the Property*

The Disposal represents a compelling and valuable opportunity for Yuexiu REIT to unlock and realise the value of the Property. This is evidenced by the relatively modest Agreed Discount of approximately 3.1% compared to the Appraised Value, enabling Yuexiu REIT to achieve a disposal price significantly above its prevailing price-to-book ratio of approximately 0.3x.

#### *Capture future growth of Guangzhou's commercial property market through continued participation in the Property's performance*

Notwithstanding the Disposal and the Internal Reorganisation, Yuexiu REIT will retain a 49.495% beneficial interest in the Property, thereby allowing it to continue participating in the Property's long-term performance through its proportionate share of profits and distributions.

The Greater Bay Area's gross domestic product has grown at a compound annual growth rate of 5.0% from 2019 to 2024, reaching RMB14.8 trillion in 2024, according to the statistics compiled and published by the Statistical Website of the Guangdong-Hong Kong-Macao Greater Bay Area. As a key city in the Greater Bay Area, Guangzhou is strengthening its functions as an international trade and transportation hub, cultivating core capabilities in science, technology, education, and culture, and promoting emerging industries, trends from which the Manager believes the International Grade-A office market of Zhujiang New Town, where the Property is located, will benefit.

## **11. REGULATORY IMPLICATIONS**

### **11.1 Connected party transactions**

As at the date of this announcement, GZYY is the holding company of Yue Xiu and the ultimate holding company of Yuexiu Property, both of which are indirect Substantial Unitholders and holding companies of the Manager. The External Transferee is an indirect wholly-owned subsidiary of GZYY and, hence, an associate of both the Manager and Substantial Unitholders. GCCD Group and Yuexiu Property, who will through the Internal Reorganisation Party be indirectly interested in the Target Companies, are also associates of the Manager and Substantial Unitholders. Therefore, each of the External Transferee, GCCD Group and Yuexiu Property is a connected person of Yuexiu REIT within the meaning of Chapter 8 of the REIT Code

and Chapter 14A of the Listing Rules (modified as appropriate pursuant to 2.26 and 8.7A of the REIT Code). Accordingly, the Disposal, the Internal Reorganisation and the transactions contemplated under the Equity Transfer Agreement (including the entry into of the Joint Venture Agreement and the Shareholder Loan Agreements and the transactions contemplated thereunder) constitute connected party transactions of Yuexiu REIT under Chapter 8 of the REIT Code and Chapter 14A of the Listing Rules (modified as appropriate pursuant to 2.26 and 8.7A of the REIT Code).

As the highest applicable percentage ratio in respect of the Disposal, the Internal Reorganisation and the transactions contemplated under the Equity Transfer Agreement (including the entry into of the Joint Venture Agreement and the Shareholder Loan Agreements and the transactions contemplated thereunder) exceeds 5%, the Disposal, the Internal Reorganisation and the transactions contemplated under the Equity Transfer Agreement (including the entry into of the Joint Venture Agreement and the Shareholder Loan Agreements and the transactions contemplated thereunder) are subject to the announcement, circular, reporting and independent Unitholders' approval requirements under Chapter 8 of the REIT Code and Chapter 14A of the Listing Rules (modified as appropriate pursuant to 2.26 and 8.7A of the REIT Code).

## **11.2 Major transaction**

As the highest applicable percentage ratio in respect of the Disposal, the Internal Reorganisation and the transactions contemplated under the Equity Transfer Agreement (including the entry into of the Joint Venture Agreement and the Shareholder Loan Agreements and the transactions contemplated thereunder) exceeds 25% but is less than 75%, the Disposal, the Internal Reorganisation and the transactions contemplated under the Equity Transfer Agreement (including the entry into of the Joint Venture Agreement and the Shareholder Loan Agreements and the transactions contemplated thereunder) constitute a major transaction of Yuexiu REIT and are subject to the notification, announcement, circular and Unitholders' approval requirements under Chapter 14 of the Listing Rules (modified as appropriate pursuant to 2.26 and 10.10B of the REIT Code).

## **11.3 EGM Resolution**

The Manager will seek Independent Unitholders' approval for the Transaction Matters Requiring Approval by way of an Ordinary Resolution. For the avoidance of doubt, the New Bank Facility (and the Refinancing) is not one of the Transaction Matters Requiring Approval.

## **12. OPINION OF THE BOARD**

Having regard to the reasons for, terms of, and factors and other information taken into consideration in relation to, the Transaction Matters Requiring Approval as described in this announcement, the Board (including the INEDs) considers that the Transaction Matters Requiring Approval are: (i) in the ordinary and usual course of business of Yuexiu REIT; (ii) consistent with the investment objectives and strategy of Yuexiu REIT, and in compliance with the REIT Code and the Trust Deed; and (iii) on terms which are normal commercial terms, are at arm's length and are fair and reasonable and in the best interests of Yuexiu REIT, the Independent Unitholders and the Unitholders as a whole in accordance with the REIT Code.

## **13. ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND THE APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, comprising all of the INEDs, has been established in accordance with Rule 14A.41 of the Listing Rules to advise the Independent Unitholders on the Transaction Matters Requiring Approval.

Somerley Capital Limited has been appointed as the Independent Financial Adviser of Yuexiu REIT to advise the Independent Board Committee, the Independent Unitholders and the Trustee on the Transaction Matters Requiring Approval pursuant to Rule 14A.44 of the Listing Rules.

The respective opinions of the Independent Board Committee, the Independent Financial Adviser and the Trustee with regard to the Transaction Matters Requiring Approval will be set out in the Circular.

## **14. EGM, CLOSURE OF REGISTER OF UNITHOLDERS AND CIRCULAR**

The EGM will be held at 11:00 a.m. on Friday, 26 September 2025, at Plaza 1 to 4, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong, for the purpose of considering and, if thought fit, passing with or without amendments, the resolution set out in the EGM Notice.

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 Tuesday, 23 September 2025 to Friday, 26 September 2025, both days inclusive, during which period no transfer of units will be registered. For those Unitholders who are not on the register of Unitholders, in order to be qualified 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 Monday, 22 September 2025.

The Circular containing, among other things: (a) a letter from the Board to the Unitholders with further information on the Transaction Matters Requiring Approval; (b) a letter from the Independent Board Committee to Independent Unitholders regarding the Transaction Matters Requiring Approval; (c) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee, the Independent Unitholders and the Trustee regarding the Transaction Matters Requiring Approval; (d) the Independent Property Valuer's valuation report in respect of the Property; (e) the Independent Auditor's assurance report on the unaudited pro forma financial information; and (f) EGM Notice, will be issued and despatched to the Unitholders on or before 10 September 2025.

**The completion of the Disposal and the Internal Reorganisation is subject to and conditional upon Independent Unitholders' approval being obtained at the EGM for the Transaction Matters Requiring Approval. Accordingly, the Disposal or the Internal Reorganisation may or may not complete. Unitholders, as well as any prospective investors of Yuexiu REIT, are therefore advised to exercise caution when dealing in the Units.**

## **15. DEFINITIONS**

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

<b>2021 Acquisition</b>	the acquisition by Yuexiu REIT of the Property through the purchase of the entire issued share of Gain Force Investments Ltd., which completed on 23 December 2021
<b>2021 Acquisition Circular</b>	the circular of Yuexiu REIT dated 13 November 2021 relating to, among other things, the 2021 Acquisition
<b>2024 Annual Report</b>	the annual report of Yuexiu REIT for the year ended 31 December 2024 published on 28 April 2025
<b>2025 Interim Report</b>	the interim report of Yuexiu REIT for the six months ended 30 June 2025 published on 21 August 2025
<b>Agreed Discount</b>	has the meaning ascribed to this term in section 3.1 headed "Equity Transfer Agreement"

<b>AMR</b>	Guangzhou Tianhe District Administration for Market Regulation or the relevant market supervision authority that has jurisdiction over the Target Companies
<b>Appraised Value</b>	RMB8,049 million, being the value of the Property as at 30 June 2025 appraised by the Independent Property Valuer
<b>associate</b>	has the meaning ascribed to this term in the REIT Code
<b>Board</b>	the board of Directors
<b>Business Day</b>	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
<b>BVI</b>	British Virgin Islands
<b>Circular</b>	the circular to be despatched by the Manager to the Unitholders containing, among other things: (a) a letter from the Board to the Unitholders with further information on the Transaction Matters Requiring Approval; (b) a letter from the Independent Board Committee to Independent Unitholders regarding the Transaction Matters Requiring Approval; (c) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee, the Independent Unitholders and the Trustee regarding the Transaction Matters Requiring Approval; (d) the Independent Property Valuer’s valuation report in respect of the Property; and (e) EGM Notice
<b>Completion Accounts</b>	has the meaning ascribed to this term in section 3.1 headed “Equity Transfer Agreement”
<b>Completion NAV</b>	the net asset value of the Target Companies as at the Disposal Completion Date
<b>Conditions Precedent</b>	has the meaning ascribed to this term in section 3.1 headed “Equity Transfer Agreement”

<b>connected person</b>	has the meaning ascribed to this term in the REIT Code
<b>Director(s)</b>	director(s) of the Manager
<b>Disposal</b>	the proposed disposal by Yuexiu REIT of 50% interest in the Target Companies (which hold the Property) to the External Transferee through the transfer of 50% of the equity interests in the Target Companies by the Limited Liability Partnership as transferor to the External Transferee as transferee pursuant to the Equity Transfer Agreement, as more particularly described in section 3.1 headed “Equity Transfer Agreement”
<b>Disposal Completion Date</b>	the date on which the Target Companies receive from AMR the notice of acceptance of registration of the transfer under the Disposal
<b>DPU</b>	distribution per Unit
<b>Draft Completion Statement</b>	has the meaning ascribed to this term in section 3.1 headed “Equity Transfer Agreement”
<b>Dragon Yield</b>	Dragon Yield Holding Limited, a limited liability company incorporated in the BVI and which is directly wholly-owned by Yuexiu Property and is a Substantial Unitholder of Yuexiu REIT
<b>EGM</b>	the extraordinary general meeting of Unitholders convened by and referred to in the EGM Notice
<b>EGM Notice</b>	the notice to be included in the Circular in respect of the EGM to consider and, if thought fit, approve the Transaction Matters Requiring Approval
<b>EGM Resolution</b>	the resolution to be passed at the EGM, as set out in the EGM Notice
<b>Equity Transfer Agreement</b>	the equity transfer agreement in respect of all the equity interests in the Target Companies dated 8 September 2025 and entered into between, on the one hand, the External Transferee and the Internal Reorganisation Party as transferees and on the other hand, the Transferors as transferors



<b>Existing Payables</b>	The amount owing from the Target Companies to the Limited Liability Partnership, which is expected to be approximately RMB4,300,000,000 immediately prior to the Disposal Completion Date
<b>Expenses</b>	has the meaning ascribed to this term in section 7 headed “Fees and Charges in relation to the Disposal”
<b>External Transferee</b>	廣州越秀發展集團有限公司 (Guangzhou Yue Xiu Development Group Co., Ltd. *), a limited liability company incorporated in the PRC which is an indirect wholly-owned subsidiary of GZYY and a connected person of Yuexiu REIT
<b>Final Completion Statement</b>	has the meaning ascribed to this term in section 3.1 headed “Equity Transfer Agreement”
<b>GCCD Group</b>	廣州市城市建設開發集團有限公司 (Guangzhou City Construction & Development Group Co., Ltd.*), a limited liability company incorporated in the PRC
<b>General Partner</b>	廣州駿盛經濟信息諮詢有限公司 (Guangzhou Junsheng Economic Information Consultancy Company Limited*), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of Yuexiu REIT
<b>Guangzhou IFC</b>	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
<b>GZYY</b>	廣州越秀集團股份有限公司 (Guangzhou Yue Xiu Holdings Limited*), a company established in the PRC with limited liability, which is majority owned by the Guangzhou Municipal People’s Government of the PRC and is the ultimate controlling shareholder of the External Transferee, GCCD Group and Yuexiu Property
<b>HK\$, HKD or Hong Kong dollar(s)</b>	Hong Kong dollar(s), the lawful currency of Hong Kong
<b>HKFRS</b>	Hong Kong Financial Reporting Standards



<b>Hong Kong</b>	The Hong Kong Special Administrative Region of the People's Republic of China
<b>Independent Auditor</b>	Ernst & Young
<b>Independent Board Committee</b>	the independent committee established by the Board to advise the Independent Unitholders on the Transaction 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
<b>Independent Financial Adviser</b>	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 Transaction Matters Requiring Approval
<b>Independent Property Valuer</b>	Savills Valuation and Professional Services Limited, being the principal valuer of Yuexiu REIT
<b>Independent Third Party</b>	an individual or a company who or which, as far as the Directors are aware after having made all reasonable enquiries, is not a connected person of Yuexiu REIT or the Manager and their respective connected persons within the meaning of the Listing Rules
<b>Independent Unitholder(s)</b>	Unitholder(s) other than those who have a material interest in the EGM Resolution that is different from that of all other Unitholders, within the meaning of 8.7F of the REIT Code, and who are entitled to vote at the EGM
<b>INED(s)</b>	independent non-executive Director(s)

<b>Internal Reorganisation</b>	collectively, the transfer of (a) 49.99% of the equity interests in the Target Companies by the Limited Liability Partnership; and (b) 0.01% of the equity interests in the Target Companies by the General Partner, to the Internal Reorganisation Party (being a non-wholly-owned subsidiary of Yuexiu REIT) pursuant to the Equity Transfer Agreement, as more particularly described in section 3.1 headed “Equity Transfer Agreement”
<b>Internal Reorganisation Date</b>	the date on which the Target Companies receive from AMR the notice of acceptance of registration of the transfer under the Internal Reorganisation
<b>Internal Reorganisation Party</b>	廣州越秀城建國際金融中心有限公司 (Guangzhou Yue Xiu Construction International Finance Center Co., Ltd.*), a limited liability company incorporated in the PRC which developed and owns Guangzhou IFC
<b>Joint Venture Agreement</b>	the joint venture agreement to be entered into between the External Transferee and the Internal Reorganisation Party to govern the terms and conditions of their joint ownership with respect to the Target Companies and the Property
<b>Limited Liability Partnership</b>	廣州滙盛實業投資合夥企業(有限合夥) (Guangzhou Huisheng Industrial Investment Enterprise Partnership (Limited Liability Partnership)*), a limited liability partnership established under the PRC laws pursuant to the limited liability partnership agreement dated 1 July 2021 entered into between the General Partner and Limited Partner
<b>Limited Partner</b>	Legend Smart (China) Limited (駿邦(中國)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Yuexiu REIT
<b>Listing Rules</b>	The Rules Governing the Listing of Securities on the Stock Exchange (modified as appropriate pursuant to 2.26 of the REIT Code)

<b>Manager</b>	Yuexiu REIT Asset Management Limited, in its capacity as the manager of Yuexiu REIT, a company incorporated under the laws of Hong Kong
<b>Manager Fee Unit(s)</b>	the Unit(s) issued to the Manager in satisfaction of all or part of the Manager’s fees from time to time
<b>New Bank Facility</b>	has the meaning ascribed to this term in section 4 headed “Refinancing”
<b>Ordinary Resolution</b>	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
<b>PRC or China</b>	the People’s Republic of China but excluding, for the purposes of this announcement, Hong Kong, Taiwan and the Macao Special Administrative Region
<b>PRC GAAP</b>	PRC Accounting Standards for Business Enterprises
<b>PRC Government</b>	the Central People’s Government of the PRC
<b>Property</b>	the property known as “Yuexiu Financial Tower (越秀金融大厦)”, particulars of which have been provided in section 2 headed “Property”
<b>Reference NAV</b>	has the meaning ascribed to this term in section 3.1 headed “Equity Transfer Agreement”
<b>Refinancing</b>	the repayment of some of the existing indebtedness of Yuexiu REIT with the proceeds expected to be drawn from the New Bank Facility and/or, if available, other facilities extended by one or more Independent Third Party lenders on the same or more favourable terms, as further described in section 4 headed “Refinancing”
<b>REIT</b>	real estate investment trust

<b>REIT Code</b>	the Code on Real Estate Investment Trusts published by the SFC as amended, supplemented or otherwise modified for the time being
<b>RMB</b>	Renminbi, the official currency of the PRC
<b>SFC</b>	the Securities and Futures Commission of Hong Kong
<b>SFO</b>	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
<b>Share Consideration</b>	has the meaning ascribed to this term in section 3.1 headed “Equity Transfer Agreement”
<b>Shareholder Loan</b>	has the meaning ascribed to this term in section 3.2 headed “Shareholder Loan Agreement”, and “ <b>Shareholder Loans</b> ” shall be construed accordingly
<b>Shareholder Loan Agreement</b>	the shareholder loan agreement to be entered into between the External Transferee or the Internal Reorganisation Party (as lender) and the Target Companies (as borrower) for the extension of a Shareholder Loan in the amount of RMB650 million to the Target Companies, and “ <b>Shareholder Loan Agreements</b> ” shall be construed accordingly
<b>SPV</b>	a special purpose vehicle that is owned and controlled by Yuexiu REIT in accordance with the REIT Code and the Trust Deed
<b>sq.m.</b>	square metre
<b>Stock Exchange</b>	The Stock Exchange of Hong Kong Limited
<b>Substantial Unitholder</b>	has the same meaning as “substantial holder” as defined under the REIT Code

<b>Target Companies</b>	collectively, 廣州佳耀置業有限公司 (Guangzhou Jiayao Real Estate Co., Ltd.*), 廣州晉耀置業有限公司 (Guangzhou Jinyao Real Estate Co., Ltd.*), 廣州景耀置業有限公司 (Guangzhou Jingyao Real Estate Co., Ltd.*) and 廣州譽耀置業有限公司 (Guangzhou Yuyao Real Estate Co., Ltd.*), being companies incorporated in the PRC and the direct owners of the Property
<b>Target Companies Fair Value</b>	has the meaning ascribed to this term in section 3.1 headed “Equity Transfer Agreement”
<b>Total Distributable Income</b>	has the meaning as defined in the Trust Deed
<b>Transaction Matters Requiring Approval</b>	the matters which require the approval of Unitholders at the EGM, being the Disposal and the Internal Reorganisation (including the entry into of the Equity Transfer Agreement) and the transactions contemplated under the Equity Transfer Agreement (including the entry into of the Joint Venture Agreement and the Shareholder Loan Agreements and the consummation of the transactions contemplated thereunder), as more fully described in the Circular
<b>Transferees</b>	collectively, the External Transferee and the Internal Reorganisation Party
<b>Transferors</b>	collectively, the Limited Liability Partnership and the General Partner
<b>Trust Deed</b>	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
<b>Trustee</b>	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

<b>Trustee's Disposal Additional Fee</b>	has the meaning ascribed to this term in section 7 headed "Fees and Charges in relation to the Disposal"
<b>Unit</b>	one undivided unit in Yuexiu REIT
<b>Unit Registrar</b>	Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
<b>Unitholder</b>	any person registered as holding a Unit on the register of Unitholders
<b>US\$ or USD or US dollar(s)</b>	United States dollar(s), the lawful currency of the United States of America
<b>Yue Xiu</b>	Yue Xiu Enterprises (Holdings) Limited (越秀企業(集團)有限公司), a limited liability company incorporated in Hong Kong which is wholly-owned by GZYG
<b>Yuexiu Property</b>	Yuexiu Property Company Limited, a limited liability company incorporated in Hong Kong and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00123)
<b>Yuexiu REIT</b>	Yuexiu Real Estate Investment Trust, a Hong Kong collective investment scheme constituted as a unit trust and authorised under Section 104 of the SFO subject to applicable conditions from time to time, the Units of which are listed on the Main Board of the Stock Exchange (Stock Code: 00405)
<b>Yuexiu REIT Group</b>	means Yuexiu REIT and its subsidiaries
<b>%</b>	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, 8 September 2025

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

*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 Xiaoou*

*For illustrative purposes only, RMB is converted into HKD at an exchange rate of HKD1 = RMB0.91103 in this announcement.*

*\* For identification purposes only*