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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect in this Circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution licensed to deal in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Units in Yuexiu Real Estate Investment Trust, you should at once hand this Circular, together with the accompanying form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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(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



- (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;  
AND**
- (3) NOTICE OF EXTRAORDINARY GENERAL MEETING AND  
CLOSURE OF REGISTER OF UNITHOLDERS**

Financial Advisers to the Manager



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



SOMERLEY CAPITAL LIMITED

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A letter to Unitholders from the Board is set out on pages 11 to 48 of this Circular.

A notice convening the EGM to 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 is set out on pages N-1 to N-3 of this Circular. Whether or not you are able to attend and vote at the EGM in person, please complete and return the accompanying form of proxy to the Unit Registrar of Yuexiu Real Estate Investment Trust, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed on the form as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment of that meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

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## INFORMATION IN RELATION TO THE PARTIES INVOLVED

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**Yuexiu REIT**

**Yuexiu Real Estate Investment Trust** (越秀房地產投資信託基金), a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO subject to applicable conditions from time to time

**Manager**

**Yuexiu REIT Asset Management Limited**  
(in its capacity as manager of Yuexiu REIT)  
17B, Yue Xiu Building  
160 Lockhart Road  
Wanchai  
Hong Kong

**Directors of the Manager**

*Executive Directors:*  
Ms. Ou Haijing  
Mr. Lin Deliang

*Non-executive Directors:*  
Mr. Jiang Guoxiong (*Chairman*)  
Mr. Zeng Zhizhao

*Independent Non-executive Directors:*  
Mr. Chan Chi On, Derek  
Mr. Chan Chi Fai, Brian  
Mr. Cheung Yuk Tong  
Mr. Chen Xiaoou

**Trustee**

**HSBC Institutional Trust Services (Asia) Limited**  
(in its capacity as trustee of Yuexiu REIT)  
1 Queen's Road Central  
Hong Kong

**Unit Registrar**

**Tricor Investor Services Limited**  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

**Legal Advisers to the Manager  
as to Hong Kong and PRC  
law**

**Baker & McKenzie**  
14th Floor, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

**Legal Advisers to the Trustee as  
to Hong Kong law**

**Dentons Hong Kong LLP**  
3201 Jardine House  
1 Connaught Place  
Central, Hong Kong

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## INFORMATION IN RELATION TO THE PARTIES INVOLVED

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**Financial Advisers to the  
Manager**

**DBS Asia Capital Limited**  
73rd Floor, The Center  
99 Queen's Road Central  
Central  
Hong Kong

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

**BOCI Asia Limited**  
26/F, Bank of China Tower  
1 Garden Road  
Central  
Hong Kong

**Independent Property Valuer**

**Somerley Capital Limited**  
20/F China Building  
29 Queen's Road Central  
Central  
Hong Kong

**Independent Auditor**

**Savills Valuation and Professional Services Limited**  
Room 1208, 12/F  
1111 King's Road  
Taikoo Shing  
Hong Kong

**Ernst & Young**  
*Certified Public Accountants*  
27th Floor, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

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## DEFINITIONS

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*In this Circular, the following definitions apply throughout unless otherwise stated. Also, where terms are defined and used in only one section of this document, these defined terms are not included in the table below:*

<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>	the Guangzhou Tianhe District Administration for Market Regulation or the relevant market supervision authority that has jurisdiction over the Target Companies
<b>Announcement</b>	the announcement of Yuexiu REIT dated 8 September 2025 relating to, among other things, the Disposal and the Internal Reorganisation
<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>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

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## DEFINITIONS

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<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 included in this 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 and explained in this Circular
<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

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## DEFINITIONS

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<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 GZYX 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>GZYX</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

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## DEFINITIONS

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<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 Xiaoou, 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

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## DEFINITIONS

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<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>Latest Practicable Date</b>	5 September 2025, being the latest practicable date prior to the printing of this Circular for the purpose of ascertaining certain information contained in this Circular
<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 Circular, 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

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## DEFINITIONS

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<b>Property</b>	the property known as “Yuexiu Financial Tower (越秀金融大廈)”, particulars of which have been provided in section 2.2 headed “The 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 Agreements”, 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

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## DEFINITIONS

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<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 Circular 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

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## DEFINITIONS

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<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>Valuation Report</b>	the valuation report in respect of the Property prepared by the Independent Property Valuer, which is set out in Appendix 2 to this Circular
<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 GZYX
<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

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Hong Kong time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

For the purpose of this Circular, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of HK\$1.00 to RMB0.91103 as at the Latest Practicable Date. The exchange rates are for illustration purpose only and do not constitute representation that any amounts have been, could have been, or may be exchanged at the rates or any other rate at all.

\* For identification purposes only.



# 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

*Directors of the Manager:*

*Executive Directors:*

Ms. Ou Haijing  
Mr. Lin Deliang

*Registered Office:*

17B, Yue Xiu Building,  
160 Lockhart Road,  
Wanchai,  
Hong Kong

*Non-executive Directors:*

Mr. Jiang Guoxiong (*Chairman*)  
Mr. Zeng Zhizhao

*Independent Non-executive Directors:*

Mr. Chan Chi On, Derek  
Mr. Chan Chi Fai, Brian  
Mr. Cheung Yuk Tong  
Mr. Chen Xiaoou

10 September 2025

*To: Independent Unitholders*

Dear Sir/Madam,

- (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;**
- AND**
- (3) NOTICE OF EXTRAORDINARY GENERAL MEETING AND**
- CLOSURE OF REGISTER OF UNITHOLDERS**

### 1 INTRODUCTION

Reference is made to the Announcement of Yuexiu REIT dated 8 September 2025 relating to, among other things, the Disposal and the Internal Reorganisation.

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## LETTER TO UNITHOLDERS

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The purposes of this Circular are: (1) to provide you with further information in respect of, among other things, the Transaction Matters Requiring Approval; (2) to set out the recommendation of the Independent Board Committee in relation to the Transaction Matters Requiring Approval; (3) to set out the recommendation of the Independent Financial Adviser in relation to the Transaction Matters Requiring Approval; and (4) to serve notice of the EGM at which the resolution seeking Independent Unitholders' approval for the Transaction Matters Requiring Approval shall be proposed.

## 2 THE DISPOSAL AND THE INTERNAL REORGANISATION

### 2.1 Overview

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 (越秀金融大廈)", which was acquired by Yuexiu REIT in 2021. For further information about the Property, please refer to section 2.2 headed "The Property".

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 External Transferee, being a wholly-owned subsidiary of GZYX, 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 GZYX (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).

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## LETTER TO UNITHOLDERS

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While it is expected that, following the completion of the Disposal and the Internal Reorganisation, the Target Companies will no longer be consolidated in accounts of Yuexiu REIT, Yuexiu REIT will continue to be invested in the Property as a “Qualified Minority-owned Property” pursuant to 7.7C of the REIT Code. For further details of the joint ownership arrangement with respect to the Target Companies, including the key terms of the Joint Venture Agreement, please refer to section 3.3 headed “Joint Venture Agreement”.

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).

**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.**

### 2.2 The Property

The Property, known as “Yuexiu Financial Tower (越秀金融大厦)”, is located in the core area of Guangzhou Zhujiang New Town (广州珠江新城), 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.

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## LETTER TO UNITHOLDERS

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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>	The period commencing on 16 April 2007 and ending on 15 April 2057 in respect of the office portion and the carpark spaces
	The period commencing on 16 April 2007 and ending on 15 April 2047 in respect of the commercial portion
<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.

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## **LETTER TO UNITHOLDERS**

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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.

For further details on the methods and bases of the valuation of the Property, please refer to Appendix 2 headed “Valuation Report on the Property”.

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. For further details about the basis of determination of the Share Consideration, please refer to section 3.1 headed “Equity Transfer Agreement”.

### **3 AGREEMENTS RELATING TO THE DISPOSAL AND THE 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.

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## LETTER TO UNITHOLDERS

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

<b>Date</b>	:	8 September 2025
<b>Parties</b>	:	(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>	:	The transfer of the equity interests in:  (a) 廣州佳耀置業有限公司 (Guangzhou Jiayao Real Estate Co., Ltd.);  (b) 廣州晉耀置業有限公司 (Guangzhou Jinyao Real Estate Co., Ltd.);  (c) 廣州景耀置業有限公司 (Guangzhou Jingyao Real Estate Co., Ltd.); and  (d) 廣州譽耀置業有限公司 (Guangzhou Yuyao Real Estate Co., Ltd.)  (being the Target Companies), which are the registered legal owners of the land use rights and current ownership rights underlying the Property.
<b>Transactions</b>	:	The transactions under the Equity Transfer Agreement comprise:  (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

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## LETTER TO UNITHOLDERS

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(B) **Internal Reorganisation** — the transfer to the Internal Reorganisation Party (being a non-wholly-owned subsidiary of Yuexiu REIT) 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.

**Share Consideration** : 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 “**Share Consideration**”) 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 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 RMB3,682,124,000 based on the Reference NAV; and
- (ii) “**Agreed Discount**” (being RMB249,000,000), 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.

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“**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.

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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

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## LETTER TO UNITHOLDERS

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(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;

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## LETTER TO UNITHOLDERS

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- (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.

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## LETTER TO UNITHOLDERS

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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.

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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 Agreements

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.

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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
<b>Interest rate</b>	: 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.
<b>Interest payments</b>	: Interest payments shall be made on a quarterly basis

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<b>Repayment</b>	: 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.
<b>Governing law</b>	: 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:

<b>Parties</b>	: (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.
<b>Board composition</b>	: 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.
<b>General manager and chief financial officer</b>	: 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.

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<b>Shareholders' and board decisions</b>	: 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.
<b>Reserved matters</b>	: 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 “ <b>Reserved Matters</b> ”), which include: <ul style="list-style-type: none"><li>(a) amendment of the Joint Venture Agreement or the constitutive documents of the Target Companies;</li><li>(b) mergers, dissolution, liquidation or change of corporate form of Target Companies;</li><li>(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;</li><li>(d) entering into any material transactions that are not in the ordinary and usual course of business of the Target Companies or any mergers;</li><li>(e) changes to the profit distribution policy and loss recovery plan;</li><li>(f) increase or reduction of the registered capital of the Target Companies;</li><li>(g) issue of bonds or financial derivatives by the Target Companies;</li><li>(h) incurring of borrowings, including but not limited to significant changes to existing financing, entrusted loans, and refinancing activities;</li></ul>

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- (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.

<b>Distribution policy</b>	: 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.
<b>Information, inspection and audit rights</b>	: 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.
<b>Restrictions on transfers</b>	: In the event of a proposed transfer of equity interests in the Target Companies by a shareholder: <ul style="list-style-type: none"><li>(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;</li><li>(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);</li></ul>

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- (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.

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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.

<b>Buy-out upon default</b>	:	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.
<b>Governing law</b>	:	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.

### *3.3.1 Qualified Minority-owned Property*

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.

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### 3.3.2 Risk of joint venture investment

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 Latest Practicable Date 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, GZYX 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.

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## LETTER TO UNITHOLDERS

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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 Circular, 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 Circular 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 Circular. To the extent that there are any material changes to the indicative terms and conditions described in this Circular, the Manager will issue an announcement to provide further details.

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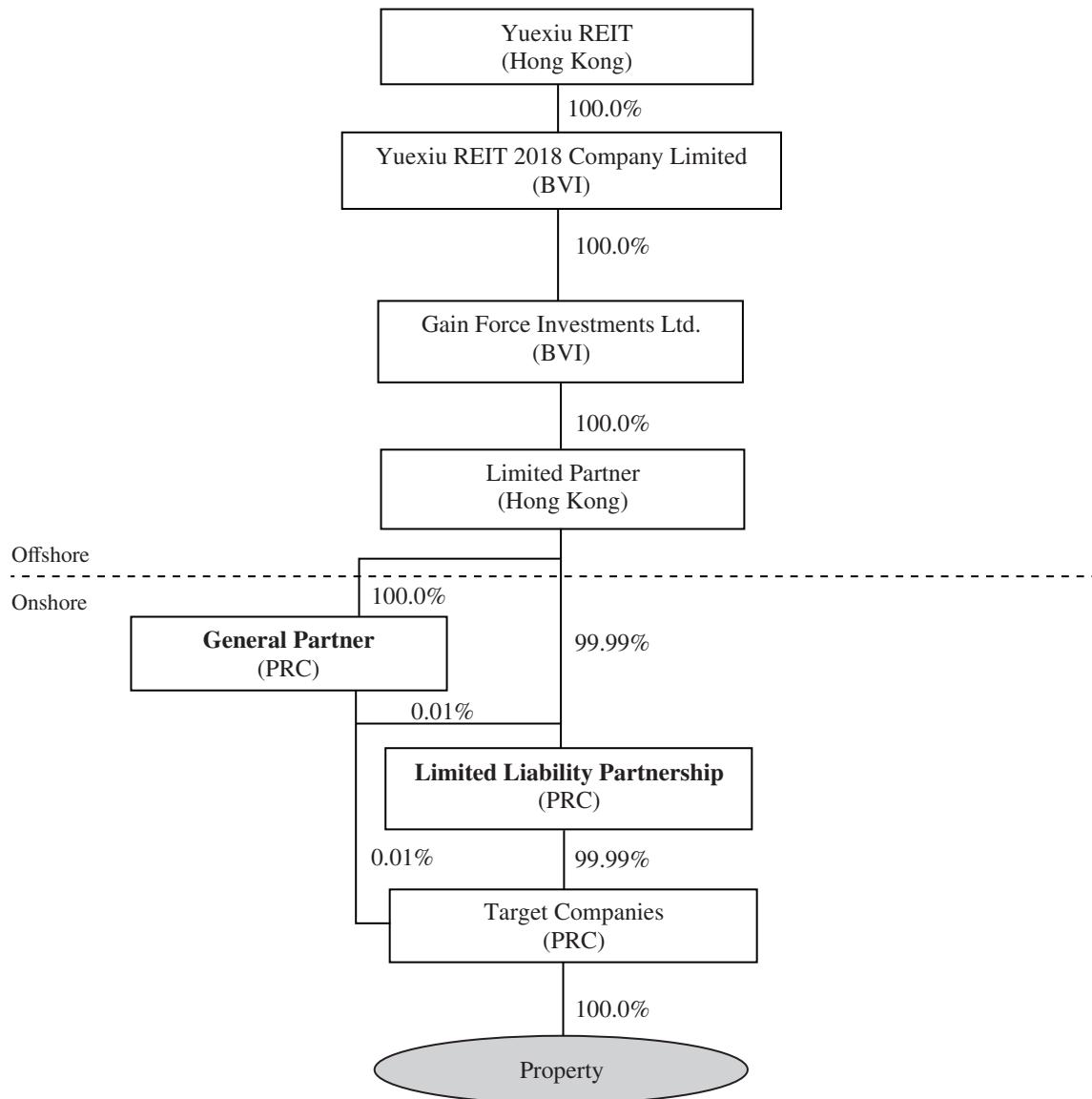
## LETTER TO UNITHOLDERS

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### 5 HOLDING STRUCTURE OF THE PROPERTY

#### 5.1 Current holding structure of the Property

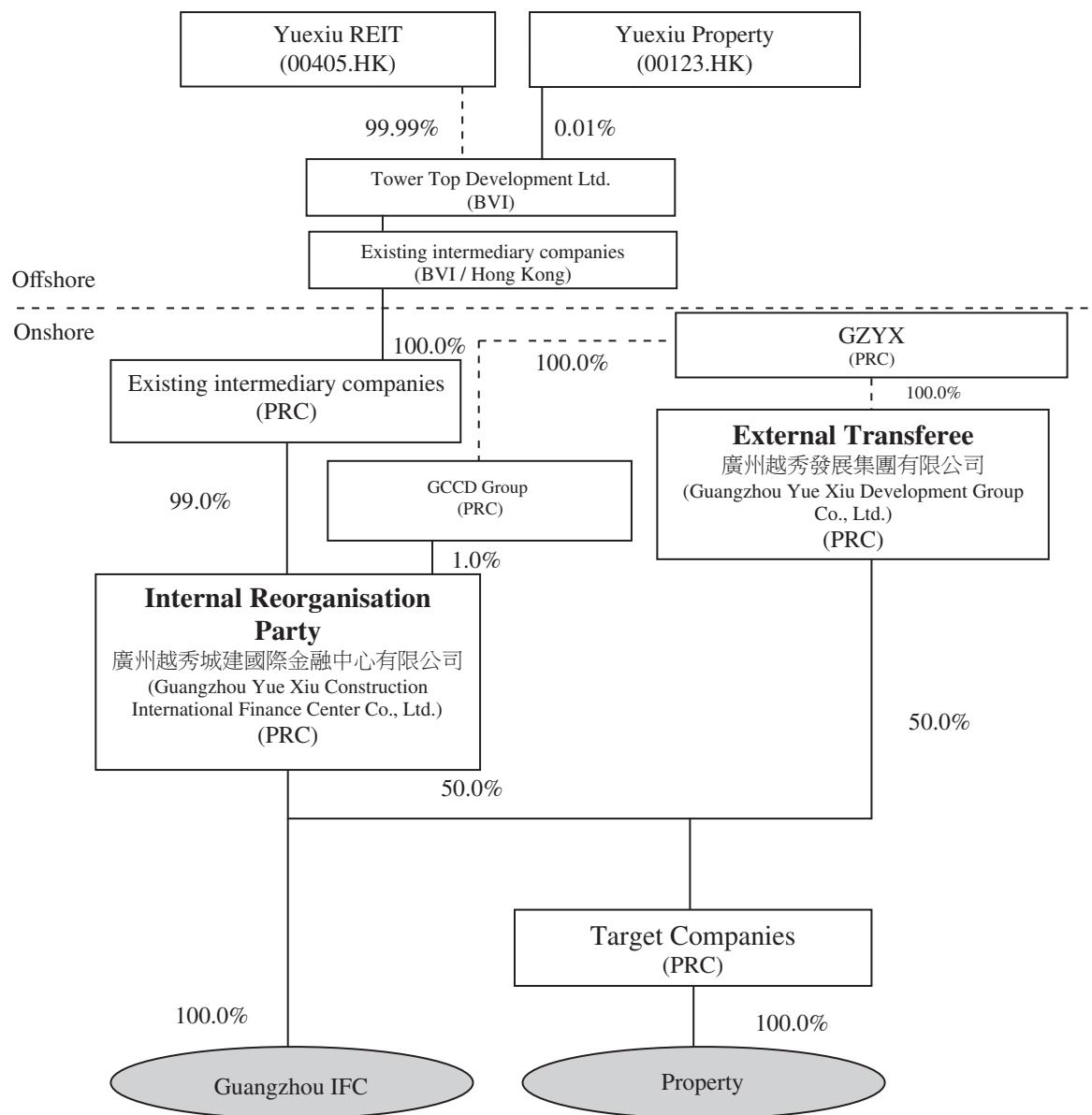
Below is a chart showing the simplified holding structure of the Property as at the date of this Circular:



## LETTER TO UNITHOLDERS

### 5.2 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:



*Notes:*

- (1) English names of the companies incorporated in the PRC are for identification purposes only.
- (2) The shareholding structure of the Internal Reorganisation Party (including the shareholding of Yuexiu Property and GCCD Group in it) was in place and has not changed since Yuexiu REIT's acquisition of Guangzhou IFC in 2012. For further details, please refer to Yuexiu REIT's circular dated 30 June 2012.

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### 6 FINANCIAL INFORMATION ON 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:

	For the financial year ended 31 December 2023 (unaudited) (RMB '000)	For the financial year ended 31 December 2024 (unaudited) (RMB '000)	For the six months ended 30 June 2025 (unaudited) (RMB '000)
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:

	As at 31 December 2023 (unaudited) (RMB '000)	As at 31 December 2024 (unaudited) (RMB '000)	As at 30 June 2025 (unaudited) (RMB '000)
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.

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## LETTER TO UNITHOLDERS

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- (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 (i) 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 Target Companies’ long-term deferred amortised expenses and construction in progress, and from the deferred tax liabilities of the Target Companies; and (ii) the net asset value of the Target Companies as described in section 9.5 headed “Pro forma net asset value attributable to Unitholders per Unit”, being RMB3,582,067,000, which was prepared in accordance with the accounting policies of Yuexiu REIT, being HKFRS.

## 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.

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### 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 main financial benefits of the Disposal, the Internal Reorganisation and the Refinancing include: (i) lowering Yuexiu REIT's gearing ratio and interest expense; and (ii) accretion to the Total Distributable Income and DPU of Yuexiu REIT on a pro forma basis.

As the net proceeds from the Disposal together with the amount 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), being approximately RMB5,300 million in aggregate, are to be fully applied towards the repayment of existing indebtedness of Yuexiu REIT, the gearing ratio and interest expense of Yuexiu REIT are expected to significantly improve after completion of the Disposal, the Internal Reorganisation and the Refinancing. For further details, please see section 9.1 headed "Impact on gearing ratio".

Although the Target Companies will be deconsolidated from Yuexiu REIT's financials after completion of the Disposal, resulting in a decline in net property income, the lower interest expense and continued receipt of its pro rata share of all the annual distributable profits through its minority investment in the Property, the Disposal and the Internal Reorganisation, together with the Refinancing, are expected to be accretive to the Total Distributable Income and DPU of Yuexiu REIT on a pro forma basis.

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, together 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".

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## LETTER TO UNITHOLDERS

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### 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. 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 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.

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### 9.4 Pro Forma Distribution per Unit (DPU)

The pro forma financial effects of the Disposal, the Internal Reorganisation and the Refinancing on the revenue, Total Distributable Income and DPU for the six months ended 30 June 2025, as if the Disposal, the Internal Reorganisation and the Refinancing were completed on 1 January 2025, are as follows:

Before the Disposal, the Internal Reorganisation and the Refinancing	After the Disposal, the Internal Reorganisation and the Refinancing	Pro forma adjustments	Unaudited pro forma revenue/Total Distributable Income for the six months ended 30 June 2025
<b>Yuxiu REIT</b>	<b>The Target Group for the Companies for six months the six months resulting from the Target</b>	<b>Decrease in finance expense</b>	<b>Distributable income from the Target</b>
<b>Group for the Companies for six months the six months resulting from the Target</b>	<b>Group for the Companies for six months the six months resulting from the Target</b>	<b>Decrease in finance expense</b>	<b>Distributable income from the Target</b>
<b>ended 30 June 2025</b>	<b>ended 30 June 2025</b>	<b>ended 30 June 2025</b>	<b>ended 30 June 2025</b>
<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3)</i>	<i>(Note 4)</i>
<i>(Note 5)</i>			
966,148	(165,057)	—	801,091
(461,299)	—	89,910	(371,389)
Revenue			
Finance cost			
Distributable income from the Target Companies			
Total Distributable Income	171,176	(106,824)	22,366
Issued Units ('000)	5,141,086	89,910	22,366
<b>DPU (RMB)</b>	<b>0.0333</b>	<b>0.0362</b>	<b>22,366</b>
			9,426
			186,054
			5,141,086
			<b>0.0362</b>

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*Notes:*

- (1) Based on the unaudited interim condensed consolidated statement of comprehensive income and interim condensed consolidated distribution statement of Yuexiu REIT for the six months ended 30 June 2025.
- (2) Based on the unaudited financial information of the Target Companies for the six months ended 30 June 2025.
- (3) Based on the average financing cost for the six months ended 30 June 2025 and the proposed repayment of approximately RMB5,300 million of existing indebtedness of Yuexiu REIT, as if the Refinancing was completed on 1 January 2025.
- (4) The Target Companies would be regarded as associates (as defined under HKFRS) of Yuexiu REIT after completion of the Disposal and the Internal Reorganisation. Distributable income from the Target Companies is calculated based on the pro forma distributable income of the Target Companies for the six months ended 30 June 2025 assuming the Refinancing was completed on 1 January 2025 and the remaining 49.495% beneficial interest in the Target Companies was held by Yuexiu REIT. Assuming the Disposal, the Internal Reorganisation and the Refinancing had taken place on 1 January 2025 and Yuexiu REIT held the Target Companies under the structure described in section 5.2 headed “Expected holding structure of the Property after completion of the Disposal and the Internal Reorganisation” through to 30 June 2025, the Target Companies’ finance cost would have decreased due to the lower interest cost of the Shareholder Loan and the New Bank Facility as compared to its current shareholder loan owed to the Limited Liability Partnership.
- (5) Others mainly include interest income from the Shareholder Loan of RMB650 million to be extended by the Internal Reorganisation Party to the Target Companies, netting of relevant tax expenses.

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### 9.5 Pro forma net asset value (NAV) attributable to Unitholders per Unit

The pro forma financial effects of the Disposal, the Internal Reorganisation, and the Refinancing on the NAV attributable to Unitholders per Unit as at 30 June 2025, as if the Disposal, the Internal Reorganisation and the Refinancing were completed on 30 June 2025, are as follows:

Before the Disposal, the Internal Reorganisation and the Refinancing	After the Disposal, the Internal Reorganisation and the Refinancing
Pro forma adjustments	Pro forma adjustments
	Unaudited pro forma NAV
	attributable to Unitholders as at 30 June 2025
	RMB'000
	(Note 2)
The Target Companies as at 30 June 2025	Share Consideration netting of transaction costs
RMB'000	RMB'000
(Note 1)	(Note 3)
14,506,842	(3,582,067)
5,141,086	3,417,237
NAV attributable to Unitholders Issued Units ('000)	(24,240)
NAV attributable to Unitholders per Unit (RMB)	2.82
	2.78

*Notes:*

- (1) Based on the unaudited financial information of the Target Companies for the six months ended 30 June 2025.
- (2) Based on the unaudited interim condensed consolidated statement of financial position of Yuexiu REIT as at 30 June 2025.
- (3) The amount represents the Share Consideration (based on the Reference NAV) netting of the related estimated transaction costs.
- (4) The amount represents the increase of the NAV attributable to non-controlling interests of Yuexiu Property and GCCD Group assuming the Disposal, the Internal Reorganisation and the Refinancing were all completed on 30 June 2025, which should be deducted from the NAV attributable to Unitholders.

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The financial information set out in sections 9.4 and 9.5, which was prepared on the basis consistent with the HKFRS and the accounting policies adopted by Yuexiu REIT, is for illustrative purposes only and should be read in conjunction with the Independent Auditor's assurance report on unaudited pro forma financial information, the text of which is set out in Appendix 3 to this Circular.

Unitholders should note that the financial effects of the Disposal and the Internal Reorganisation set out in sections 9.4 and 9.5 are on a pro forma basis and subject to the assumptions set out therein. Accordingly, they do not constitute a profit forecast or represent the actual financial position of Yuexiu REIT as a result of the Disposal and the Internal Reorganisation after their completion.

### 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, GZYX, 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

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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) believes 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:

#### *10.2.1 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 existing indebtedness of Yuexiu REIT, 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".

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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.

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

Based on the pro forma financial effects set out in section 9.4 headed “Pro Forma Distribution per Unit (DPU)”, if the Disposal, the Internal Reorganisation and the Refinancing had 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 by approximately 8.7%.

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.

### *10.2.3 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.

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## LETTER TO UNITHOLDERS

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### *10.2.4 Tap on potential advantages of partnering with GZYX*

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

### *10.2.5 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.

### *10.2.6 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 Latest Practicable Date, GZYX 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 GZYX 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

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## LETTER TO UNITHOLDERS

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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.

Please refer to the EGM Notice for the text of the EGM Resolution in relation to the Transaction Matters Requiring Approval. As soon as practicable after the EGM, the Manager will issue an announcement setting out the results of the EGM, including whether the EGM Resolution has been passed.

### **11.4 Restrictions on Voting**

8.7F of the REIT Code provides that where a Unitholder has a material interest in the resolutions tabled for approval, and that interest is different from that of all other Unitholders, such Unitholder shall abstain from voting. Further, under 3.2 of Schedule 1 to the Trust Deed, where a Unitholder has a material interest in the resolutions tabled for approval at a general meeting of the Unitholders, and that interest is different from the interests of other Unitholders, such Unitholder shall be prohibited from voting its Units or being counted in the quorum for the general meeting.

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## LETTER TO UNITHOLDERS

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As (i) Mr. Jiang Guoxiong, a non-executive Director, is an executive director and the co-general manager of Yuexiu Property; and (ii) Mr. Zeng Zhizhao, a non-executive Director, holds senior management position with GZYX, Yue Xiu and Yuexiu Property, each of them has abstained from voting on the relevant board resolutions of the Manager in relation to the Transaction Matters Requiring Approval. Save as disclosed above, no Director had a material interest in the Transaction Matters Requiring Approval and thus was required to abstain from voting on the relevant board resolutions of Yuexiu REIT in relation to the Transaction Matters Requiring Approval.

As the External Transferee, GCCD Group and Yuexiu Property are parties to or otherwise have an indirect interest in an entity which is a party to the Equity Transfer Agreement, the Joint Venture Agreement and the Shareholder Loan Agreements, each of them have a material interest or deemed material interest in the EGM Resolution relating to the Transaction Matters Requiring Approval that will be tabled for approval, different from that of other Unitholders. Pursuant to the REIT Code and the Trust Deed, each of them shall abstain and/or procure that their close associates who are Unitholders will abstain from voting on the EGM Resolution, except pursuant to a proxy where a specific direction by an Independent Unitholder as to voting is given.

So far as the Manager is aware, as at the Latest Practicable Date, the parties mentioned above as needing to abstain from voting are interested or deemed to be interested in 2,642,979,219 Units representing approximately 50.69% of the Units in issue.

To the best of the Manager's knowledge, information and belief, after having made reasonable enquiries, the Manager takes the view that, save as disclosed above, as at the Latest Practicable Date, no other Unitholder is required to abstain from voting at the EGM in respect of the resolutions pertaining to the Transaction Matters Requiring Approval.

## 12 RECOMMENDATIONS

### 12.1 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 Circular, 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.

Accordingly, the Board recommends that the Independent Unitholders vote at the EGM in favour of the EGM Resolution.

### 12.2 Independent Financial Adviser

Somerley Capital Limited has been appointed as the Independent Financial Adviser to provide its opinion to the Independent Board Committee, the Independent Unitholders and the Trustee on the Transaction Matters Requiring Approval.

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## LETTER TO UNITHOLDERS

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The Independent Financial Adviser has confirmed it is of the view 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 (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.

Accordingly, the Independent Financial Adviser recommends that the Independent Unitholders vote at the EGM in favour of the EGM Resolution.

Details of the Independent Financial Adviser's opinion, together with the principal factors taken into consideration, and assumptions and qualifications in arriving at such opinion, are set out in the "Letter from the Independent Financial Adviser" appended to this Circular.

### **12.3 Independent Board Committee**

The Independent Board Committee has been established by the Board to advise the Independent Unitholders on the Transaction Matters Requiring Approval.

Having taken into account the opinion of and the principal factors and reasons considered by the Independent Financial Adviser, the Independent Board Committee 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.

Accordingly, the Independent Board Committee recommends that the Independent Unitholders vote at the EGM in favour of the EGM Resolution.

### **12.4 Trustee**

Based and in sole reliance on: (1) the opinion of the Board in this letter and the information and assurances provided by the Manager; (2) the Letter from the Independent Financial Adviser; (3) the Letter from the Independent Board Committee; and (4) the Valuation Report on the Property, the Trustee, having taken into account its duties set out in the Trust Deed and the REIT Code, (i) is of the view that (a) the Transaction Matters Requiring Approval are on normal commercial terms, fair and reasonable and in the best interests of Yuexiu REIT, Independent Unitholders, as well as the Unitholders as a whole, and (b) the Transaction Matters Requiring Approval are consistent with Yuexiu REIT's investment objectives and strategy, and in compliance with the REIT Code and the Trust Deed; and (ii) based on the foregoing matters, it has no objection for the Manager to proceed with the Transaction Matters Requiring Approval, which is subject to the approval of Independent Unitholders.

This view is furnished for the sole purpose of complying with 8.7D and 10.10(o) of the REIT Code, and is not to be taken as a recommendation or representation by the Trustee of the merits of the Transaction Matters Requiring Approval.

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## LETTER TO UNITHOLDERS

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The Trustee has not made any assessment of the merits or impact of the Transaction Matters Requiring Approval, other than for the purposes of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code. **Accordingly, the Trustee urges all Unitholders, including those who are in any doubt as to the merits or impact of the Transaction Matters Requiring Approval, to seek their own financial or other professional advice.**

### 13 EXTRAORDINARY GENERAL MEETING AND CLOSURE OF REGISTER OF UNITHOLDERS

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, which is set out on pages N-1 to N-3 of this Circular. You can vote at the EGM if you are a Unitholder on Friday, 26 September 2025. You will find enclosed with this Circular the EGM Notice (see pages N-1 to N-3 of this Circular) and a form of proxy for use for the EGM.

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.

Your vote is very important. Accordingly, please complete, sign and date the accompanying proxy form in accordance with the instructions printed thereon and return it to the Unit Registrar of Yuexiu REIT, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish.

### 14 ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this Circular.

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*



**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

10 September 2025

*To: Independent Unitholders*

Dear Sir or Madam,

**(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;**  
**AND**  
**(2) REFINANCING WITH NEW BANK FACILITY**

We have been appointed as members of the Independent Board Committee to advise you in respect of the Transaction Matters Requiring Approval, details of which are set out in the “Letter to the Unitholders” in the Circular dated 10 September 2025 (the “Circular”), of which this letter forms a part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context otherwise requires.

Somerley Capital Limited has been appointed by the Manager to advise us, the Independent Unitholders and the Trustee as to the Transaction Matters Requiring Approval. Details of their opinion, together with the principal factors taken into consideration, and assumptions and qualifications in arriving at such opinion, are set out in the “Letter from the Independent Financial Adviser” the text of which is contained in the Circular.

Having taken into account the opinion of Somerley Capital Limited and the principal factors and reasons considered by them, we consider 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.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Accordingly, we recommend that the Independent Unitholders vote at the EGM in favour of the EGM Resolution.

Yours faithfully,  
For and on behalf of Independent Board Committee of  
**Yuexiu REIT Asset Management Limited**  
**(as Manager of Yuexiu Real Estate Investment Trust)**

<b>Mr. CHAN Chi On,</b> Derek <i>Independent</i> <i>non-executive Director</i>	<b>Mr. CHAN Chi</b> Fai, Brian <i>Independent</i> <i>non-executive Director</i>	<b>Mr. CHEUNG</b> Yuk Tong <i>Independent</i> <i>non-executive Director</i>	<b>Mr. CHEN</b> Xiaouou <i>Independent</i> <i>non-executive Director</i>
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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the text of a letter of advice from Somerley Capital Limited, prepared for the purpose of incorporation into this Circular, setting out its advice to the Independent Board Committee, the Trustee and the Independent Unitholders in connection with the Transaction Matters Requiring Approval.*



**SOMERLEY CAPITAL LIMITED**  
20th Floor  
China Building  
29 Queen's Road Central  
Hong Kong

10 September 2025

*To: The Independent Board Committee, the Trustee  
and the Independent Unitholders*

*Dear Sirs,*

**MAJOR AND CONNECTED PARTY TRANSACTIONS RELATING TO**  
**(I) DISPOSAL OF 50% INTEREST IN YUEXIU FINANCIAL TOWER TO**  
**A CONNECTED PERSON;**  
**AND**  
**(II) INTERNAL REORGANISATION**

We refer to the announcement dated 8 September 2025 published by Yuexiu REIT relating to the captioned subjects and our appointment to advise the Independent Board Committee, the Trustee and the Independent Unitholders as regards the Transaction Matters Requiring Approval, details of which are set out in the Letter to the Unitholders contained in the circular of Yuexiu REIT to its Unitholders dated 10 September 2025 (the “Circular”), of which this letter forms part. Unless otherwise defined, capitalised terms used in this letter shall have the same meanings as defined in the Circular and the Letter to the Unitholders therein.

As at the Latest Practicable Date, GZYX 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 GZYX 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).

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As the External Transferee, GCCD Group and Yuexiu Property are parties to or otherwise have an indirect interest in an entity which is a party to the Equity Transfer Agreement, the Joint Venture Agreement and the Shareholder Loan Agreements, each of them have a material interest or deemed material interest in the EGM Resolution relating to the Transaction Matters Requiring Approval that will be tabled for approval, different from that of other Unitholders. Pursuant to the REIT Code and the Trust Deed, each of them shall abstain and/or procure that their close associates who are Unitholders will abstain, from voting on the EGM Resolution, except pursuant to a proxy where a specific direction by an Independent Unitholder as to voting is given.

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% and falls between 25% and 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 connected party transaction of Yuexiu REIT and are subject to the announcement, circular, reporting and Independent Unitholders'/Unitholders' approval requirements under Chapter 8 of the REIT Code and Chapter 14 (modified as appropriate pursuant to 2.26 and 10.10B of the REIT Code) and Chapter 14A (modified as appropriate pursuant to 2.26 and 8.7A of the REIT Code) of the Listing Rules.

The Independent Board Committee, comprising all the INEDs, namely Mr. CHAN Chi On Derek, Mr. CHAN Chi Fai Brian, Mr. CHEUNG Yuk Tong and Mr. CHEN Xiaoou, has been established in accordance with Rule 14A.41 of the Listing Rules to advise the Independent Unitholders on the Transaction Matters Requiring Approval. In respect of the Transaction Matters Requiring Approval that constitute connected party transactions, the Independent Board Committee will, pursuant to Rule 14A.40 of the Listing Rules and taking into account the recommendation of the Independent Financial Adviser, advise the Independent Unitholders: (A) whether such transactions are: (i) in the ordinary and usual course of business of Yuexiu REIT; (ii) on terms which are normal commercial terms or better, are at arm's length and fair and reasonable and in the best interests of Yuexiu REIT, the Independent Unitholders and the Unitholders as a whole, and (B) how to vote on the relevant EGM Resolution. We have been appointed to advise the Independent Board Committee, the Trustee and the Independent Unitholders in this regard.

During the past two years, Somerley Capital Limited (“**Somerley**”) is acting or has acted as the independent financial adviser (the “**IFA Engagements**”) to the independent board committee and independent shareholders/unitholders of Yuexiu REIT (and the Trustee), Yuexiu Property and Yuexiu Transport Infrastructure Limited (“**Yuexiu Transport**”) in relation to connected transactions and continuing connected transactions. Yue Xiu is the controlling shareholder of each of Yuexiu Property, the Manager and Yuexiu Transport and the substantial Unitholder of Yuexiu REIT. For details of those announced transactions for which we have been engaged as the independent financial adviser in the past two years, please refer to Yuexiu REIT’s announcement dated 22 November 2023 and Yuexiu Transport’s announcement dated 9 October 2024. The above IFA Engagements were limited to

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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providing independent financial advisory services to each of Yuexiu REIT, Yuexiu Property and Yuexiu Transport pursuant to the Listing Rules and the REIT Code, as the case may be, and Somerley, in return, has received fixed normal advisory fees from them. Somerley is not aware of any matters which may cause it to have a conflict of interest in acting as the independent financial adviser regarding the Transaction Matters Requiring Approval.

Somerley is not aware of any circumstances as set out in Rule 13.84 under the Listing Rules or any other matters which may cause it to have a conflict of interest in acting as the independent financial adviser regarding the Transaction Matters Requiring Approval.

Somerley is independent of, and not associated with, (i) Yuexiu REIT; (ii) the Trustee; (iii) the Manager; (iv) the External Transferee; (v) the Internal Reorganisation Party; (vi) GZYX; (vii) Yue Xiu; (viii) Yuexiu Property; (ix) Dragon Yield; and (xi) their respective associates as defined under the REIT Code. Apart from normal professional fees payable to us in connection with this appointment and other similar engagements, no arrangement exists whereby we will receive any fees or benefits from the aforementioned parties.

In formulating our opinion, we have reviewed, amongst others, the Equity Transfer Agreement, the Joint Venture Agreement, the Shareholder Loan Agreements and other information as set out in the Circular, in particular, the appendices including the Valuation Report, 2024 Annual Report and 2025 Interim Report. We have also (i) discussed with the Independent Property Valuer the valuation methodology, bases and assumptions for the valuation of the Property; (ii) obtained and reviewed recent PRC property transactions provided by the Independent Property Valuer; and (iii) conducted our own research in respect of recent disposal of PRC properties conducted by Hong Kong listed companies and REITs in Hong Kong and Singapore.

We have also relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Manager and have assumed that the information, facts and opinions provided to us are true and accurate. We have also sought and received confirmation from the Directors and management of the Manager that no material factors have been omitted from the information supplied and opinions expressed. We have no reason to doubt the truth, accuracy and completeness of the information provided to us or to believe that any material fact or information has been omitted or withheld. We have not, however, conducted an independent investigation into the affairs of the Manager, Yuexiu REIT, the existing properties owned by Yuexiu REIT (the “**Existing Properties**”). We consider that we have been provided with and have reviewed sufficient information to reach an informed view. We have also assumed that the statements and representations made or referred to in the Circular were accurate and not misleading at the time they were made and continue to be accurate and not misleading as at the date of the EGM.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### PRINCIPAL FACTORS TAKEN INTO ACCOUNT

In arriving at our opinion with regard to the Transaction Matters Requiring Approval, we have taken into account the following principal factors:

#### 1 Yuexiu REIT and Existing Properties

##### 1.1 *Yuexiu REIT*

Yuexiu REIT, listed since December 2005, is a real estate investment trust formed primarily to own and invest in high quality income-producing commercial real estate in top-tier PRC cities with capital appreciation potential. As stated in the 2025 Interim Report, as at 30 June 2025, the ten properties currently owned by Yuexiu REIT comprised White Horse Building units (“**White Horse Building**”), Fortune Plaza units and certain carpark spaces (“**Fortune Plaza**”), City Development Plaza units and certain carpark spaces (“**City Development Plaza**”), Victory Plaza units (“**Victory Plaza**”), Guangzhou IFC, the Property, located in Guangzhou, Shanghai Yue Xiu Tower, located in Shanghai, Wuhan Yuexiu Fortune Centre and Starry Victoria Shopping Centre and certain carpark spaces (“**Wuhan Property**”), located in Wuhan, Hangzhou Victory Business Centre Tower 2 (“**Hangzhou Property**”), located in Hangzhou, and 17th and 23rd floors of Hong Kong Yue Xiu Building (“**Hong Kong Property**”), located in Hong Kong.

##### 1.2 *Existing Properties*

According to the 2025 Interim Report, as at 30 June 2025, Yuexiu REIT’s property portfolio comprised ten commercial properties located in top-tier cities of the PRC (including Hong Kong). The total gross floor area of the properties was approximately 1,184,156.5 sq.m. and the total rentable area was 803,984.1 sq.m. (excluding some parking spaces, hotel and serviced apartments, specific purpose area and common and ancillary facilities areas).

All of the Existing Properties have been held by Yuexiu REIT since its listing in December 2005 except for Guangzhou IFC, Shanghai Yue Xiu Tower, Wuhan Property, Hangzhou Property and certain carpark spaces located at City Development Plaza, Fortune Plaza, the Property and Hong Kong Property, which were acquired by Yuexiu REIT in 2012, 2015, 2017, 2018, 2019, 2021 and 2022, respectively.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is a summary of the Existing Properties:

Name of property	Type	Year of completion	Total rentable area (sq.m.) <sup>(1)</sup>	Occupancy rate			Unit rent per sq.m. per month as at the period end (RMB)			Appraised value (RMB million) <sup>(3)</sup>	30 June 2025	
				1H2025	2024	2023	2022	1H2025	2024	2023		
<b>Guangzhou:</b>												
White Horse Building	Wholesale shopping mall	1990	50,128.9	95.0%	97.1%	95.8%	81.3%	445.1	448.0	449.1	504.9	4,815
Fortune Plaza	Grade A office	2003	41,355.2	88.0%	92.4%	92.4%	95.1%	141.8	143.2	149.7	152.5	1,240
City Development Plaza	Grade A office	1997	42,397.4	89.4%	92.7%	88.8%	88.4%	133.3	134.9	138.2	141.5	1,006
Victory Plaza	Retail shopping mall	2003	27,262.3	96.2%	96.6%	93.5%	93.5%	196.3	240.3	256.2	213.9	959
Guangzhou IFC	Commercial complex <sup>(2)</sup>	2010	230,266.9	85.4%	88.0%	88.3%	89.4%	214.8	217.8	219.3	223.0	18,934
The Property	Grade A office	2015	170,196.8	82.1%	83.7%	88.5%	91.6%	194.2	197.7	204.2	199.7	8,049
<b>Shanghai:</b>												
Shanghai Yue Xiu Tower	Grade A office	2010	46,026.3	87.2%	89.5%	89.2%	90.9%	196.0	202.9	223.8	232.8	2,868
<b>Wuhan:</b>												
Wuhan Property	Commercial complex <sup>(2)</sup>	2014- 2016	172,993.3	66.8%	68.4%	67.3%	67.9%	63.4	66.2	70.2	81.1	3,304
<b>Hangzhou:</b>												
Hangzhou Property	Grade A office	2017	22,484.8	88.7%	97.7%	98.5%	100.0%	127.1	128.6	126.8	123.2	626
<b>Hong Kong:</b>												
Hong Kong Property	Office	1985	872.2	100.0%	100.0%	100.0%	100.0%	322.5	327.5	323.0	316.2	88
<b>Overall/Total</b>				<b>82.2%</b>	<b>84.5%</b>	<b>85.0%</b>	<b>85.5%</b>	<b>187.5</b>	<b>191.9</b>	<b>197.8</b>	<b>198.8</b>	<b>41,889</b>

*Notes:*

1. Excluding some parking spaces, hotel and serviced apartments, specific purpose area and common and ancillary facilities areas.
2. For these commercial complexes, the Grade A office space accounts for 79.7% of Guangzhou IFC and 74.8% of Wuhan Property, respectively, in terms of their respective total rentable area having excluded the area of parking space, hotel and serviced apartments, specific purpose area and common and ancillary facilities areas.
3. The information in the above table is extracted from the valuation report of the Existing Properties set out in 2024 Annual Report.

### *Occupancy rate*

More than half of the Existing Properties experienced a decline in occupancy rate in 1H2025 as compared to 2022, with the Property seeing the steepest drop of 11.3%. As advised by the management of the Manager, the decreases stem from weak demand due to lower-than-expected economic growth and economic headwinds including escalated trade wars and heightened competition from an oversupplied market.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Shopping malls showed improvement in their occupancy rates over the past three and a half years. White Horse Building's occupancy rate increased from 81.3% in 2022 to 95.0% in 1H2025 and Victory Plaza's occupancy rate rose from 93.5% in 2022 to 96.2% in 1H2025. Commercial complexes demonstrated resilience, with Guangzhou IFC maintaining stable occupancy rates between 85% and 89% and Wuhan Property holding steady at 67% - 68% in the past three and a half years. However, Grade A office properties, except for City Development Plaza, generally faced declines, registering decreases ranging from 3.7% - 11.3% over the past three and a half years. Hong Kong Property has been used as office premises by Yuexiu REIT's connected persons, which are stable tenants.

As a result, the overall occupancy rate of the Existing Properties dropped from 85.5% in 2022 to 82.2% in 1H2025.

### *Unit rent as at the period end*

Over the past three and a half years, most of the Existing Properties experienced declining rents. Among them, White Horse Building, Shanghai Yue Xiu Tower and Wuhan Property recorded decreases exceeding 10%. As advised by the management of the Manager, these significant decreases were caused by multiple factors, including (i) taking time to recover White Horse Building's rent decrease affected by the pandemic; (ii) an oversupplied office market in Shanghai coupled with weak demand from gloomy finance industry reducing Shanghai Yue Xiu Tower's rent; and (iii) the oversupply in the office leasing market in Wuhan contributing to the decline in Wuhan Property's rent.

As a result, the overall average monthly rent of the Existing Properties declined from RMB198.8 per sq.m. in 2022 to RMB187.5 per sq.m in 1H2025.

## **2 The parties to the Disposal and the Internal Reorganisation and the Property**

### *2.1 The parties to the Disposal and the Internal Reorganisation*

The Transferors, being the Limited Liability Partnership and the General Partner, are both wholly-owned subsidiaries 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 Internal Reorganisation Party is an existing subsidiary of Yuexiu REIT incorporated in the PRC with limited liability. It is a non-wholly-owned subsidiary of Yuexiu REIT owned as to 0.01% indirectly by Yuexiu Property and 1.00% directly by a subsidiary of GZYX (being GCCD Group). The principal business activities of the Internal Reorganisation Party are investment holding/operation of self-owned property, property management, property related advisory service, hotel management,

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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together with conference and exhibition service. As at the Latest Practicable Date, the Internal Reorganisation Party is the registered legal owner of the land use right 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.

The External Transferee is a wholly-owned subsidiary of GZYX incorporated in the PRC with limited liability. The External Transferee is principally engaged in property development and investment of properties in Guangzhou, the PRC.

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. The total profit/(loss) of the Target Companies for the two financial years ended 31 December 2023 and 2024 and the six months ended 30 June 2025 and net asset value of the Target Companies as at 31 December 2023 and 2024 and 30 June 2025 were as follows:

	For the financial year ended 31 December 2023 (RMB'000)	For the financial year ended 31 December 2024 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)
Net profit/(loss) after tax <sup>(1)</sup>	136,938	(3,811) <sup>(2)</sup>	12,314 <sup>(3)</sup>
	As at 31 December 2023 (Unaudited)	As at 31 December 2024 (Unaudited)	As at 30 June 2025 (Unaudited)
Net asset value <sup>(1)</sup>	2,548,656	2,544,845	2,457,159 <sup>(3)(4)</sup>

*Notes:*

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

(2) The loss after tax was mainly due to loss on fair value change of the Property.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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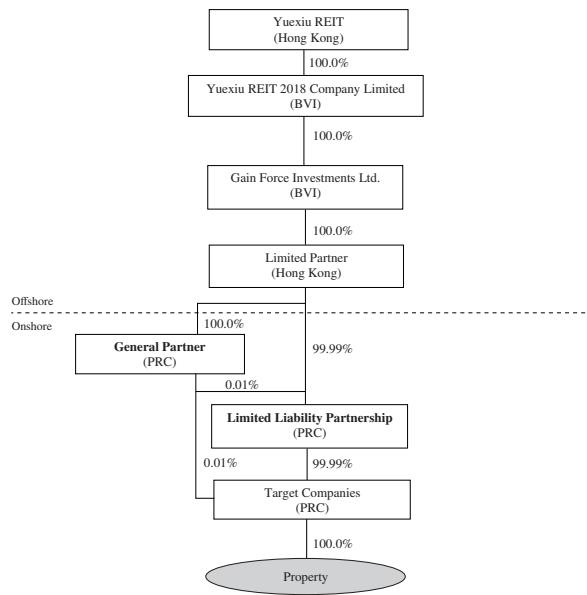
- (3) As the management accounts of the Target Companies were prepared in accordance with PRC GAAP, fair value change of the Property would only be recorded on annual basis and therefore, these figures had not yet reflected the decrease in fair value of the Property during the first half of 2025. For illustrative purpose, should the fair value change of the Property be factored in, the net profit/(loss) after tax of the Target Companies for the six months ended 30 June 2025 would have been approximately RMB(163,936,000), while net asset value of the Target Companies as at 30 June 2025 would have been approximately RMB2,280,909,000, based on the estimation of the Manager. For the avoidance of doubt, such fair value change of the Property had already reflected in Yuexiu REIT's financial statements as set out in the 2025 Interim Report.
- (4) The net asset value was prepared in accordance with PRC GAAP, and is different from (i) the Reference NAV, being RMB3,682,124,000, having taken into account the Appraised Value of RMB8,049 million as the fair value of the Property, and disregarded the Target Companies' long-term deferred amortised expenses, construction in progress and the deferred tax liabilities of the Target Companies; and (ii) the net asset value of the Target Companies under section 9.5 headed "Pro Forma Net asset value attributable to Unitholders per Unit" of the Letter to the Unitholders, being RMB3,582,067,000, which was prepared in accordance with the accounting policies of Yuexiu REIT (i.e. HKFRS).

On 8 September 2025, the Transferors (being wholly-owned special purpose vehicles of Yuexiu REIT, as transferor), 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 (i) the Disposal; and (ii) the Internal Reorganisation relating to equity interests in the Target Companies. Under the Equity Transfer Agreement, the parties have agreed that: (i) the Disposal shall be effected by the Limited Liability Partnership (as transferor) first transferring 50% of the equity interests in the Target Companies to the External Transferee (as transferee), and (ii) thereafter, the Internal Reorganisation shall be effected by the Transferors (as transferor) transferring the remaining 50% equity interests in the Target Companies to the Internal Reorganisation Party (as transferee). The External Transferee, being a wholly-owned subsidiary of GZYX, is an associate of the Manager and Dragon Yield, and hence a connected person of Yuexiu REIT. Accordingly, the Disposal to the External Transferee constitutes a disposal by Yuexiu REIT of 50% of its interest in the Property to its connected person, and a connected party transaction of Yuexiu REIT under Chapter 8 of the REIT Code. The Internal Reorganisation Party is a non-wholly-owned subsidiary of Yuexiu REIT which is owned as to 1.00% directly by a subsidiary of GZYX and 0.01% indirectly by Yuexiu Property, both being connected persons of Yuexiu REIT. Accordingly, the Internal Reorganisation constitutes an indirect disposal by Yuexiu REIT of an additional 0.505% of its interest in the Property to its connected persons, and a connected party transaction of Yuexiu REIT under Chapter 8 of REIT Code. Accordingly, the Disposal and the Internal Reorganisation, as a whole, constitute a disposal of 50.505% interest in the Property by Yuexiu REIT to its connected persons.

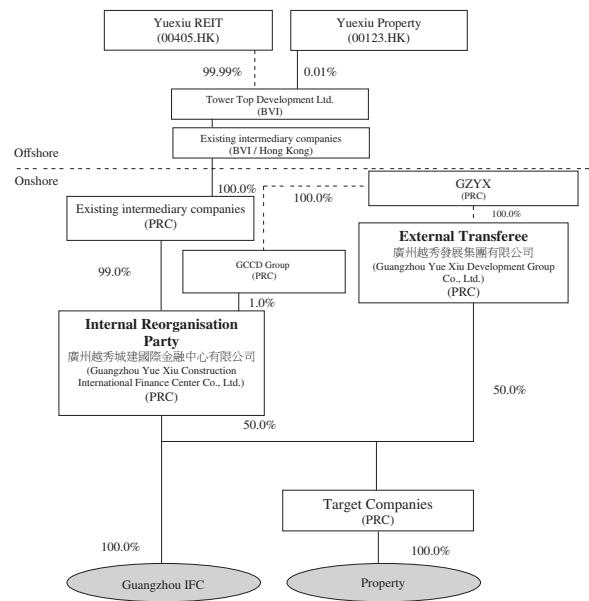
## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Below sets out the simplified holding structures of the Property as at the Latest Practicable Date and after completion of the Disposal and the Internal Reorganisation:

### As at the date of the Circular



### After completion of the Disposal and the Internal Reorganisation



*Notes:*

- (i) English names of the companies incorporated in the PRC are for identification purposes only.
- (ii) The shareholding structure of the Internal Reorganisation Party (including the shareholding of Yuexiu Property and GCCD Group in it) was in place and has not changed since Yuexiu REIT's acquisition of Guangzhou IFC in 2012. For further details, please refer to Yuexiu REIT's circular dated 30 June 2012.

Upon completion of the Disposal and the Internal Reorganisation, Yuexiu REIT's effective beneficial interest in the Target Companies and the Property would reduce from 100% to 49.495% and the Target Companies will cease to be subsidiaries of Yuexiu REIT. While it is expected that, following the completion of the Disposal and the Internal Reorganisation, the Target Companies will no longer be consolidated in accounts of Yuexiu REIT, Yuexiu REIT will continue to invest in the Property as a "Qualified Minority-owned Property" pursuant to 7.7C of the REIT Code. As advised by the Manager, the Internal Reorganisation Party to acquire the 50% equity interests in the Target Companies is to maintain and facilitate unified financial management.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### 2.2 *The Property*

The Property, known as “Yuexiu Financial Tower (越秀金融大廈)”, is located at No. 28, Zhujiang East Avenue, Tianhe District, Guangzhou, Guangdong Province, PRC and has a total gross floor area of 210,282.94 sq.m. with a height of approximately 309 metres and 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 of 827 underground carpark spaces.

Further details of the Property are summarized below:

Type	Description	Gross rentable area (sq.m.)	Term of land use rights	Occupancy rate as at the period end of			Unit rent (net of value-added tax) as at the period end (RMB/sq.m.) <sup>(2)</sup>				
				1H2025	2024	2023	2022	1H2025	2024	2023	2022
Grade A offices	5th-68th floor	166,378.62	16 April 2007 - 15 April 2057	81.7%	83.3%	88.2%	91.4%	193.2	197.0	203.4	198.9
Retail	1st-4th floor	3,818.19	16 April 2007 - 15 April 2047	100.0%	100.0%	100.0%	100.0%	231.5	224.3	236.4	233.4
Carpark	A total of 827 underground car parking spaces <sup>(3)</sup>	10,289.05	16 April 2007 - 15 April 2057	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	<b>Total</b>	<b>180,485.86</b>		<b>82.1%<sup>(1)</sup></b>	<b>83.7%<sup>(1)</sup></b>	<b>88.5%<sup>(1)</sup></b>	<b>91.6%<sup>(1)</sup></b>	<b>194.2<sup>(4)</sup></b>	<b>197.7<sup>(4)</sup></b>	<b>204.2<sup>(4)</sup></b>	<b>199.7<sup>(4)</sup></b>

*Notes:*

- (1) Based on weighted average occupancy rate of office and retail portion.
- (2) Based on the gross floor area leased to tenants.
- (3) As stated in the Valuation Report, the car parking spaces were subject to a master lease agreement expiring on 31 December 2025 at a monthly rent of approximately RMB1,180,000.
- (4) Excluding carpark spaces and other ancillary facilities area.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 2.2.1 Tenant profile and details of tenancy mix

The table below sets out details of the overall tenant diversification of the Property, in terms of trade sub-sector by reference to total gross rented area as at 30 June 2025 and total gross rental income for the month ended 30 June 2025:

Trade sector	Percentage by gross rented area	Percentage by gross rental income
Finance	34.7%	36.8%
Commercial services	30.5%	28.8%
Real estate	9.7%	11.8%
Information technology	13.0%	11.2%
Manufacturing	8.2%	7.7%
Logistics services	1.4%	1.3%
Cultural, sports and entertainment	1.4%	1.1%
Trading	0.9%	1.0%
Food and beverage services	0.2%	0.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

### 2.2.2 Schedule of tenancy expirations

The following table sets forth details of the percentage of expiries in respect of the leases of the Property as at 30 June 2025, which are scheduled to take place during the periods indicated below:

Period	Gross rented area of leases expiring as a percentage of total gross rented area <sup>(1)</sup>	Gross rental income of leases expiring as a percentage of total gross rental income <sup>(2)</sup>
Year ending 31 December 2025 <sup>(3)</sup>	28.6%	29.0%
Year ending 31 December 2026	24.1%	26.2%
Year ending 31 December 2027	16.3%	17.1%
Year ending 31 December 2028	8.9%	7.2%
Year ending 31 December 2029 and beyond	<u>22.1%</u>	<u>20.5%</u>
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

*Notes:*

(1) Based on total gross rented area as at 30 June 2025.

(2) Based on total gross rental income for the month ended 30 June 2025.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (3) As at 30 June 2025, approximately 38.9% of these expiring leases had already been renewed or the tenants are already in the process of negotiating renewal agreements.
- (4) The above figures were computed assuming no exercise of any lease renewal rights and that the leases will not be terminated until the expiry of their fixed lease terms.

### 2.2.3 Rental yield

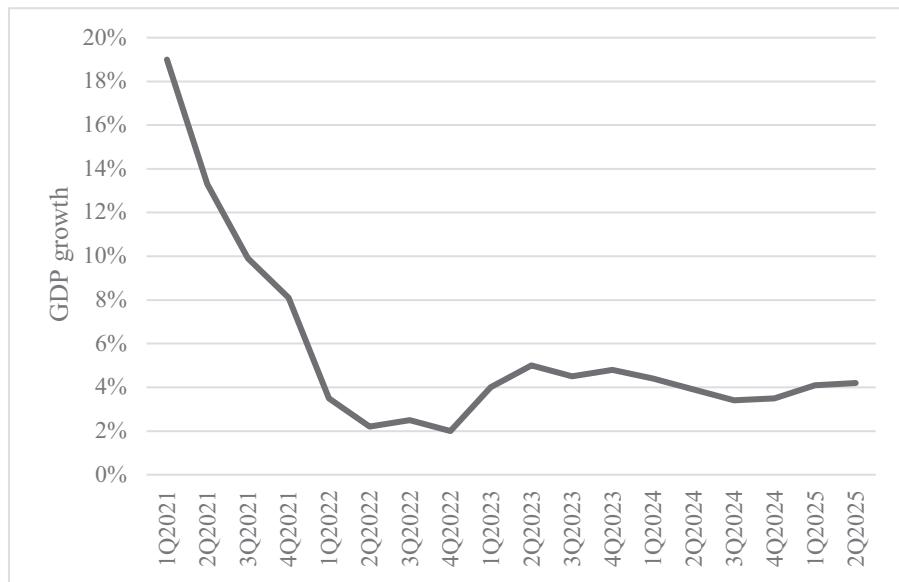
Based on the Appraised Value and the revenue of the Property of RMB362 million for 2024 and RMB165 million for 1H2025, the rental yield of the Property (as calculated by dividing the annualised rental income by the Appraised Value) is 4.37% and 4.10% for the year ended 31 December 2024 and the six months ended 30 June 2025, respectively.

### 2.2.4 Delinquency rates

A total of RMB750,000 provision was made for unpaid rents for the year ended 31 December 2024 and the six months ended 30 June 2025 in respect of the Property.

## 3 Market overview

Guangdong's economy has slowed down in recent years, as compared to 2021. Below please find the quarterly gross domestic product (GDP) growth of Guangdong from 1st quarter of 2021 to 2nd quarter of 2025:



Source: Website of National Bureau of Statistics.

The GDP growth rate peaked in Q1 2021 at 19%, followed by a sharp decline through 2022, reaching a low of 2.00% in Q4 2022. From 2023 onward, the growth rate stabilised, fluctuating between 3.40% and 5.00%, with a slight uptick in Q2 2023 at 5.00%.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Guangzhou Grade A office market also experienced significant changes since 2021 in terms of new supply, take-up, rent and occupancy. According to the Valuation Report, the new supply of Grade A office in Guangzhou was close to the take-up in 2021 and then substantially higher than the take-up in 2022 - 2024. The influx of new supply combined with weak demand, pushed the average vacancy rate of the Grade A office in Guangzhou up to 22.6% in 2024. Due to the increased competition and rising vacancies, the Grade A office rent in Guangzhou was under pressure and demonstrated a continual downward trend. The average rent per sq.m. per month decreased from RMB164.1 in Q1 2021 to RMB127.4 in Q2 2025, representing a decrease of 22.4%.

Overall, the supply-demand imbalance led to weak net absorption, declining rents and a generally rising vacancy rate. On a positive note, according to the Independent Property Valuer, no new supply was noted in recent two years and no new supply is expected in 2025-2027 in Zhujiang New Town. The supply-demand issue has slightly eased in Zhujiang New Town where the Property is located.

### 4 Reasons for and benefits of the Disposal, the Internal Reorganisation and the Refinancing

As stated in the Circular, the reasons for and benefits of the Disposal, the Internal Reorganisation and the Refinancing include but are not limited to (i) reducing gearing and lowering financing costs; (ii) DPU accretion and improving external credit rating; (iii) rebalancing and upgrading portfolio; and (iv) tapping on potential advantages of partnering with GZYX. Our analysis and discussion regarding (i) and (ii) has been set out in section 8 and (iii) in sections 1, 2 and 3. In terms of (iv), as advised by the Manager, GZYX has provided and will continue to provide financial support to the Target Companies by way of Shareholder Loan and the comfort letter provided to the lender bank in respect of the Target Companies' obligations under the New Bank Facility.

Based on our analysis and discussion, we concur with the Board that the Disposal is in the interests of Yuexiu REIT, the Unitholders and the Independent Unitholders as a whole.

### 5 Equity Transfer Agreement

A summary of the key terms of the Equity Transfer Agreement is set out as follows:

**Date:** 8 September 2025

**Transferors:** (i) 廣州匯盛實業投資合夥企業 (有限合夥) (Guangzhou Huisheng Industrial Investment Enterprise Partnership (Limited Liability Partnership); and  
(ii) 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)

**External Transferee:** 廣州越秀發展集團有限公司 (Guangzhou Yue Xiu Development Group Co., Ltd.)

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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**Internal Reorganisation Party:** 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.)

**Interest to be transferred:** Equity interests in:

- (i) 廣州佳耀置業有限公司 (Guangzhou Jiayao Real Estate Co., Ltd.);
- (ii) 廣州晉耀置業有限公司 (Guangzhou Jinyao Real Estate Co., Ltd.);
- (iii) 廣州景耀置業有限公司 (Guangzhou Jingyao Real Estate Co., Ltd.); and
- (iv) 廣州譽耀置業有限公司 (Guangzhou Yuyao Real Estate Co., Ltd.)

50% of which will be transferred to the External Transferee by the Limited Liability Partnership; and the remaining 50% to the Internal Reorganisation Party as to 49.99% by the Limited Liability Partnership and 0.01% by the General Partner.

**Share Consideration:** RMB3,433,124,000, which is equal to:

- (i) the Target Companies Fair Value of RMB3,682,124,000; **minus**
- (ii) the Agreed Discount of RMB249,000,000; **add**
- (iii) difference between Completion NAV and Reference NAV (the “**Final Adjustment**”),

where (i) the Target Companies Fair value is the net asset value of the Target Companies (with the Property valued at the Appraised Value of RMB8,049 million) based on the unaudited financial statements of the Target Companies as at 30 June 2025 prepared in accordance with PRC GAAP of RMB3,682,124,000 (the “**Reference NAV**”), having (a) deducted long-term deferred amortised expenses and construction in progress as the value of which is already considered and reflected in the Appraised Value; and (b) added the deferred tax liabilities of the Target Companies; (ii) the Agreed Discount is the difference between the Appraised Value and the value of the Property as agreed by the Manager and the External Transferee (being RMB7,800 million, the “**Agreed Property Value**”); and (iii) the Completion NAV shall be the net asset value as stated on the Final Completion Statement.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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**Payment terms:**

The External Transferee and the Internal Reorganisation Party shall pay the Transferors 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 or within five working days following the extension by the External Transferee of the Shareholder Loan to the Target Companies and the drawdown of 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, respectively.

The Final Adjustment, if any, shall be settled in cash within 15 days of the agreement or determination of the Final Completion Statement.

**Conditions Precedent:**

Completion of the Disposal and the Internal Reorganisation shall be subject to and conditional upon (i) resolutions approving the Transaction Matters Requiring Approval having been passed by the Independent Unitholders at the EGM; and (ii) 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, including but not limited to, (i) the transfer of 50% of the equity interests in the Target Companies to each of the External Transferee and the Internal Reorganisation Party; (ii) entry into a Shareholder Loan Agreement with each of the External Transferee and the Internal Reorganisation Party; and (iii) entry into the Joint Venture Agreement, within 40 working days after the satisfaction of the Conditions Precedent (or such other day as the parties may agree in writing).

For more details, please refer to section 3.1 in the Letter to the Unitholders of the Circular.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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**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 from the New Bank Facility 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; (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.

**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.

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 (the “**Tax Related Claims**”) 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.

Please refer to section 3.1 in the Letter to the Unitholders of the Circular for detailed terms of the Equity Transfer Agreement.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 5.1 Share consideration

The Share Consideration is the Target Companies Fair Value minus the Agreed Discount subject to the Final Adjustment, which is a common market practice for the final consideration of a sale and purchase of a company subject to completion accounts which shall take into account the value of other assets and liabilities as at completion date.

The Agreed Property Value, being the Appraised Value minus the Agreed Discount, is the same as the agreed property value of the Property in the 2021 Acquisition.

#### (i) Target Companies Fair Value

The Target Companies Fair Value is determined with 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 (which has accounted for the Appraised Value of RMB8,049 million), after having disregarded (a) the long-term deferred amortised expenses and construction in progress, as the value of them has been already considered and reflected in the Appraised Value; and (b) the deferred tax liabilities of the Target Companies of RMB1,543,333,000 which, as agreed by the parties, is very unlikely to crystallise as the Target Companies will continue to hold the Property for long-term investment purpose. The basis in determining the consideration of the Target Companies is similar to those adopted in other Hong Kong listed REITs' acquisitions (including Yuexiu REIT's previous acquisitions).

The Appraised Value of the Property set out in the Valuation Report prepared by the Independent Property Valuer was RMB8,049 million as at 30 June 2025 (the "**Valuation Date**").

To assess the independence and competence of the Independent Property Valuer, we have obtained and reviewed the engagement letter signed between Yuexiu REIT and Independent Property Valuer and the credentials of the Independent Property Valuer, and noted that (i) the scope of work set out in the engagement letter is appropriate for conducting the valuation of the Property and there were no limitations on the scope of the work which might adversely affect the degree of assurance given by the Valuation Report; and (ii) the Independent Property Valuer is a professional firm and the persons in charge of the valuation have over 30 years' experience in provision of valuation services. The Independent Property Valuer also confirmed that it was independent from Yuexiu REIT and other parties to the transactions under the Transaction Matters Requiring Approval.

We have discussed with the Independent Property Valuer as well as reviewed the Valuation Report and understand that the income capitalisation method has been adopted for valuation of the Property, which has also been cross-checked by the direct comparison method. The income capitalisation method estimates the value of a property by capitalising net rental incomes (i.e. existing rental income for unexpired terms of contractual tenancies, the reversionary market rents after the expiry of tenancies and market rents at the Valuation Date for vacant units assuming they will be renewed after expiry or fully let out) at appropriate rates. The direct comparison method provides an indication of value by comparing a property with identical or similar assets for which price information is available. Given these methods are in line with those not only adopted in Yuexiu REIT's 2024 Annual Report but also in most of other Hong Kong listed REITs', we consider them to be reasonable and acceptable and are consistent with those currently adopted by Yuexiu REIT.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We have also discussed with the Independent Property Valuer the basis and assumptions in arriving at the Appraised Value. Under the income capitalisation method, the Independent Property Valuer has adopted the following term yields and reversionary yields:

Portion		Yield	Rent
Commercial	Unexpired terms of existing tenancies	Term yield of 4.50% per annum	The rents of the existing tenancies
	(i) Reversionary terms of existing tenancies	Reversionary yield of 5.00% per annum	Market rents as at the Valuation Date
	(ii) Vacant units		
Office	Unexpired terms of existing tenancies	Term yield of 4.50% per annum	The rents of the existing tenancies
	(i) Reversionary terms of existing tenancies	Reversionary yield of 5.00% per annum	Market rents as at the Valuation Date
	(ii) Vacant units		
Carpark	Unexpired terms of existing tenancies	Term yield of 4.75% per annum	The rents of the existing tenancies
	(i) Reversionary terms of existing tenancies	Reversionary yield of 5.25% per annum	Market rents as at the Valuation Date
	(ii) Vacant units		

A term yield of 4.50% has been adopted to capitalise the existing rental income generated from unexpired terms of existing tenancies for the commercial portion and office portion of the Property and 5.00% for future rental incomes to be generated from reversionary term of existing tenancies and vacant units. As for carpark, slightly higher term yield of 4.75% and reversionary yield of 5.25% have been adopted to capitalise the rental income generated/to be generated from unexpired terms of existing tenancies and reversionary terms of existing tenancies and vacant units, respectively. The Independent Property Valuer has considered and analysed the yields of commercial properties, office properties and carpark spaces in nearby locations which are comparable to the respective portions of the Property (the “**Comparable Properties**”) as at 30 June 2025 to determine the reversionary yields for commercial portion, office portion and carpark portion of the Property based on their knowledge of the market expectations of property investors. We have obtained and reviewed the Comparable Properties and noted that the reversionary yields adopted by the Independent Property Valuer fall within the respective ranges of the Comparable Properties.

It is noted that there is a 0.5% yield rate difference between the reversionary yields and the term yields across all types, which, as advised by the Independent Property Valuer, is due to the more secured and certain income streams during the unexpired terms of the existing tenancies as compared to that during the reversionary terms. We have reviewed the annual reports of other Hong Kong listed REITs and noted that the 0.5% yield rate difference has also been adopted by the independent valuers in the annual reports published by other Hong Kong listed REITs including China Merchants Commercial Real Estate Trust (stock code: 1503), Spring Real Estate Investment Trust (stock code: 1426), SF Real Estate Investment Trust (stock code: 2191) and Hui Xian Estate Investment Trust (stock code: 87001). In addition, this yield rate difference aligned that used in the 2021 Acquisition. On this basis, we consider the yield rate difference to be in line with market practice and fair and reasonable.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We have reviewed the term yields and reversionary yields disclosed in the 2024 Annual Report for the valuation of the Property and noted that they are the same as those used by the Independent Property Valuer to arrive at the Appraised Value. We also noted that the term yields and reversionary yields used by the Independent Property Valuer are higher than those used by the then independent valuer for the valuation of the Property back in 2021. As advised by the Independent Property Valuer, higher yields adopted as compared to 2021 are due to investors requiring higher return to compensate for increased risk in view of rising vacancy rate and downward pressure on rent as compared to 2021. Given that (i) the term yields and reversionary yields adopted to arrive at the Appraised Value are the same as those disclosed in the 2024 Annual Report which have reflected the recent market conditions; and (ii) the term yields and reversionary yields adopted, being higher than those used in 2021 Acquisition, align the higher return required and higher risk associated with the recent market conditions as compared to that in the 2021 Acquisition, we consider them to be fair and reasonable.

The Independent Property Valuer has identified and analysed market rent comparables (the “**Market Rent Comparables**”) to determine the market rents used in the valuation, after having made adjustments to reflect factors including but not limited to location, size, floor level, and building age. We have obtained and reviewed the Market Rent Comparables, and noted that the monthly rents of the Market Rent Comparables in respect of retail properties ranged from RMB350 per sq.m. to RMB381 per sq.m., office properties from RMB180 per sq.m. to RMB210 per sq.m. and carpark spaces from RMB1,200 per sq.m. to RMB1,800 per sq.m.. We have compared the monthly rents of the Market Rent Comparables with the reversionary rents adopted by the Independent Property Valuer and noted that the reversionary rents of the 1st floor of the retail portion of the Property, the mid-floor of the office portion of the Property and carpark portion of the Property fall within the range of the Market Rent Comparables. The reversionary rents of other floors of the retail portion and office portion of the Property have been adjusted based on their respective floor levels with retail portion rent decreasing as the floor level increases and office portion rent increasing as the floor level increases, which, in our view, is a common practice for valuing a property.

To cross-check the Appraised Value of the Property, the Independent Property Valuer has made referenced to the recent comparable sales and purchases (the “**Comparable Transactions**”). We have obtained and reviewed the Comparable Transactions, and noted that the unit prices of the Comparable Transactions (i) in respect of retail properties ranged from RMB62,500 per sq.m. to RMB132,000 per sq.m., higher than RMB48,452 per sq.m. for the commercial portion of the Property; (ii) in respect of office properties ranged from RMB45,000 per sq.m. to RMB50,000 per sq.m. as compared to RMB45,619 per sq.m. for the office portion of the Property; and (iii) in respect of carpark spaces ranged from RMB300,000 per lot to RMB350,000 per lot as compared to RMB331,318 per lot for the carpark spaces of the Property, as appraised by the Independent Property Valuer. We have discussed with the Independent Property Valuer and are advised that (i) no en bloc sales is identified in the nearby area in recent year; and (ii) the Comparable Transactions involve ground-floor retail units which typically demand for higher prices than upper floors; and individual retail unit sales which generally fetch higher unit rates than whole shopping mall sales and therefore adjustment needs to be made when assessing the value of the commercial portion of the Property.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Considering that (i) basis and assumptions adopted in arriving at the Appraised Value are largely based on objective parameters including contractual terms of the existing tenancies, the market yields of the Comparable Properties and the market rents of the Market Rent Comparables; and (ii) the Appraised Value has been cross-checked by unit prices of the Comparable Transactions, we are of the view that the basis and assumptions are fair and reasonable and in line with the market practice.

### (ii) Agreed Discount

The Agreed Discount is RMB249 million, representing approximately 3.1% of the Appraised Value. As advised by the management of the Manager, the Agreed Discount is determined after commercial negotiations after taking into account (a) the agreed value of the Property in the 2021 Acquisition; and (b) the recent en bloc transactions in the PRC based on a transaction list setting out the sale and purchase of the PRC office properties in the past 24 months (the “**Transaction List**”) generated from MSCI Real Capital Analytics (an industry-leading global database of commercial properties, transactions and participants for asset owners, asset managers, brokers and lenders).

To assess the Agreed Discount, we have tried to research on disposals of PRC properties conducted by other Hong Kong listed REITs in recent two years but in vain. As an alternative, we have reviewed the property disposals conducted by REITs listed in Singapore since 2024 and only identified one disposal involving propert(ies) located in the PRC where the agreed property value represented a 5% discount to the appraised value of the subject property. Furthermore, we have obtained the Transaction List from the Independent Property Valuer. The comparable transactions on the Transaction List with consideration above RMB1,000 million have been cross-checked by our review of announcements issued by listed companies, and only one of them involving listed companies has disclosed transaction details including the consideration and the appraised value of the subject propert(ies). Such disposal was announced in April 2024 involving office properties located in Shanghai at the consideration representing a 3.4% discount to the appraised value of the subject properties where the purchaser is listed on the Stock Exchange and the ultimate controlling shareholder of the vendor is listed on the Tokyo Stock Exchange.

Given (i) it is not uncommon for companies to dispose of PRC propert(ies) at a discount in recent years which has reflected recent market sentiment and (ii) the Agreed Discount in percentage is close to those of the comparable transactions as mentioned above, we consider it to be acceptable.

### 5.2 *Limitation of liability*

We have compared the terms under the “limitation of liability” under the Equity Transfer Agreement with those under the acquisition deed (the “**Acquisition Deed**”) signed in 2021 in relation to the 2021 Acquisition. The aggregate maximum liability of the Transferors under the Equity Transfer Agreement, being 50% of the Share Consideration, is no less favourable than the aggregate maximum liability of the vendor under the Acquisition Deed, being the agreed acquisition amount. Both the individual claim threshold of RMB1.6 million and the aggregate claims threshold of RMB6 million under the Equity Transfer Agreement are also no less favourable than the individual claim threshold of RMB3.2 million and the aggregate claims threshold of RMB12 million under the Acquisition Deed. In addition, the limitation period of three years under the Equity Transfer Agreement for claims (other than the Tax Related Claims) is the same as the limitation period under the Acquisition Deed. The limitation periods of the Tax Related Claims (i.e. (a) five years after the Disposal Completion Date

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for those occurring or existing between 23 December 2021 and the Disposal Completion Date; and (b) three years after the Disposal Completion Date for those occurring or existing before 23 December 2021) are covered by the limitation period of seven years from 23 December 2021 provided by the then vendor in the 2021 Acquisition, shorter than that under the 2021 Acquisition.

We have reviewed the similar terms disclosed in circulars in relation to property acquisitions/disposals published by other Hong Kong REITs in the past five years (the “Recent REIT M&As”), and noted that, in the Recent REIT M&As, (i) the aggregate maximum liabilities were capped at 100% of the consideration; (ii) the individual claim threshold ranged from 0.01% to 0.10% of the consideration; (iii) the aggregate claim threshold ranged from 0.20% to 1.01% of the consideration; (iv) the limitation periods for claims (other than tax related claims) ranged from 2 years to unlimited; (v) the limitation period of tax related claims is seven years; and (vi) except for the requirement that the events associated with tax related claims shall occur before the transaction completion date, there are no other specific timing requirements noted. In comparison, (i) the aggregate maximum liabilities under the Equity Transfer agreement is no less favourable than those of the Recent REIT M&As; (ii) the individual claim threshold and aggregate claims threshold under the Equity Transfer Agreement (being approximately 0.09% and 0.35% of the 50% of the Share Consideration payable by a Transferee, respectively) fall within the range of those of the Recent REIT M&As; (iii) the limitation period under the Equity Transfer Agreement also falls within the range of those of the Recent REIT M&As; and (iv) the limitation periods of the Tax Related Claims are shorter than those of the Recent REIT M&As. We have discussed with the management of the Manager on the limitation periods of Tax Related Claims and are advised that the limitation period of 5 years with the events occurring or existing before completion of 2021 Acquisition subject to the limitation period of 3 years is determined after commercial negotiations between the parties. Given Yuexiu REIT, as the vendor under the Disposal, is subject to potential Tax Related Claims to be made by the Transferee, the shorter of the limitation period for Yuexiu REIT’s liability under the Equity Transfer Agreement is a favourable term from Yuexiu REIT’s perspective.

Given that the terms in relation to Yuexiu REIT’s liability under the Equity Transfer Agreement are no less favourable than those under the Acquisition Deed and those of the Recent REIT M&As, we concur with the Manager’s view that the limitation cap and limitation periods are in the interests of Yuexiu REIT and the Unitholders as a whole.

### 6 Shareholder Loan Agreements

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.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

<b>Lender:</b>	(i) 廣州越秀發展集團有限公司 (Guangzhou Yue Xiu Development Group Co., Ltd.), the External Transferee; or (ii) 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.), the Internal Reorganisation Party, as the case may be.
<b>Borrowers:</b>	(i) 廣州佳耀置業有限公司 (Guangzhou Jiayao Real Estate Co., Ltd.); (ii) 廣州晉耀置業有限公司 (Guangzhou Jinyao Real Estate Co., Ltd.); (iii) 廣州景耀置業有限公司 (Guangzhou Jingyao Real Estate Co., Ltd.); and (iv) 廣州譽耀置業有限公司 (Guangzhou Yuyao Real Estate Co., Ltd.), being the Target Companies.
<b>Principal amount:</b>	RMB650,000,000, to be advanced by the External Transferee on the Disposal Completion Date or, by the Internal Reorganisation Party on the Internal Reorganisation Date, as the case may be.
<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.
<b>Interest rate:</b>	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.
<b>Interest payments:</b>	Interest payments shall be made on a quarterly basis.

Please refer to section 3.2 in the Letter to the Unitholders of the Circular for detailed terms of the Shareholder Loan Agreements.

We have discussed with the management of the Manager and were advised that the fixed interest rate of 4.3% has been determined through commercial negotiations between the parties to the Shareholder Loan Agreements and with reference to Yuexiu REIT's recent financing costs. Yuexiu REIT has recently issued guaranteed notes, which are listed on the Stock Exchange, raising RMB1,000,000,000. As disclosed in Yuexiu REIT's offering circular dated 26 March 2025 (the "**Offering Circular**"), the notes due on 2 April 2028 carry an interest of 4.10% payable semi-annually.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Given that (i) Yuexiu REIT is able to carefully track and prudently manage its financial resources and cash-flow with the fixed interest rate of 4.3% being slightly higher than its recent financing cost; and (ii) the loan amounts provided by the External Transferee and the Internal Reorganisation Party are in accordance with their shareholding in the Target Companies and the terms of the Shareholder Loan Agreements to be entered into by the External Transferee and the Internal Reorganisation Party are the same (including the fixed interest rate of 4.3%), we consider the terms of the Shareholder Loan Agreements to be fair and reasonable.

### 7 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.

Pursuant to the Joint Venture Agreement, 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. Except for certain key matters which 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 a “Qualified Minority-owned Property” and subject to the unanimous approval of the shareholders or the directors (as the case may be) of the Target Companies, 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. All of the annual distributable profit 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. In addition, there are some restrictions on transfers of equity interests in the Target Companies including but not limited to the other party having a right of first refusal over the proposed transfer. Please refer to section 3.3 in the Letter to the Unitholders of the Circular for detailed terms of the Joint Venture Agreement.

Given that (i) the board composition involving three out of six directors of each of the Target Companies to be nominated by the Internal Reorganisation Party and profit distribution policy align the Internal Reorganisation Party’s equity interests (i.e. 50% of equity interests) in the Target Companies upon completion; (ii) the appointment of chairman of the board by the External Transferee, the External Transferee’s votes weighted 51% (in the case of a shareholders’ meeting) and the chairman of the board having an additional vote (in the case of a board meeting) in the second round of voting align the majority ownership of GZYX through the External Transferee in the Target Companies; and (iii) the remaining terms of the Joint Venture Agreement are either consistent with the REIT Code or not uncommon in similar joint venture agreements announced by other Hong Kong listed companies, we consider them to be fair and reasonable.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 8 Use of proceeds and financial impact of the Disposal, the Internal Reorganisation and the Refinancing

#### *Use of proceeds*

According to the Letter to the Unitholders, 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.

#### *Impact on gearing ratio and expected loss*

As disclosed in the 2025 Interim Report, the gearing ratio of Yuexiu REIT was approximately 48.1% as at 30 June 2025. Following 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, together 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 discussed above.

As set out in the Letter to the Unitholders, 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). 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 loss on the Disposal and the Internal Reorganisation.

#### *Impact 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. 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 different from the estimated amount.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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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 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.

### *Pro Forma Distribution per Unit (DPU)*

According to Independent Auditor's Assurance Report on Unaudited Pro Forma Financial Information as set out in Appendix 3, the pro forma financial effects of the Disposal, the Internal Reorganisation and the Refinancing on the DPU for the six months ended 30 June 2025, as if the Disposal, the internal Reorganisation and the Refinancing were completed on 1 January 2025, are as follows:

	<b>Before the Disposal, the Internal Reorganisation and the Refinancing</b>	<b>After the Disposal, the Internal Reorganisation and the Refinancing</b>
Total Distributable Income (RMB'000) — (A)	171,176 <sup>(1)</sup>	186,054 <sup>(2)</sup>
Issued Units ('000) — (B)	5,141,086 <sup>(3)</sup>	5,141,086
<b>DPU (RMB) — (A)/(B)</b>	<b>0.0333</b>	<b>0.0362</b>

*Notes:*

- (1) Based on the unaudited interim condensed consolidated statement of comprehensive income and interim condensed distribution statement of Yuexiu REIT for the six months ended 30 June 2025.
- (2) The financial performance of the Yuexiu REIT Group (excluding the Target Companies) is based on: (a) the unaudited interim condensed consolidated statements of comprehensive income and interim condensed distribution statement of Yuexiu REIT for the six months ended 30 June 2025 and the unaudited financial information of the Target Companies for the six months ended 30 June 2025; (b) assuming the Disposal, the Internal Reorganisation and the Refinancing had all been completed on 1 January 2025 and the Target Companies would be regarded as associates (as defined under HKFRS) of Yuexiu REIT after the Disposal and the Internal Reorganisation; and (c) the proposed repayment of approximately RMB5,300 million of existing indebtedness of Yuexiu REIT at the average financing cost for the six month ended 30 June 2025 had been completed on 1 January 2025.
- (3) Number of issued Units as at 30 June 2025.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As shown in the above table, Yuexiu REIT's DPU will increase from RMB0.0333 before completion of the Disposal, the Internal Reorganisation and the Refinancing to RMB0.0362 after completion of the Disposal, the Internal Reorganisation and the Refinancing, representing an increase of 8.7%. This implies that the existing Unitholders would enjoy a DPU accretion on a pro forma basis. This accretion, as advised by the management of the Manager, is mainly attributable to lower interest expenses of Yuexiu REIT (assuming the net proceeds from the Disposal and the Refinancing will be fully applied towards the prepayment of existing indebtedness) while Yuexiu REIT continuing to receive 49.495% of the distributable profits from the Property.

For details of the pro forma adjustments made, please refer to the Appendix 3 to the Circular.

### *Pro forma net assets attributable to Unitholders per Unit*

According to the Independent Auditor's Assurance Report on Unaudited Pro Forma Financial Information as set out in Appendix 3, the pro forma financial effects of the Disposal, the Internal Reorganisation and the Refinancing on the net assets (NAV) attributable to Unitholders per Unit as at 30 June 2025, as if the Disposal, the Internal Reorganisation and the Refinancing were completed on 30 June 2025, are as follows:

	<b>Before the Disposal, the Internal Reorganisation and the Refinancing</b>	<b>After the Disposal, the Internal Reorganisation and the Refinancing</b>
NAV attributable to Unitholders (RMB'000) — (A)	14,506,842 <sup>(1)</sup>	14,317,772 <sup>(2)</sup>
Issued Units ('000) — (B)	5,141,086 <sup>(3)</sup>	5,141,086 <sup>(3)</sup>
<b>Net assets attributable to Unitholders per Unit (RMB) — (A)/(B)</b>	<b>2.82</b>	<b>2.78</b>

*Notes:*

- (1) Based on the unaudited interim condensed consolidated statement of financial position of Yuexiu REIT as at 30 June 2025.
- (2) The financial position of the Yuexiu REIT Group (excluding the Target Companies) is based on: (a) unaudited interim condensed consolidated financial statements of Yuexiu REIT as at 30 June 2025 and the unaudited financial information of the Target Companies for the six months ended 30 June 2025; and (b) assuming the Disposal, the Internal Reorganisation and the Refinancing had all been completed on 30 June 2025 and the Target Companies would be regarded as associates (as defined under HKFRS) of Yuexiu REIT after the Disposal and the Internal Reorganisation.
- (3) Being the number of issued Units as at 30 June 2025.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The NAV attributable to Unitholders will slightly decrease from RMB14.5 billion before the Disposal, the Internal Reorganisation and the Refinancing to RMB14.3 billion after the Disposal, the Internal Reorganisation and the Refinancing on a pro forma basis, which, as advised by the management of the Manager, is mainly due to the expected loss on the Disposal and the Internal Reorganisation. Having considered the illustrative DPU after the Disposal, the Internal Reorganisation and the Refinancing as set out above and reason and benefits brought by the Disposal, the Internal Reorganisation and the Refinancing as discussed above, we consider the financial effects of the Disposal, the Internal Reorganisation and the Refinancing on net assets attributable to Unitholders per Unit to be acceptable.

For details of the pro forma adjustments made, please refer to the Appendix 3 to the Circular.

**Unitholders should note that the financial effects of the Disposal, the Internal Reorganisation and the Refinancing are presented on a pro forma basis and are subject to certain assumptions set out therein. Accordingly, they do not constitute a profit forecast or represent the actual financial position of Yuexiu REIT as a result of the Disposal, the Internal Reorganisation and the Refinancing after their completion.**

### 9 Risk of joint venture investment

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.**

### DISCUSSION AND ANALYSIS

#### (i) Alignment with portfolio optimisation strategy amid challenging market conditions

Yuxiu REIT acquired the Property in 2021, after which Guangdong's economy slowed down from over 8% growth through 2021 to approximately 3-5% in recent years and Guangzhou office market has faced challenges including declining rents and rising vacancy rates. The Property itself experienced a 9.5% drop in occupancy rate from 2022 to 1H2025 and declining monthly rents from RMB199.7 per sq.m. in 2022 to RMB194.2 per sq.m. in 1H2025, reflecting weak demand and oversupply. The Disposal and the Internal Reorganisation allow Yuxiu REIT to reduce exposure to a softening market while retaining a minority but significant stake to benefit from potential future upside, which aligns with the Manager's strategy to optimise Yuxiu REIT's portfolio and rebalance sectoral exposure. By reducing its interest in the Property (Yuxiu Financial Tower) from 100% to 49.495%, Yuxiu REIT can reallocate resources to repay its debts, consistent with its investment objectives.

#### (ii) Fair and reasonable transaction terms

The Share Consideration is based on the Target Companies Fair Value minus an Agreed Discount of RMB249 million (approximately 3.1% of the Appraised Value), which is close to those for the comparable transactions involving recent disposal of PRC commercial properties by listed companies including a Singapore REIT. The valuation methodology, using income capitalisation cross-checked by direct comparison, is consistent with market practice. The terms of the Equity Transfer Agreement, including liability limitations, are no less favourable than those in prior transactions and other Hong Kong REIT deals. The Shareholder Loan Agreements offering a fixed interest rate of 4.3%, which is slightly higher than Yuxiu REIT's most recent financing cost, is considered to be reasonable as it enables Yuxiu REIT to carefully track and prudently manage its financial resources and cash-flow and the loan amounts provided by the External Transferee and the Internal Reorganisation Party are in accordance with their shareholding in the Target Companies at the same loan rate. The Joint Venture Agreement ensures fair governance, with board composition and profit distribution aligned with ownership stakes, and key matters requiring unanimous approval, mitigating risks of minority ownership.

#### (iii) Improving financial position and DPU accretion

The Disposal and the Internal Reorganisation combined with the Refinancing, is expected to reduce Yuxiu REIT's gearing ratio from approximately 48.1% to 41.2% as at 30 June 2025. This reduction enhances financial flexibility by lowering debt levels, optimising the capital structure, and potentially reducing interest expenses, which strengthens Yuxiu REIT's financial position. The pro forma financial information indicates an increase in DPU from RMB0.0333 to RMB0.0362, representing a 8.7% accretion. This is primarily due to lower interest expenses from using the Disposal and the Refinancing proceeds to repay existing indebtedness, while Yuxiu REIT continues to receive 49.495% of distributable profits from the Property. The Disposal and the Internal Reorganisation are expected to result in a pro forma loss of approximately RMB165 million due to the Agreed Discount, Expenses and taxes. The NAV per Unit slightly decreases from RMB2.82 to RMB2.78. Given the DPU accretion, the lower gearing ratio and other benefits, these impact are considered acceptable.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### OPINION

Having taken into consideration the above reasons and factors and on the basis that, in particular, the Disposal and the Internal Reorganisation together with the Refinancing will enhance Yuexiu REIT Group's financial flexibility and the illustrative DPU will increase upon completion of the Disposal, the Internal Reorganisation and the Refinancing, we are of the view 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 (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. On this basis, we advise the Independent Board Committee to recommend, and we ourselves recommend, Independent Unitholders to vote in favour of the EGM Resolution.

Yours faithfully,  
for and on behalf of  
**SOMERLEY CAPITAL LIMITED**  
**Jenny Leung**  
*Director*

*Ms. Jenny Leung is a licensed person and responsible officer of Somerley registered with the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.*

**1 FINANCIAL INFORMATION SUMMARY OF THE YUEXIU REIT GROUP**

The financial information of Yuexiu REIT for the six months ended 30 June 2025 and the past three financial years ended 31 December 2022, 2023 and 2024 has been published in the reports as follows:

- (a) the financial information of Yuexiu REIT for the six months ended 30 June 2025 is disclosed in the interim report of Yuexiu REIT for the six months ended 30 June 2025 published on 21 August 2025, from pages 54 to 99;
- (b) the financial information of Yuexiu REIT for the year ended 31 December 2024 is disclosed in the annual report of Yuexiu REIT for the year ended 31 December 2024 published on 28 April 2025, from pages 212 to 293;
- (c) the financial information of Yuexiu REIT for the year ended 31 December 2023 is disclosed in the annual report of Yuexiu REIT for the year ended 31 December 2023 published on 29 April 2024, from pages 199 to 277; and
- (d) the financial information of Yuexiu REIT for the year ended 31 December 2022 is disclosed in the annual report of Yuexiu REIT for the year ended 31 December 2022 published on 25 April 2023, from pages 180 to 262.

The interim report for the six months ended 30 June 2025 and the annual reports of Yuexiu REIT for the years ended 31 December 2022, 2023 and 2024 have been published on the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of Yuexiu REIT (<http://www.yuexiureit.com/>).

**2 STATEMENT OF INDEBTEDNESS****Borrowings**

At the close of business on 31 July 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Circular, the indebtedness of the Yuexiu REIT Group included bank and other borrowings of approximately RMB20,559 million and lease liability of approximately RMB4 million.

The bank and other borrowings are secured by certain of the Yuexiu REIT Group's investment properties, property, plant and equipment and right-of-use assets.

**Contingent Liabilities**

As at 31 July 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Circular, the Yuexiu REIT Group did not have any material contingent liabilities.

Save as aforesaid, and apart from intra-group liabilities, at the close of business on 31 July 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Circular, the Yuexiu REIT Group did not have any other debt securities, any outstanding loan capital, any borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or other similar indebtedness, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities. The Directors confirm that there has been no material change to the indebtedness and contingent liabilities of the Yuexiu REIT Group since 30 June 2025 up to and including the Latest Practicable Date.

### **3 WORKING CAPITAL SUFFICIENCY**

Taking into account the net proceeds from the Disposal and the financial resources available to the Yuexiu REIT Group, including its internally generated funds and available banking facilities, the Directors are of the opinion that the Yuexiu REIT Group will have sufficient working capital to satisfy its present requirements for at least the next 12 months from the date of this Circular in the absence of unforeseen circumstances.

### **4 MATERIAL ADVERSE CHANGE**

The Directors confirm that, as at the Latest Practicable Date, save as disclosed in the 2025 Interim Report, they were not aware of any material adverse change in the financial or trading position of the Yuexiu REIT Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of Yuexiu REIT were made up.

## **5 FINANCIAL AND TRADING PROSPECTS OF THE YUEXIU REIT GROUP**

### **Macroeconomic Environment**

Globally, markets are watching for potential interest rate cuts by the U.S. Federal Reserve, though the timing and extent remain uncertain. In China, 2025 marks the final year of the 14th Five-Year Plan, with policy direction focused on stability and growth. Measures such as moderately accommodative monetary policy and consumer stimulus programmes—including “trade-in” subsidies—are expected to support domestic demand and improve market sentiment. Against this backdrop, the Manager expects RMB interest rates to remain at relatively low levels.

As China continues to cultivate new drivers of productivity and deepen supply-side reforms, the Manager anticipates further industrial innovation and a more positive business climate. The upcoming 15th National Games in Guangzhou is also expected to boost retail spending and demand for hospitality assets.

### **Sectoral Outlook**

In the office sector, Grade-A buildings in Guangzhou, Shanghai, Wuhan and Hangzhou are expected to see continued new supply in the near term, intensifying competition and placing downward pressure on rents. In Guangzhou, new supply is concentrated in the International Financial City and Pazhou, while Zhujiang New Town is expected to maintain stable inventory.

In the retail sector, new supply in the central business districts of Guangzhou and Wuhan is expected to be limited. With improving consumer sentiment and brand upgrades, rental declines are expected to narrow.

In the apparel wholesale market, external trade pressures and heightened competition persist. However, high-quality trading platforms with stronger capabilities in resource integration and traffic generation are expected to attract more tenants. The development of immersive online retail experiences has become a key competitive advantage in this segment.

In the hotel and serviced apartment sector, domestic demand for leisure travel among high-net-worth individuals remains strong, while commercial activity continues to support stable business travel. China's inbound visa-free policy is also driving growth in foreign visitor arrivals, supporting demand for luxury hotels. On the other hand, revenue from food and beverage operations is under pressure due to consumption downgrades and a decline in wedding-related events.

### **Operational Strategy**

The Manager will continue to adopt a proactive and flexible leasing strategy, closely monitoring market conditions to capture emerging opportunities and enhance the competitiveness of the portfolio. Financing structure will be reviewed and adjusted as needed, with a focus on securing low-cost RMB funding through diversified channels to reduce interest expenses and manage rate risk.

Capital enhancement works will proceed as planned, including the phased renovation of guest rooms at the Four Seasons Hotel Guangzhou. These upgrades will focus on product quality, equipment renewal and safety enhancements, helping to preserve and enhance asset value and support stable operations.

The Manager remains cautiously optimistic that, supported by Yuexiu REIT's high-quality property portfolio and professional asset management team, it will continue to deliver stable returns to Unitholders. The Manager is focused on strengthening Yuexiu REIT's four core capabilities—product quality, leasing effectiveness, operational excellence and service standards—while staying attuned to macroeconomic trends and identifying emerging industry drivers. It will continue to innovate cross-sector consumption scenarios to enhance tenant engagement and foot traffic, leverage digital tools to empower leasing and operations, pursue attractive investment opportunities, optimise the capital structure, and expand access to capital markets to lower financing costs.

The disposal of a 50% interest in Yuexiu Financial Tower and the Internal Reorganisation represent proactive steps taken by the Manager to reduce gearing and strengthen financial resilience. With these initiatives in place, the Manager is confident in its ability to continue generating stable and sustainable returns for Unitholders.

*The following is the text of a letter and valuation report prepared for the purpose of incorporation in this circular received from Savills Valuation and Professional Services Limited, an independent valuer, in connection with their opinion of market value of the Property held by Yuexiu REIT as at 30 June 2025.*



**Yuexiu REIT Asset Management Limited**

as the “Manager” of “Yuexiu Real Estate Investment Trust”  
17B, Yue Xiu Building,  
No. 160 Lockhart Road,  
Wanchai, Hong Kong

AND

**HSBC Institutional Trust Services (Asia) Limited**

as the “Trustee” of “Yuexiu Real Estate Investment Trust”  
3rd Floor, Tower 3, HSBC Centre,  
No. 1 Sham Mong Road,  
Kowloon, Hong Kong

Savills Valuation and  
Professional Services Limited  
Room 1208, 12/F  
1111 King’s Road  
Taikoo Shing, Hong Kong

T : (852) 2801 6100  
F : (852) 2530 0756

EA Licence: C-023750  
[savills.com](http://savills.com)

10 September 2025

Dear Sirs,

**RE: YUEXIU FINANCIAL TOWER, NO. 28 ZHUJIANG EAST ROAD, TIANHE DISTRICT,  
GUANGZHOU, GUANGDONG PROVINCE, THE PEOPLE’S REPUBLIC OF CHINA  
(THE “PROPERTY”)**

**INSTRUCTIONS**

We refer to the instructions from the Manager and the Trustee of “Yuexiu Real Estate Investment Trust” (“Yuexiu REIT”) for us to value the Property located in the People’s Republic of China (the “PRC”), we confirm that we have inspected the Property, made relevant enquiries and investigations as well as obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 30 June 2025 (the “Valuation Date”) for incorporation in a circular.

**BASIS OF VALUATION**

Our valuation is our opinion of the market value of the Property concerned which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Moreover, market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

Our valuation has been undertaken in accordance with the latest edition of the HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors (“HKIS”), which incorporates the International Valuation Standards (“IVS”), and, where applicable, the relevant HKIS or jurisdictional supplement. We have also complied with the requirements set out in Chapter 5, Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Chapter 6.8 of the Code on Real Estate Investment Trusts (the “REIT Code”).

**IDENTIFICATION AND STATUS OF THE VALUER**

The subject valuation exercise will be handled by Mr Charles C. K. Chan and Mr Eddie C. K. So. Mr Charles C. K. Chan is the Managing Director of Savills Valuation and Professional Services Limited (“SVPSL”) and a Fellow of the HKIS (General Practice Division) with over 40 years’ experience in valuation of properties in Hong Kong and the PRC. Mr Eddie C. K. So is the Senior Director of SVPSL and a Member of the HKIS (General Practice Division) with over 30 years’ experience in valuation of properties in Hong Kong and the PRC. Both of them have sufficient knowledge of the relevant market, the skills and understanding to handle the subject valuation exercise competently.

Prior to your instructions for us to provide this valuation services in respect of the Property, SVPSL has been involved in valuation of the Property for accounting purpose in past 12 months.

We confirm that we are independent of the scheme, the Manager, the Trustee and each of the significant unitholders of the scheme in accordance with the REIT Code issued by the Securities and Futures Commission in Hong Kong (the “SFC”). We are not aware of any instance which would give rise to potential conflict of interest from SVPSL or Mr. Charles C. K. Chan or Mr. Eddie C. K. So in the subject exercise. We confirm SVPSL, Mr. Charles C. K. Chan and Mr. Eddie C. K. So are in the position to provide objective and unbiased valuation for the Property.

**VALUATION METHODOLOGY**

In arriving at our opinion of value, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions and/or offerings of comparable properties. In the course of our valuation, we have principally adopted Income Capitalization Method and counter-checked by the Direct Comparison Method for the Property by making reference to sale of comparable properties as available in the market.

The Income Capitalization Method is a method of valuation whereby the existing rental incomes of all lettable units of the Property are capitalized for the respective unexpired terms of contractual tenancies. We have also taken into account the reversionary market rents after the expiry of tenancies in capitalization whilst vacant units are assumed to be let at their respective market rents as at the Valuation Date. The summation of the capitalized value of the term income for the leased portion, the capitalized value of the reversion income (i.e. market rental income) as appropriately deferred for the leased portion and the capitalized value of the vacant portion provides the market value of the Property.

**TITLE INVESTIGATION**

In respect of the Property in the PRC, we have been provided with copies of the title documents relating to the Property. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments which may not appear on the copies provided to us. In the course of our valuation, we have relied on the information and advice given by Yuexiu REIT and the legal opinion issued by King & Wood Mallesons (金杜律師事務所) (“Yuexiu REIT’s PRC legal adviser”) regarding the title to the Property.

**SOURCE OF INFORMATION**

In the course of our valuation, we have relied to a considerable extent on the information given by Yuexiu REIT and have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, particulars of occupancy, tenancy details, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation report are based on the information contained in the documents provided to us and are therefore only approximations. No on-site measurements have been taken. We have no reason to doubt the truth and accuracy of the information provided to us by Yuexiu REIT, which is material to our valuation. We have also sought confirmation from Yuexiu REIT that no material facts have been omitted from the information supplied.

## **VALUATION ASSUMPTIONS**

In valuing the Property in the PRC, unless otherwise stated, we have relied on the legal opinion issued by Yuexiu REIT's PRC legal adviser and prepared our valuation on the basis that transferable land use rights in respect of the Property for its respective specific terms at nominal annual land use fees have been granted and that any land grant premium payable has already been fully paid. Therefore, unless otherwise stated, we have also prepared our valuation on the basis that the owner of the Property has good legal title and has free and uninterrupted rights to occupy, use, transfer, lease or assign the Property for the whole of the respective unexpired terms as granted.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

## **SUSTAINABILITY AND ESG CONSIDERATION**

ESG criteria are a set of standards which can be used to measure the performance of a business or investment in terms of sustainability. These criteria are increasingly being integrated into real estate valuation. At a property level, this includes environmental and climate impacts, the impact of buildings on the health and well-being of tenants/occupiers and local communities, and how a building is managed to encourage sustainable practices.

Nevertheless, quantifying the impact of ESG on value requires specialized expertise and would take time to become evident. A data-driven analysis is essential to understand how ESG performance translates into value.

In these regards, we are unable to quantify the potential impact of ESG matters, if any, on value, as we are not in the position of an expert on the assessment of sustainability and ESG matters. You are recommended to make further enquiries and/ or obtain further specialist or expert advice regarding ESG matters if necessary.

## **SITE INSPECTION**

We have inspected exterior and where possible, the interior of the Property. Site inspection of the Property was carried out by our Mr. Sam Ngai (Associate Director) on 17 June 2025. Mr. Sam Ngai is a Member of RICS with over 13 years' experience in valuation of properties in the PRC. During the course of our inspection, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report whether the Property is free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

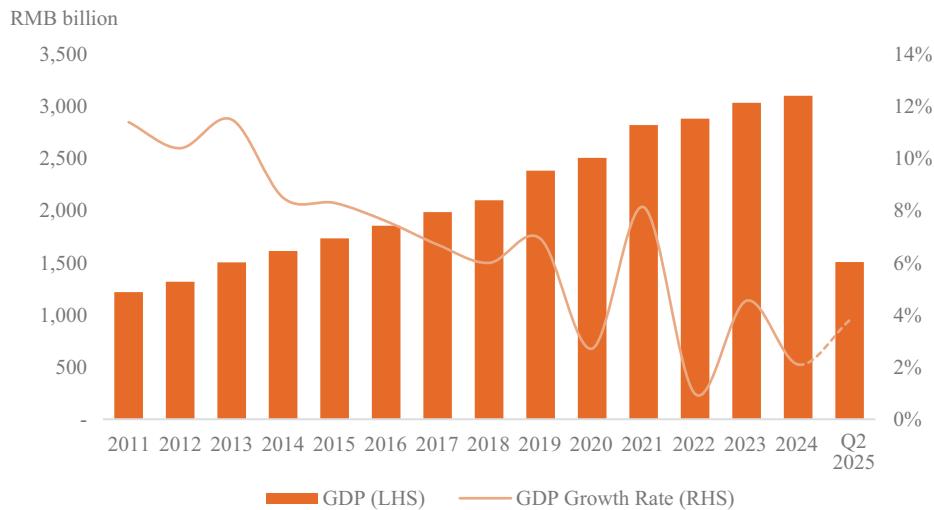
**MARKET COMMENTARY****GUANGZHOU***Overview*

Guangzhou is the capital city of Guangdong Province, located on the northern edge of the Pearl River Delta. A major South China Sea port, Guangzhou is China's southern gateway to the world as well as a hub city of the Belt and Road Initiative and has a central role in the development blueprint for the Greater Bay Area (GBA). The tier-one city is one of the largest cities in China behind the likes of Beijing and Shanghai, with a total area of 7,434.4 sq.km. and a population of approximately 18.98 million in 2024. It is also one of China's nine "National Central Cities".

Guangzhou is also an important political, economic, industrial, and cultural center as well as a major transportation hub in the South China region. The Port of Guangzhou was the fifth and the sixth busiest port in China and the world respectively, handling 26.07 million TEU in 2024. The Guangzhou Baiyun International Airport ranked 10th globally in aircraft movements in 2024, handling a total of 512,004 aircraft takeoffs and landings, and 9th worldwide in cargo and mail throughput, managing over 2.37 million metric tons of cargo, according to Airports Council International (ACI).

The vibrant economic growth and the strategic advantages enjoyed by Guangzhou have made the city one of the most important investment destinations in the region. According to the latest survey by the American Chamber of Commerce in South China (AmCham South China) in February 2025, Guangzhou has been ranked as the top investment destination in China for eight consecutive years, followed by Shenzhen, Shanghai and Beijing. It is reported by the municipal government that, in 2024, over 8,300 new foreign-invested enterprises were established in Guangzhou, representing an increase of 25.0% from the previous year. Guangzhou has also attracted up to 362 Fortune 500 companies to invest in the city over the years.

During the first half of 2025, Guangzhou's economy has shown moderate but steady growth, navigating both global challenges and domestic transformation. Guangzhou's GDP reached RMB1,508.10 billion up to Q2 2025, a 3.8% year-on-year increase at constant prices. The service sector continued to act as the major driver for growth, as total valued-added of the tertiary industry increased 4.3% y-o-y and accounted for 74.7% of total GDP, while secondary industry maintained a slow growth of 2.1% y-o-y. The GDP growth for the first half of 2025 is below the national average, reflecting localised pressures such as export slowdowns.

**GDP and GDP Growth Rate of Guangzhou, 2011 - Q2 2025**

Source: Guangzhou Statistics Bureau

Guangzhou's short-term economic outlook for the remainder of 2025 is cautiously optimistic, supported by strategic investments and sectoral momentum amid ongoing global challenges. The city is focusing on high-tech industries such as new energy vehicles, biomedicine, and next-generation IT, while urban renewal and housing development initiatives continue to drive activity in the real estate and construction sectors. In light of reduced U.S. orders due to persistent trade tensions, many manufacturers are shifting their focus toward Southeast Asian markets. To sustain growth and industrial transformation, according to reports from Nanfang Daily, Guangzhou is implementing 905 key projects with a total investment of RMB365.7 billion, targeting improvements in infrastructure, the digital economy, and advanced manufacturing. Additionally, the development of the Nansha district as an innovation hub is expected to attract over 150 new investment projects annually and foster the growth of 1,600 high-tech enterprises, reinforcing the city's resilience and employment prospects, according to the statement made by the Party Secretary of Nansha District during the August 5, 2025 press conference summarising the "Three-year Progress of the Guangzhou Nansha Deepening Comprehensive Cooperation with Hong Kong and Macao Facing the World", as reported by Nanfang Daily Online Edition.

## GUANGZHOU OFFICE MARKET

### *Major Office Submarkets*

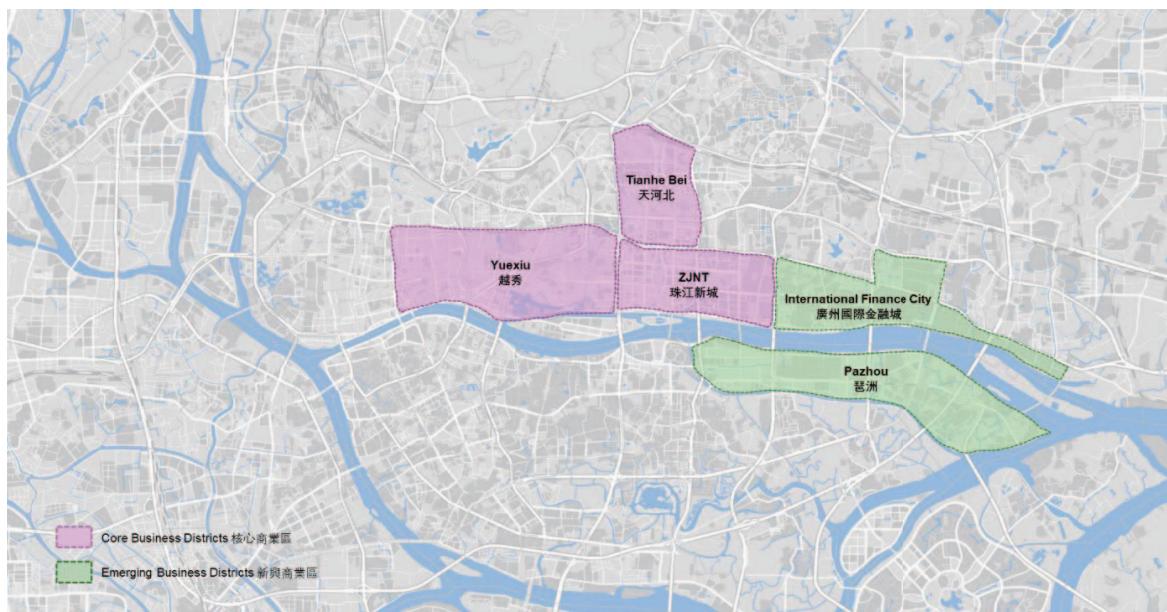
Grade A offices in Guangzhou are mainly located in five areas: the traditional prime office districts being located in submarkets of Yuexiu, Tianhe North (Tianhe Bei), Zhujiang New Town (ZJNT), whereas the Guangzhou International Finance City and Pazhou are emerging submarkets.

Grade A office market in Guangzhou originates from the traditional business area of Yuexiu District, which emerged in the late 1990s, and attracts traditional trade & commerce firms, media and cultural organizations, government-linked entities and SOEs locating in this submarket. The Grade A office market rapidly spread out and developed along the Tianhe North (Tianhe Bei) area in the early-

and mid-2000s, which hosts a number of state-owned enterprises, government agencies and institutes; and afterwards Zhujiang New Town, the premier central business district of Guangzhou with a large cluster of high-quality Grade A office buildings since 2010 and many new high-end residential projects. This area continues to attract tenants as it further develops into a cluster area for global Fortune 500 enterprises.

The prime office area in Guangzhou also includes the Pazhou submarket, which starts out as an exhibition area with a strong hotel market and gradually evolved into a business area and home to the Pazhou E-commerce headquarter zone, an emerging master-planned area targeting large domestic IT/e-commerce related companies; and Guangzhou International Financial City, a master-planned area to the east of Zhujiang New Town, with development since late 2018 and targeting tenants in the finance sector.

### Location Map of Guangzhou Office Submarkets



Source: Savills Research

### Supply and Total Stock

In the first half of 2025, eight new office projects were completed, adding 323,000 square metres (sq.m.) of new supply. This brought the total stock of Grade A office space in Guangzhou to 7.506 million sq.m., a 6.1% increase year-on-year. Most of the new supply during H1 2025 was from emerging submarkets and no new supply was noted in ZJNT submarket.

### Demand and Take-up

Despite the new supply, demand remained subdued. Most companies continued to focus on cost control, preferring offices with lower rents and operating costs, and showed little interest in expanding their space. As a result, the city recorded a net absorption of just 37,000 sq.m., down 21.2% compared to the same period last year.

However, emerging business districts like Guangzhou International Financial City and Pazhou continued to attract tenants thanks to their strong value-for-money proposition. These areas accounted for 54,000 sq.m. of net absorption, making them the main drivers of leasing activity.

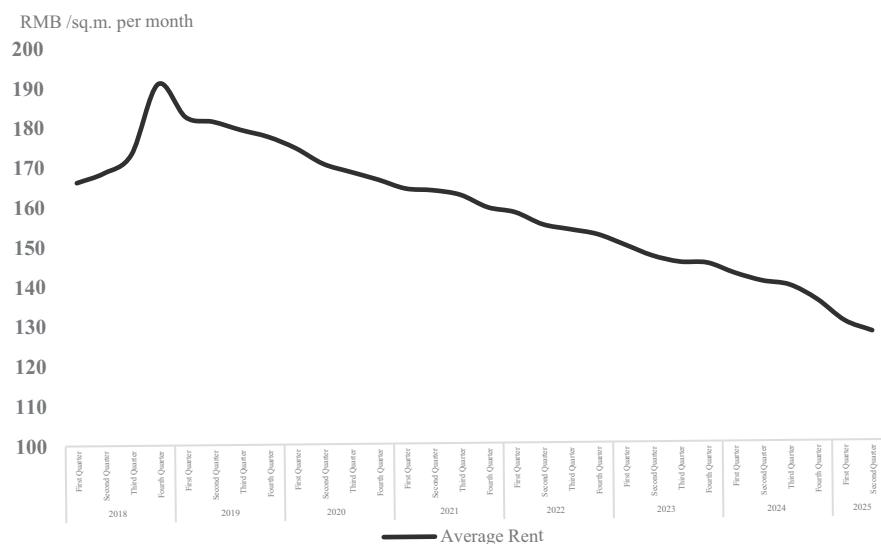
During H1 2025, finance, media & entertainment, and retail & trade sectors were the most active, contributing over half of all leasing transactions in terms of both volume and area. Professional services and IT service firms maintained stable demand, each accounting for more than 10% of leased space.

#### *Vacancy and Rents*

The influx of new supply, combined with weak demand, pushed the average vacancy rate up to 22.6%, an increase of 1.5 percentage points quarter-on-quarter and 4.1 percentage points year-on-year.

Due to increased competition and rising vacancies, Grade A office rent continued its downward trajectory. For the first half of 2025, average Grade A office rent across the city dropped 5.9% to RMB127.4 per sq.m. per month.

#### **Grade A Office Rent, Q1 2018 - Q2 2025**



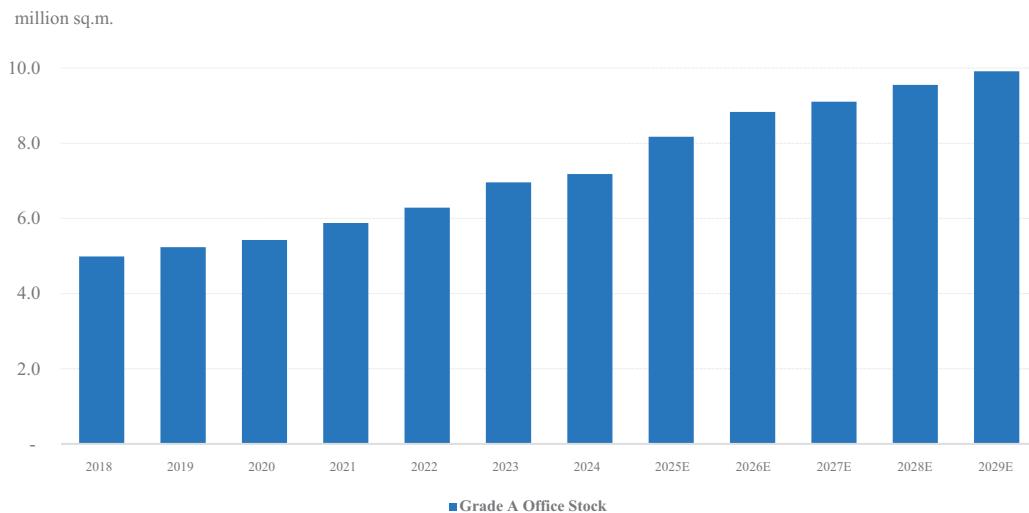
Source: Savills Research

#### **Outlook**

In Q3 2025, another 98,000 sq.m. of new supply is expected, pushing total stock to 7.60 million sq.m., a 5.9% increase from the end of 2024. The market is expected to have a total new supply of approximately 1.0 million sq.m. for the whole of 2025, representing a 13.8% increase over that of 2024.

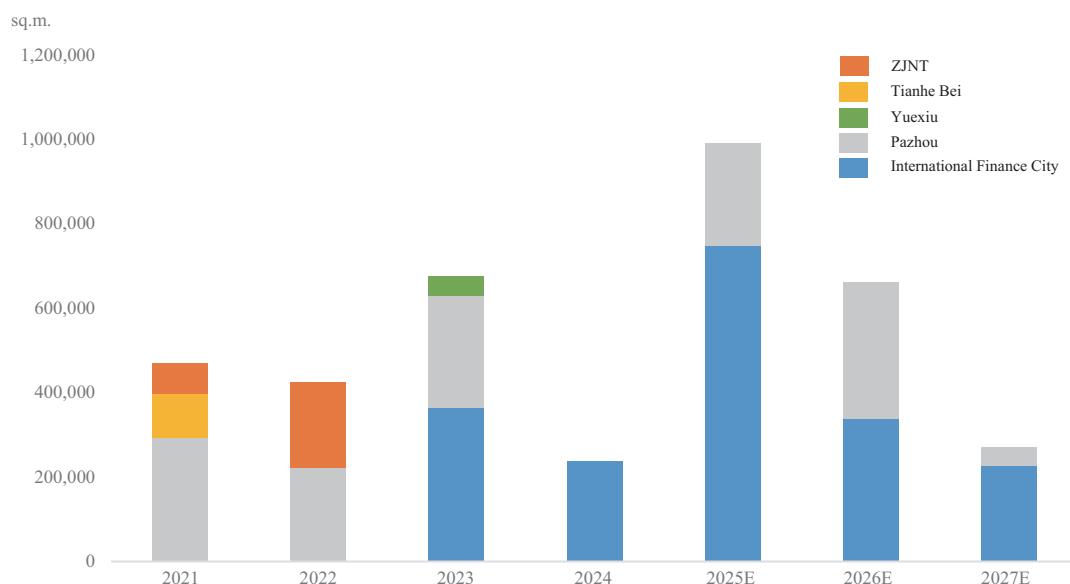
In the medium term, Guangzhou's Grade A office market is expected to see a peak of new supply from emerging submarkets such as International Finance City and Pazhou. Between 2025 and 2029, over 2.74 million sq.m. of new office space is scheduled for completion, which will increase the total Grade A office stock to approximately 9.91 million sq.m. — representing a 38.0% rise compared to 2024.

### Grade A Office Stock in Guangzhou



Source: Savills Research

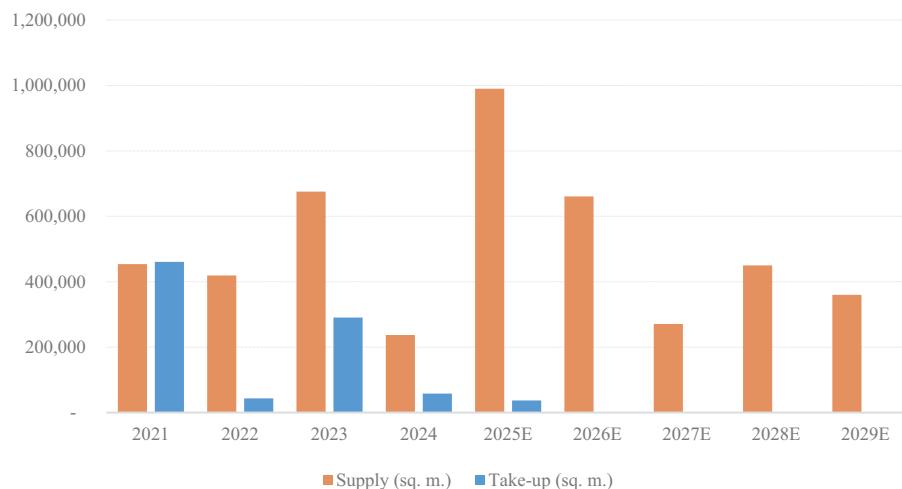
### Grade A Office New Supply, 2021 - 2027E



Source: Savills Research

In light of the supply peak between 2025 and 2029, with total stock projected to reach 10 million sq.m. by 2028 and anticipated weak net absorption, the influx of new supply is likely to further elevate the citywide vacancy rate and exert downward pressure on rental levels.

### Supply and Take-up of Grade A Office in Guangzhou



Source: Savills Research. Take-up of 2025 was up to the second quarter only.

On the upside, as traditional industries upgrade and the local information and cultural sectors grow, the market may see new leasing demand from industries such as IT support firms serving traditional industries, new media and interactive content companies, and mobile gaming firms with full-chain operations.

### MARKET CONDITIONS COMMENT

Ongoing political and economic developments continue to create a complex and evolving global landscape. It is therefore important to recognise that our valuation has been prepared against the fluid backdrop outlined above and the local economic environment. Moreover, investor behaviour can change quickly during such periods of volatility. As such, the conclusion set out in this report represents our valuation conclusion at the Valuation Date and we would recommend that the value of the Property is kept under regular review. For the avoidance of doubt, our valuation is not reported as being subject to “material valuation uncertainty” (as defined in the RICS Valuation — Global Standards).

### REMARKS

We thereby confirm that:

1. We have no present or prospective interest in Yuexiu REIT Properties and are not a related corporation of nor have relationship with the Manager, the Trustee or any other party or parties which Yuexiu REIT is contracting with;
2. We are authorised to practice as valuer and have the necessary expertise and experience in valuing similar types of properties;
3. Our opinion has been given on fair and unbiased basis; and

4. We are acting as an independent valuer as defined in “HKIS Valuation Standards 2024” published by The Hong Kong Institute of Surveyors, which incorporates the IVS.

**CURRENCY**

Unless otherwise stated, all money amounts stated are in Renminbi (“RMB”).

We enclose herewith our valuation report.

Yours faithfully,  
For and on behalf of  
**Savills Valuation and Professional Services Limited**

**Charles C. K. Chan**  
MSc FRICS FHKIS MCIArb R.P.S.(GP)  
*Managing Director*

**Eddie C. K. So**  
MRICS MHKIS R.P.S.(GP)  
*Senior Director*

*Note:* Mr. Charles C. K. Chan is a professional surveyor who has over 40 years' experience in valuation of properties in Hong Kong and 35 years' experience in valuation of properties in the PRC.  
Mr. Eddie C. K. So is a professional surveyor who has over 30 years' experience in valuation of properties in Hong Kong and the PRC.

Encl.

## VALUATION REPORT

Property held by Yuexiu REIT for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2025
Yuexiu Financial Tower, No. 28 Zhujiang East Road, Tianhe District, Guangzhou, Guangdong Province, the PRC	<p>The Property is a 68-storey office building erected on a parcel of land with a site area of approximately 9,831.00 sq.m. The Property was completed in 2015.</p> <p>The Property is situated at the Northeast of Zhujiang New Town, where is a core business district of Guangzhou. Developments in the vicinity mainly dominated by office buildings and large-scale shopping arcades. The locality is well served by public facilities and transportation network, surrounded by commercial landmarks such as K11, Guangzhou CTF Finance Centre, Guangzhou International Finance Center.</p> <p>According to the information provided by Yuexiu REIT, the Property has a total gross floor area ("GFA") of approximately 210,282.94 sq.m., including 827 car parking spaces ("CPS") of approximately 10,289.05 sq.m. at Basement Levels 1 and 4. The GFA and uses of the Property are tabulated as follows:</p>	<p>As at the Valuation Date, retail and office portions of the Property having an occupancy rate of 100% and 81.71% was let to various tenants at an aggregate monthly rent of approximately RMB26,370,000 (exclusive of value-added tax, management fees and utility charges) with the last expiry date on 31 December 2030; whilst the remaining portion of the Property was vacant.</p> <p>The car parking spaces were subject to a master lease agreement expiring on 31 December 2025 at a monthly rent of approximately RMB1,180,000.</p>	<p>RMB8,049,000,000 (Renminbi Eight Billion and Forty-Nine Million)</p>
Use	Approximate GFA sq.m.		
Commercial	3,818.19		
Office	166,378.62		
CPS	10,289.05		
Ancillary facilities	<u>29,797.08</u>		
<b>Total</b>	<b><u>210,282.94</u></b>		

The land use rights of the Property have been granted for terms 40 years from 16 April 2007 for commercial use and 50 years from 16 April 2007 for office and CPS uses.

## Notes:

- Pursuant to the Acquisition Deed dated 24 October 2021, Yuexiu REIT 2018 Company Limited (a SPV wholly-owned by Yuexiu REIT) as the Purchaser entered into the Acquisition Deed with Guangzhou Construction & Development Holdings (China) Limited\* (the "Vendor") and Yuexiu Property Company Limited\*\* (the "Guarantor") for the Acquisition. The Property was acquired by Yuexiu REIT at a consideration of RMB7,800,000,000.

\* *Guangzhou Construction & Development Holdings (China) Limited is a direct wholly-owned subsidiary of Yuexiu Property Company Limited*

\*\* *Yuexiu Property Company Limited wholly-owns Yuexiu REIT Asset Management Limited and is a substantial unitholder of Yuexiu REIT*

2. Pursuant to Yue (2017) Guangzhou Shi Bu Dong Chan Quan Di 00051478 Hao and eight hundred and eighty eight copies of real estate ownership certificate, the ownership of the Property is vested in 廣州佳耀置業有限公司 (Guangzhou Jiayao Property Development Co., Ltd.) (“Guangzhou Jiayao”), 廣州譽耀置業有限公司 (Guangzhou Yuyao Property Development Co., Ltd.) (“Guangzhou Yuyao”), 廣州景耀置業有限公司 (Guangzhou Jingyao Property Development Co., Ltd.) (“Guangzhou Jingyao”), and 廣州晉耀置業有限公司 (Guangzhou Jinyao Property Development Co., Ltd.) (“Guangzhou Jinyao”) (together referred to as the “Project Companies”), with details as below:

	Gross Floor Area (sq.m.)			Net Lettable Area (sq.m.)		
	Retail	Office	Carpark	Retail	Office	Carpark
Guangzhou Jiayao	3,818.19	40,002.01	2,850.98	2,859.51	29,855.08	2,850.98
Guangzhou Yuyao	—	38,197.68	2,835.48	—	27,918.98	2,835.48
Guangzhou Jingyao	—	43,840.57	2,934.87	—	30,865.34	2,934.87
Guangzhou Jinyao	—	44,338.36	1,667.72	—	30,959.37	1,667.72
<b>Total</b>	<b>3,818.19</b>	<b>166,378.62</b>	<b>10,289.05</b>	<b>2,859.51</b>	<b>119,598.77</b>	<b>10,289.05</b>

As advised, the Project Companies are wholly-owned subsidiaries of Yuexiu REIT.

3. Annualised rental income exclusive of value-added tax as at the Valuation Date and gross floor area breakdown of the Property are tabulated as follows:

Use	Gross Floor Area (sq.m.)	Leased Gross Floor Area (sq.m.)	Annualised Rental Income <sup>(i)</sup> (Approximately)
Commercial	3,818.19	3,818.19	RMB10,500,000
Office	166,378.62	135,949.73	RMB305,900,000
Carpark	10,289.05	10,289.05	RMB14,200,000
<b>Total</b>	<b>180,485.86</b>	<b>150,056.97</b>	<b>RMB330,600,000</b>

(i) Annualised Rental Income is the annualised rental income of June 2025.

4. Based on the tenancy information provided by the Manager, our analysis of the tenancy duration profile for the retail and office portions of the Property is set out below:

<b>Lease Term Greater Than (Year)</b>	<b>Lease Term Less Than or Equal To (Year)</b>	<b>Proportion by Floor Area</b>
0	1	9.6%
1	2	10.2%
2	3	32.3%
3	4	5.3%
4	5	20.3%
5	Or more	22.3%
<b>Total</b>		<b>100.00%</b>

5. Based on the tenancy information provided by the Manager, our analysis of the tenancy expiry profile for the retail and office portions of the Property is set out below:

<b>Year of Expiry</b>	<b>Proportion by Floor Area</b>
In 2025	28.6%
In 2026	24.1%
In 2027	16.3%
In 2028	8.9%
In 2029 and afterward	22.1%
<b>Total</b>	<b>100.00%</b>

6. Save as disclosed, we understand that the Property has no material rent review provisions; and we are not aware of any sub-lease or tenancy or any material options or rights of pre-emption which may materially affect the value of the Property.

7. As advised by the Manager, the property management income of the Property covers all relevant property management expenses; and the monthly property management fee is payable by tenants.

8. As confirmed by the Manager, there is no breach of environmental regulation(s); and there is no pending litigation(s), breach of law or little defect(s) which may affect the value(s) of the Property; and there is no plan for construction, renovation, improvement, or development of the Property as at the Valuation Date.

9. The estimated net yield of the Property is 4.11% which is derived from the estimated rental received in June 2025 excluding the valued-added tax divided by the market value as at the Valuation Date.

10. We have been provided with a legal opinion on the title to the Property issued by Yuexiu REIT's PRC legal adviser, which contains, inter alia, the following information:

- (i) The registered owners of the Property are:

Portion	Registered Owner
Level 1 to Level 20 and 235 car parking spaces on Basement Level 3	Guangzhou Jiayao
Level 21 to Level 35 (Level 33 is designated for the use of Refuge Floor and Level 34 is designated for the use of Equipment Floor) and 236 car parking spaces on Basement Level 2	Guangzhou Yuyao
Level 37 to Level 50 and 241 car parking spaces on Basement Level 4	Guangzhou Jingyao
Level 53 to Level 68 and 115 car parking spaces on Basement Level 1	Guangzhou Jinyao

- (ii) Levels 36, 51 and 52 of the Property are designated as sky lobby, refuge floor and equipment floor respectively;
- (iii) The Project Companies have rights to own, occupy, transfer and lease out of the Property; and
- (iv) The Property is free from mortgage rights, nor any other encumbrances such as pledges or liens.

11. In undertaking our valuation of the Property, we have made reference to various market comparables of similar developments which have characteristics comparable to the Property. We have identified and analysed three commercial, office and car parking spaces rental comparable all located in Guangzhou. The selected comparable are relevant to the Property in terms of usage and location. The unit rents of the commercial market comparables are in a range from RMB350 to RMB381 per sq.m. (GFA), the unit rents of the office market comparables are in a range from RMB180 to RMB210 per sq.m. (GFA) and the unit rents of the car parking spaces market comparables are in a range from RMB1,200 to RMB1,800 per lot for car parking spaces. Due adjustments to the unit rents of these comparables have been made to reflect factors including but not limited to time, location, size, floor level, building age and building quality in arriving at the key assumptions.

We consider that the relevant comparable have met our selection criteria are included and they are set out in the following tables with adopted adjustments which are exhaustive, fair and representative.

List of Commercial Rental Comparable			
Development	G.T. Land Summer Plaza	G.T. Land Summer Plaza	A Retail Shop located at Huali Road
Location	8 Zhujiang West Road	8 Zhujiang West Road	Huali Road
City	Guangzhou	Guangzhou	Guangzhou
Usage	Commercial	Commercial	Commercial
GFA (sq.m.)	180	290	315
Unit Rent (RMB/sq.m./month)	350	380	381

List of Office Rental Comparable			
Development	Tiande Plaza	Tianying Plaza	International Metropolitan Plaza
Location	391-395 Linjiang Avenue	222 Xingmin Road	68 Huacheng Avenue
City	Guangzhou	Guangzhou	Guangzhou
Usage	Office	Office	Office
GFA (sq.m.)	2,983	800	2,500
Unit Rent (RMB/sq.m./month)	210	180	180

List of Car Parking Spaces Rental Comparable			
Development	Guangzhou International Trade Center	Jin Zhong Huan Building	Tianying Plaza
Location	1 Linhe Road West	30 Tianhe Straight Street	222 Xingmin Road
City	Guangzhou	Guangzhou	Guangzhou
Usage	Car Parking Spaces	Car Parking Spaces	Car Parking Spaces
Monthly Rent (RMB/lot/month)	1,250	1,200	1,800

12. Based on our market research, the market yield of the comparable are in a range between 4.74% to 6.36% for commercial; 4.19% to 5.24% for office units and 4.53% to 5.31% for car parking spaces. Due adjustment to the market yield of these market comparable have been made to reflect factors including but not limited to location, size and building quality in arriving at the key assumption.

In the course of our valuation, we have adopted the following key assumptions:

Portion	Valuation Approach	Parameter	Assumption
Commercial	Income Capitalisation Method	Term Yield	4.50% per annum
		Reversionary Yield	5.00% per annum
Office	Income Capitalisation Method	Term Yield	4.50% per annum
		Reversionary Yield	5.00% per annum
Car parking spaces	Income Capitalisation Method	Term Yield	4.75% per annum
		Reversionary Yield	5.25% per annum

*The following is the text of a letter received from Ernst & Young, the Independent Auditor, for the purpose of inclusion in this Circular.*



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### INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPIILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

*To the Directors of Yuexiu REIT Asset Management Limited, the Manager of Yuexiu Real Estate Investment Trust (the “Manager”)*

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Yuexiu Real Estate Investment Trust (“Yuexiu REIT”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Manager for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma distribution per unit (DPU) for the six months ended 30 June 2025 and the unaudited pro forma net asset value (NAV) attributable to unitholders per unit as at 30 June 2025, and related notes (the “Unaudited Pro Forma Financial Information”) as set out on pages 38 to 40 of the circular dated 10 September 2025 (the “Circular”) issued by Yuexiu REIT, in connection with the proposed disposal (the “Disposal”) by Yuexiu REIT of 50% interest in the Guangzhou Jiayao Real Estate Co., Ltd., Guangzhou Jinyao Real Estate Co., Ltd., Guangzhou Jingyao Real Estate Co., Ltd. and Guangzhou Yuyao Real Estate Co., Ltd. (collectively the “Target Companies”), and the transfer of 49.99% of the equity interests in the Target Companies by Guangzhou Huisheng Industrial Investment Enterprise Partnership (Limited Liability Partnership) and 0.01% of the equity interests in the Target Companies by Guangzhou Junsheng Economic Information Consultancy Company Limited to Guangzhou Yue Xiu Construction International Finance Center Co., Ltd. (collectively the “Internal Reorganisation”), and the refinancing with new bank facility (the “Refinancing”). The applicable criteria on the basis of which the directors of the Manager have compiled the Unaudited Pro Forma Financial Information are described on pages 38 to 40 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the directors of the Manager to illustrate the impact of the Disposal, the Internal Reorganisation and the Refinancing on the Group’s DPU for the six months ended 30 June 2025 and the Group’s financial position as at 30 June 2025 as if the transaction had taken place at 1 January 2025 and 30 June 2025 respectively. As part of this process, information about the Group’s DPU and financial position has been extracted by the directors of the Manager from the Group’s financial statements for the six months ended 30 June 2025, on which a review report has been published.

**Directors' responsibility for the Unaudited Pro Forma Financial Information**

The directors of the Manager are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline (“AG”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

**Our independence and quality management**

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting accountants' responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Manager have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Disposal, the Internal Reorganisation and the Refinancing on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors of the Manager in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- such basis is consistent with the accounting policies of the Group; and
- the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Ernst & Young**

*Certified Public Accountants*  
Hong Kong

10 September 2025

## Unaudited Pro Forma Financial Information

## Unaudited Pro Forma DPU

Before the Disposal, the Internal Reorganisation and the Refinancing			Pro forma adjustments			After the Disposal, the Internal Reorganisation and the Refinancing
Yuexiu REIT Group for the six months ended 30 June 2025	The Target Companies for the six months ended 30 June 2025	Decrease in finance expenses resulting from the Refinancing	Distributable income from the Target Companies	Others	Unaudited pro forma revenue/Total Distributable Income for the six months ended 30 June 2025	
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>	<i>Note 5</i>		
Revenue	966,148	(165,057)	—	—	—	801,091
Finance costs	(461,299)	—	89,910	—	—	(371,389)
Distributable income from the Target Companies	—	—	—	22,366	—	22,366
Total Distributable Income	171,176	(106,824)	89,910	22,366	9,426	186,054
Issued Units ('000)	5,141,086					5,141,086
<b>DPU (RMB)</b>	<b>0.0333</b>					<b>0.0362</b>

## Notes:

- (1) Based on the unaudited interim condensed consolidated statement of comprehensive income and interim condensed consolidated distribution statement of Yuexiu REIT for the six months ended 30 June 2025.
- (2) Based on the unaudited financial information of the Target Companies for the six months ended 30 June 2025.
- (3) Based on the average financing costs for the six months ended 30 June 2025 and the proposed repayment of approximately RMB5,300 million of existing indebtedness of Yuexiu REIT, as if the Refinancing was completed on 1 January 2025.

(4) The Target Companies would be regarded as associates (as defined under HKFRS) of Yuexiu REIT after completion of the Disposal and the Internal Reorganisation. Distributable income from the Target Companies is calculated based on the pro forma distributable income of the Target Companies for the six months ended 30 June 2025 assuming the Refinancing was completed on 1 January 2025 and the remaining 49.495% beneficial interest in the Target Companies was held by Yuexiu REIT. Assuming the Disposal, the Internal Reorganisation and the Refinancing had taken place on 1 January 2025 and Yuexiu REIT held the Target Companies under the structure as described in section 5.2 headed “Expected holding structure of the Property after completion of the Disposal and the Internal Reorganisation” through to 30 June 2025, the Target Companies’ finance cost would have decreased due to lower interest cost of the Shareholder Loan and the New Bank Facility as compared to its current shareholder loan owed to the Limited Liability Partnership.

(5) Others mainly include interest income from the Shareholder Loan of RMB650 million to be extended by the Internal Reorganisation Party to the Target Companies, netting of relevant tax expenses.

#### Unaudited Pro Forma NAV attributable to Unitholders per UNIT

Before the Disposal, the Internal Reorganisation and the Refinancing		Pro forma adjustments		After the Disposal, the Internal Reorganisation and the Refinancing	
Yuexiu REIT Group	The Target Consideration Companies	Share netting of transaction costs		Unaudited pro forma NAV attributable to Unitholders as at 30 June 2025	
as at 30 June 2025	as at 30 June 2025	RMB'000	RMB'000	RMB'000	RMB'000
		Note 2	Note 1	Note 3	Note 4
NAV attributable to Unitholders	14,506,842	(3,582,067)	3,417,237	(24,240)	14,317,772
Issued Units ('000)	5,141,086				5,141,086
<b>NAV attributable to Unitholders per unit (RMB)</b>	<b>2.82</b>				<b>2.78</b>

*Notes:*

(1) Based on the unaudited financial information of the Target Companies for the six months ended 30 June 2025.

(2) Based on the unaudited interim condensed consolidated statement of financial position of Yuexiu REIT as at 30 June 2025.

(3) The amount represents the Share Consideration (based on the Reference NAV) netting of the related estimated transaction costs.

(4) The amount represents the increase of the NAV attributable to non-controlling interests of Yuexiu REIT from Yuexiu Property and GCCD Group assuming the Disposal, the Internal Reorganisation and the Refinancing were all completed on 30 June 2025, which should be deducted from the NAV attributable to Unitholders.

**1. RESPONSIBILITY STATEMENT**

This Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the REIT Code and the Listing Rules (modified as appropriate pursuant to 2.26 of the REIT Code) for the purpose of giving information with regard to Yuexiu REIT. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

**2. INFORMATION ON PARTIES TO THE DISPOSAL AND THE INTERNAL REORGANISATION****Yuexiu REIT, the Transferors and the 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.

**The 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 Circular, 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.

**The External Transferee, GCCD Group and Yuexiu Property**

The External Transferee is a wholly-owned subsidiary of GZYX 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 GZYX 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 GZYX, a company established in the PRC with limited liability, which is majority owned by the Guangzhou Municipal People's Government of the PRC. GZYX and its subsidiaries are engaged in various businesses, including (i) real estate and property development business; (ii) commercial banking, asset management, finance leasing, futures, business investment and other financial services; (iii) transportation, infrastructure and construction business; and (iv) livestock breeding, dairy industry, food processing and other businesses.

**3. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, in relation to Yuexiu REIT or any of its subsidiaries or associated companies, there is no service contract in force entered into between Yuexiu REIT and any of the Directors which: (a) (including both continuous and fixed term contracts) has been entered into or amended within six months before the date of the Announcement; (b) is a continuous contract with a notice period of 12 months or more; or (c) is a fixed term contract with more than 12 months to run irrespective of the notice period.

**4. DISCLOSURE OF INTERESTS**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Manager in the Units (or, as the case may be, shares), underlying Units (or, as the case may be, underlying shares) or debentures of Yuexiu REIT or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be: (i) notified to the Manager and the Stock Exchange under the provisions of Part XV of the SFO as deemed to be applicable by virtue of Schedule 3 to the Trust Deed (including interests and short positions which he/she is taken or deemed to have under such provisions of SFO); (ii) inscribed in the register kept by the Manager

pursuant to Schedule 3 to the Trust Deed; or (iii) pursuant to the Model Code (as if it were applicable to Yuexiu REIT), notified to the Manager and the Stock Exchange, were as follows:

***Long positions in Units***

<b>Name of Director</b>	<b>Capacity in which interests are held</b>	<b>As at the Latest Practicable Date</b>	
		<b>Number of Units held</b>	<b>Approximate % of the total number of issued Units</b>
Ms. Ou Haijing	Beneficial owner	54,606	0.001047
Mr. Jiang Guoxiong	Beneficial owner	31,488	0.000604

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Manager had or were deemed to have any interests or short positions in the Units (or, as the case may be, shares), underlying Units (or, as the case may be, underlying shares) or debentures of Yuexiu REIT or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be: (i) notified to the Manager and the Stock Exchange under the provisions of Part XV of the SFO as deemed to be applicable by virtue of Schedule 3 to the Trust Deed (including interests and short positions which he/she is taken or deemed to have under such provisions of SFO); (ii) recorded in the register kept by the Manager pursuant to Schedule 3 to the Trust Deed; or (iii) pursuant to the Model Code (as if it were applicable to Yuexiu REIT), notified to the Manager and the Stock Exchange.

Save for: (i) Mr. Jiang Guoxiong, who is an executive director and co-general manager of Yuexiu Property; and (ii) Mr. Zeng Zhizhao, who is the chief financial officer of Yuexiu Property and the general manager of the finance departments of GZYX, Yue Xiu and 廣州越秀企業集團股份有限公司 (Guangzhou Yue Xiu Enterprises Holdings Limited\*) respectively, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Units which would fall to be disclosed to the Manager under the provisions of Division 2 and 3 of Part XV of the SFO.

**5. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS AND IN COMPETING BUSINESSES**

As at the Latest Practicable Date:

- (a) none of the Directors had any direct or indirect interest in any assets which have been, since the date that the latest published audited accounts of Yuexiu REIT were made up, acquired or disposed of by (or leased to) or are proposed to be acquired or disposed of by (or leased to) Yuexiu REIT;

- (b) none of the Directors was materially interested in any contract or arrangement entered into by Yuexiu REIT and subsisting at the date of this Circular which was significant in relation to Yuexiu REIT's business; and
- (c) none of the Directors or any of their associates had interests in a business which competes or is likely to compete, either directly or indirectly, with Yuexiu REIT's business.

## **6. EXPERTS AND CONSENTS**

Each of the Independent Financial Adviser, the Independent Property Valuer, the Independent Auditor, the Financial Advisers to the Manager has given and has not withdrawn its written consent to the inclusion and publication of its name in this Circular.

Each of the abovementioned advisers where relevant has also given their consent to the inclusion of its name in this Circular and/or its appendices and all references thereto, in the form and context in which they are included in this Circular.

The following are the qualifications of the experts who have been named in this Circular and have given opinion or advice which are contained in this Circular and/or its appendices.

Ernst & Young	Certified Public Accountants
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
Savills Valuation and Professional Services Limited	Independent Property Valuer
King & Wood Mallesons	PRC legal advisers (for the limited purpose of the Valuation Report)

As at the Latest Practicable Date, none of the above experts had any interest in Yuexiu REIT or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in Yuexiu REIT.

As at the Latest Practicable Date, none of the above experts had any direct or indirect interest in any assets which have been, since the date to which the latest published audited financial statements of Yuexiu REIT were made up (being 31 December 2024), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to Yuexiu REIT.

## 7. LITIGATION

As at the Latest Practicable Date, none of the Manager, the Trustee (in its capacity as the trustee of Yuexiu REIT) and the members of Yuexiu REIT Group were involved in any litigation or claims of material importance and, so far as the Directors were aware, no litigation or claims of material importance, by or against the Manager, the Trustee (in its capacity as the trustee of Yuexiu REIT) or any member of Yuexiu REIT Group was pending or threatened.

## 8. MATERIAL CONTRACTS

During the two years immediately preceding the date of the Announcement and up to and including the Latest Practicable Date, the following contracts (not being contracts in the ordinary course of business carried on or intended to be carried on by Yuexiu REIT) have been entered into by Yuexiu REIT and are or may be material:

- (a) the Equity Transfer Agreement;
- (b) in relation to the RMB1,000,000,000 4.10% guaranteed notes due 2028 (the “**2025 Notes**”) issued by MOON KING LIMITED (a wholly-owned subsidiary of Yuexiu REIT, carrying on business in Hong Kong under the name “Yuexiu REIT Moon King Limited” instead of “MOON KING LIMITED”) as issuer (the “**2025 Notes Issuer**”):
  - (i) the offering circular dated 26 March 2025 issued by the 2025 Notes Issuer;
  - (ii) the trust deed dated 2 April 2025 entered into between the 2025 Notes Issuer, the Trustee as guarantor, the Manager and China Construction Bank Corporation Limited as trustee (the “**2025 Notes Trustee**”);
  - (iii) the agency agreement dated 2 April 2025 entered into between the 2025 Notes Issuer, the Trustee as guarantor, the 2025 Notes Trustee, China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as registrar, transfer agent and CMU lodging and paying agent; and
  - (iv) the subscription agreement dated 26 March 2025 entered into between the 2025 Notes Issuer, the Manager, and the joint lead managers which include CLSA Limited, CMB International Capital Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, DBS Bank Ltd., China Zheshang Bank Co., Ltd. (Hong Kong Branch), Industrial Bank Co., Ltd. Hong Kong Branch, China CITIC Bank International Limited and Chong Hing Bank Limited; and
- (c) in relation to the RMB600,000,000 2.7% medium term bonds with due 2028 issued by Yuexiu REIT 2012 Company Limited (the “**2025 MTB Issuer**”), the underwriting agreement dated 18 June 2025 entered into between 2025 MTB Issuer as issuer on the one hand, and 招商銀行股份有限公司 (China Merchants Bank Co., Ltd.\*), 中信証券股份有限公司 (CITIC Securities Co., Ltd.\*), 中國銀行股份有限公司 (Bank of China Limited\*) and 渤海銀行股份有限公司 (Bank of Bohai Co., Ltd.\* ) on the other hand.

**9. DOCUMENTS ON DISPLAY**

Copies of the following documents, or, for those documents that will only be executed after the EGM, the agreed form of such documents, will be published on the website of the Stock Exchange (<http://www.hkex.com.hk>) and Yuexiu REIT (<http://www.yuexiureit.com/>) for the period from the date of this Circular up to and including the date of the EGM:

- (a) the Trust Deed;
- (b) the Equity Transfer Agreement, including the forms of the Joint Venture Agreement and the Shareholder Loan Agreement;
- (c) the letter from the Independent Financial Adviser, the text of which is set out on pages 51 to 79 of this Circular;
- (d) the Valuation Report on the Property, the text of which is set out in Appendix 2 to this Circular, and the legal opinion issued by King & Wood Mallesons for the purpose of the Valuation Report;
- (e) the Independent Auditor's assurance report on unaudited pro forma financial information, the text of which is set out in Appendix 3 to this Circular;
- (f) the written consents referred to in section 6 headed "Experts and Consents" in this Appendix;
- (g) all material contracts disclosed under section 8 headed "Material Contracts" of this Appendix; and
- (h) this Circular.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as Yuexiu REIT continues to be in existence.

**10. MISCELLANEOUS**

- (a) The company secretary of the Manager is Yu Tat Fung, solicitor of the High Court of Hong Kong.
- (b) The registered office of the Manager is located at 17B, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong.
- (c) The Unit Registrar of Yuexiu REIT is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The authorised representatives of the Manager are Mr. Lin Deliang and Mr. Yu Tat Fung.

- (e) The auditor of Yuexiu REIT is Ernst & Young, 27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.
- (f) The English texts of this Circular shall prevail over the Chinese texts.

\* *For identification purposes only.*

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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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

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of the unitholders (“**Unitholders**”) of Yuexiu Real Estate Investment Trust (“**Yuexiu REIT**”) will be held at Plaza 1 to 4, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 26 September 2025 at 11:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the resolution below.

Words and expressions that are not expressly defined in this notice of extraordinary general meeting shall bear the same meaning as that defined in the unitholder circular dated 10 September 2025 (the “**Circular**”).

### ORDINARY RESOLUTION

1. **THAT** approval (where relevant, shall include approval by way of ratification) be and is hereby given for each of the Transaction Matters Requiring Approval, being:
  - (a) the Disposal and the Internal Reorganisation (including the entry into of the Equity Transfer Agreement) and the consummation of transactions contemplated under the Equity Transfer Agreement, on the terms and conditions set out in the Equity Transfer Agreement; and
  - (b) subject to completion of the Disposal, the entry into of the Joint Venture Agreement and the Shareholder Loan Agreements and the consummation of transactions contemplated thereunder, on the terms and conditions set out in the Joint Venture Agreement and the Shareholder Loan Agreements,

in each case, as more fully described in the Circular.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**AND THAT** authorisation be granted to the Manager, any director of the Manager, the Trustee and any authorised signatory of the Trustee to complete and to do all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager, the Trustee or such authorised signatory of the Trustee, as the case may be, may consider expedient or necessary or in the interest of Yuexiu REIT to give effect to all matters in relation to the Transaction Matters Requiring Approval generally.

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, 10 September 2025

*Registered Office:*

17B, Yue Xiu Building,  
160 Lockhart Road,  
Wanchai,  
Hong Kong

*Notes:*

- (a) A Unitholder is entitled to attend and vote at the Extraordinary General Meeting and is entitled to appoint one or more proxies to attend and, on a poll, vote in his/her stead. The person appointed to act as a proxy need not be a Unitholder.
- (b) In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the registered office of the Unit Registrar of Yuexiu REIT, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of the proxy will not preclude you from attending and voting in person should you so wish. In the event that you attend and vote at the meeting or adjourned meeting (as the case may be) after having lodged a form of proxy, the form of proxy will be deemed to have been revoked.
- (c) Where there are joint registered Unitholders of a Unit, any one of such Unitholders may vote at the meeting either personally or by proxy in respect of such Unit as if he/she were solely entitled thereto, but if more than one of such Unitholders is present at the meeting personally or by proxy, that one of such Unitholders so present whose name stands first on the register of Unitholders of Yuexiu REIT in respect of such Unit shall alone be entitled to vote in respect thereof.
- (d) In order to determine which Unitholders will qualify to attend and vote at the Extraordinary General Meeting, 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 Extraordinary General Meeting of Unitholders, 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.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*As at the date of this notice, the Directors of the Manager are as follows:*

*Executive Directors:* *Ms. Ou Haijing and Mr. Lin Deliang*

*Non-executive Directors:* *Mr. Jiang Guoxiong (Chairman) and Mr. Zeng Zhizhao*

*Independent Non-executive Directors:* *Mr. Chan Chi On, Derek, Mr. Chan Chi Fai, Brian, Mr. Cheung Yuk Tong and Mr. Chen Xiaoou*