



# 越秀房地產投資信託基金

YUEXIU REAL ESTATE INVESTMENT TRUST

A Hong Kong collective investment scheme under section 104 of the Securities and Futures Ordinance <chapter 571 of the Laws of Hong Kong>

Stock Code : 00405



YUEXIU  
REIT

2005-2021

## VISION FOR A STEADY FORTUNE

Annual Report 2021









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# PROFILE OF YUEXIU REIT

## PROFILE OF YUEXIU REAL ESTATE INVESTMENT TRUST (“YUEXIU REIT”)

Yuexiu REIT is a Hong Kong real estate investment trust constituted by a trust deed entered into on 7 December 2005 (the “Trust Deed”) between HSBC Institutional Trust Services (Asia) Limited as the trustee (the “Trustee”) and Yuexiu REIT Asset Management Limited as the manager of Yuexiu REIT (“Manager”) as modified by the First Supplemental Deed dated 25 March 2008, the Second Supplemental Deed dated 23 July 2010, the Third Supplemental Trust Deed dated 25 July 2012, the Fourth Supplemental Deed dated 3 April 2020 and the Fifth Supplemental Deed dated 28 May 2021 made between the same parties. Yuexiu REIT was listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 21 December 2005 (the “Listing Date”).

Yuexiu REIT’s property portfolio (the “Properties”) consists of six commercial properties located in Guangzhou, one commercial property located in Shanghai, one commercial property located in Wuhan and one commercial property located in Hangzhou. Yuexiu REIT is the first listed real estate investment trust in the world which invests in real properties in the mainland of the People’s Republic of China (the “PRC”).





# UNITHOLDERS CALENDAR

## UNITHOLDERS CALENDAR 2022-2023



## DISTRIBUTION

In accordance with the Trust Deed, Yuexiu REIT is required to distribute no less than 90% of Total Distributable Income to the Unitholders. The Manager also has the discretion under Yuexiu REIT's trust deed, where there are surplus funds, to distribute amounts in addition to that set out in the trust deed. At the time of announcing the distribution for any particular year, the Manager shall consider whether to exercise such discretion having regard to factors including but not limited to Yuexiu REIT's funding requirements, its earnings and financial position, its growth strategy, operating and capital requirements, surplus disposal proceeds, compliance with relevant laws, regulations and covenants (including existing limitations on borrowings as prescribed in the REIT Code), other capital management considerations, the overall stability of distributions and prevailing industry practice.

In light of the above, the Manager has determined that the final distribution to the Unitholders for the period from 1 July 2021 to 31 December 2021 ("2021 Final Period") will be approximately RMB0.0985 which is equivalent to HK\$0.1218 (2020: RMB0.0999 which is equivalent to HK\$0.1199) per Unit. Such final distribution per Unit is subject to adjustment once new units are issued to the Manager (in satisfaction of the Managers fees) prior to the record date for the 2021 Final Period distribution. A further announcement will be made to inform Unitholders of the final Distribution per Unit for the 2021 Final Period.

The final distribution for the 2021 Final Period, together with the interim distribution of Yuexiu REIT for the six-month period from 1 January 2021 to 30 June 2021 ("2021 Interim Period") being approximately RMB0.1025 which is equivalent to HK\$0.1233 (2020: RMB0.0986 which is equivalent to HK\$0.1094) per Unit, represents a total distribution to each Unitholder for the Reporting Year of approximately RMB0.2010 which is equivalent to HK\$0.2451 (2020: approximately RMB0.1985 which is equivalent to HK\$0.2293).

The total distribution amount for the Reporting Year, being approximately RMB798,212,000 (2020: RMB648,697,000), includes an amount of approximately RMB298,000,000 (2020: RMB194,000,000), that is capital in nature. The total distribution amount for the Reporting Year comprises the distributable amount calculated pursuant to the formula set out in the OC (being approximately RMB678,212,000) plus a further distribution of approximately RMB120,000,000 having regard to the abovementioned discretion of the Manager under Yuexiu REIT's trust deed to distribute excess amounts where it has surplus funds. Further details regarding the breakdown of the total distributable amount are set out in the Distribution Statement.

The total distribution for the Reporting Year does not include the special distribution of approximately RMB85 million which was HK\$0.0312 per unit, declared due to the acquisition of Guangzhou Yuexiu Financial Tower and had been paid on 8 February 2022. For details, please refer to the circular dated 13 November 2021 and the announcement dated 19 January 2022.

Distributions payable to the Unitholders will be paid in Hong Kong dollars. The exchange rate between the RMB and Hong Kong dollars adopted by the Manager is the central parity rate, as announced by the People's Bank of China, for the five business days preceding the date of declaration of distributions.

Yuexiu REIT aims at providing steady returns to its Unitholders derived from the gross income of its Properties. It has been distributing no less than 100% of Total Distributable Income for 16 consecutive years after listing in 2005.

### Distribution Yield

Disregarding new units to be issued prior to the relevant record date with respect to the Manager's fees, Distribution per Unit ("DPU") for the Reporting Year is approximately HK\$0.2451 (2020: HK\$0.2293), of which approximately HK\$0.0790 (2020: HK\$0.0686) is attributable to capital items, represents a yield of approximately 7.59% (2020: 6.07%) per Unit based on the closing price of HK\$3.23 per Unit as at 31 December 2021 (2020: HK\$3.78).

## CLOSURE OF REGISTER OF UNITHOLDERS

The record date for the final distribution will be 13 April 2022. The register of Unitholders will be closed from 13 April 2022 to 14 April 2022, both days inclusive, during which period no transfer of units will be effected. In order to be qualify for the distribution, all unit certificates with completed transfer forms must be lodged with Yuexiu REIT's unit registrar, Tricor Investor Services Limited, at 54/F, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 12 April 2022. The final distribution will be paid on 26 May 2022 to the Unitholders whose names appear on the register of Unitholders on 13 April 2022.



## PERFORMANCE SUMMARY

The following is a summary of Yuexiu REIT's audited consolidated results for the year ended 31 December 2021 together with comparative figures for the corresponding period in 2020:

(in Renminbi ("RMB"), unless otherwise specified)

	<b>Financial Year ended 31 December 2021</b>	<b>Financial Year ended 31 December 2020</b>	<b>Increase/ (decrease)</b>
Gross income (Note a)	<b>1,796,686,000</b>	1,758,732,000	2.2%
Net property income	<b>1,298,399,000</b>	1,322,644,000	(1.8)%
Profit after tax	<b>674,562,000</b>	587,121,000	14.9%
Earnings per Unit – Basic	<b>0.19</b>	0.18	5.6%
Portfolio valuation	<b>42,395,000,000</b>	34,488,000,000	22.9%
Net assets attributable to Unitholders per Unit	<b>4.31</b>	4.42	(2.5)%
Net assets attributable to Unitholders per Unit – Equivalent to HK\$	<b>5.27</b>	5.25	0.4%
<b>Units issued (units)</b>	<b>3,417,224,428</b>	3,303,113,665	3.5%
Total borrowings as a percentage of gross assets (Note b)	<b>40.2%</b>	38.6%	1.6 percentage point
Gross liabilities as a percentage of gross assets (Note c)	<b>63.7%</b>	56.5%	7.2 percentage point
<b>Distribution</b>			
Total distribution (including additional items)	<b>798,212,000</b>	648,697,000	23.0%
Distribution per Unit (HK\$)	<b>0.2451</b>	0.2293	6.9%

*Note a:* The revenue of Guangzhou Yuexiu Financial Tower was recorded since 24 December 2021.

*Note b:* Calculation of Total borrowings is based on bank loan and other borrowings, excluding capitalization of debt-related expenses.

*Note c:* Calculation of Gross liabilities is based on total liabilities, excluding capitalization of debt-related expenses and net assets attributable to Unitholders.

# CHAIRMAN'S STATEMENT

**Dear Unitholders of  
Yuexiu REIT,**

On behalf of the management team of Yuexiu REIT Asset Management Limited ("Manager"), the Manager of Yuexiu Real Estate Investment Trust ("Yuexiu REIT"), I am very pleased to present to you the 2021 annual report of Yuexiu REIT.

**LIN DELIANG**  
*Chairman*





## RESULTS AND DISTRIBUTION

In 2021, the challenge of fighting against the Novel Coronavirus pneumonia pandemic continued across the globe. As domestic development of the pandemic fluctuated, all walks of life underwent material and profound changes, the market is still undergoing with instability and uncertainty. Despite of such severe challenges, Yuexiu REIT successfully completed the acquisition of Yuexiu Financial Tower to expand the scale of its assets and market influence, a commendable and excellent performance in our existing properties was achieved with the quality of our premium properties and the excellent efforts made by all members of the management team.





## CHAIRMAN'S STATEMENT

As at 31 December 2021, the nine 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 International Finance Center ("GZIFC"), Yuexiu Financial Tower ("Yuexiu Financial Tower") located in Guangzhou, Yue Xiu Tower ("Yue Xiu Tower") located in Shanghai, Wuhan Yuexiu Fortune Centre, Starry Victoria Shopping Centre and certain Carpark Spaces ("Wuhan Properties"), located in Wuhan, and Hangzhou Victory Business Center Units and certain Carpark Spaces ("Hangzhou Victory") located in Hangzhou, with a total rentable area of 803,111.9 sq.m..

As at 31 December 2021, the occupancy rate of properties under Yuexiu REIT remained generally stable, with an overall occupancy rate of 92.0%. During the Reporting Year, Yuexiu REIT recorded total operating revenue of approximately RMB1,796,686,000, representing an increase of 2.2% as compared to RMB1,758,732,000 for the same period last year. Operations of all properties were slightly affected in the first half of the year, but steadily improved in the second half.

In 2021, Yuexiu REIT recorded total distributable income of approximately RMB798,212,000, representing an increase of approximately RMB149,515,000 or approximately 23.0% as compared to the total distributable income of RMB648,697,000 for the corresponding period of the previous year. The policy of the Manager is to distribute 100% of the entire distributable income of the Reporting Year to the Unitholders. Each Unitholder will receive a distribution amount of approximately HK\$0.2451 per Unit, representing an increase of HK\$0.0158 or approximately 6.9% as compared to the distribution amount of HK\$0.2293 for the same period last year. Based on the closing price of HK\$3.23 on 31 December 2021, the distribution yield was approximately 7.59%.





## MACRO ECONOMY

While 2021 witnessed the world economy gradually recovered from the historical impact of COVID-19 pandemic, the way ahead is full of risks and uncertainties as bottlenecks in supply continues, global inflation aggravates and imbalance in development intensifies. Amidst complicated domestic and international situations and various risks and challenges, China has maintained its global leading position in both economic development and epidemic prevention and control, attained new achievements in high-quality development, which represented a good start for the 14th Five-Year Plan. According to data released by the National Bureau of Statistics, China's GDP reached RMB114,367 billion in 2021, representing a year-on-year increase of 8.1%. Such economic growth rate ranks among the top of global major economies. China's international influence has been further expanding. In 2021, China's growing economy contributed about 25% to the global economic growth, acting as an important force leading the recovery of the world economy.



## CHAIRMAN'S STATEMENT

In 2021, Guangzhou's economy continued to recuperate steadily, showing a relatively obvious trend of high-quality development. The regional GDP reached RMB2,823.197 billion, up 8.1% year-on-year, with an average increase of 5.4% for these two years. Among them, the high-tech manufacturing sector developed rapidly, achieving a year-on-year increase of 25.7% in added value. In 2021, Guangzhou, as the seventh "city with trillion foreign trade volume", recorded a total import and export volume of RMB1,082.59 billion, representing a year-on-year increase of 13.5%, and its total retail sales of consumer goods broke through the trillion mark for the first time, reaching RMB1,012.256 billion, thus making Guangzhou one of the three major cities with "double trillions" in China.

At the opening year of the 14th Five-Year Plan, Shanghai's economic scale entered into a new stage. In 2021, Shanghai's regional GDP reached RMB4,321.485 billion, up by 8.1% year-on-year, with an average increase of 4.8% for these two years. Its economy and social development showed a momentum of stability getting strengthened, improved, and reaching for betterment. The robust growth in economy would not be possible without the rebound in manufacturing industry and the booming of emerging industries. In 2021, Shanghai's strategic emerging industries gained a good momentum of development. For the year, the total output value of emerging industries a year-on-year increase by 14.6%, among which the year-on-year growth rate for the output value of new energy vehicles, new energy and biology was 1.9 times, 16.1% and 12.1%, respectively.

In 2021, Wuhan's economy returned to the "main track", showing a development trend of full recovery, rapid growth, improved quality, higher efficiency, and making steady progress. Based on the preliminary review, the annual regional GDP reached RMB1,771.676 billion, up by 12.2% year-on-year, with an average growth of 3.3% for these two years, ranking among the top ten cities in China in terms of regional GDP. In the past year, Wuhan has made great efforts in building a modern industrial system, achieved a breakthrough in developing digital economy, and carried out ten initiatives for scientific and technological innovation. The proportion of the added value of high-tech industries in regional GDP increased to about 26%.

In 2021, Hangzhou's industrial momentum has been effectively reinforced and its resilience has been continuously enhanced, achieving an annual regional GDP of RMB1,810.9 billion, up by 8.5% year-on-year, 0.4 percentage points higher than the national level. Hangzhou's industrial added value recorded an average increase of 7.1% for these two years, the highest since 2015. Among them, the high-end manufacturing grew faster, and the added value of manufacturing industry, the core industry of digital economy, increased by 16.4% year-on-year. The digital economy continued to take the lead, and the added value of the core industry of digital economy increased by 11.5% year-on-year, accounting for 27.1% of the regional GDP.

## MARKET REVIEW

### Office Leasing Market

In 2021, eight new projects were launched in Guangzhou, and the stock of Grade A office buildings in Guangzhou market reached 6.066 million sq.m. at the end of the year. The overall vacancy rate in the market, affected by new projects, represented a quarter-on-quarter slight increase by 0.9 percentage point to 9.5%. In terms of demand, leasing demand of financial, information technology, and retail companies remained stable. In terms of sub-market, Zhujiang New Town remained a favourite relocation destination for enterprises, and a majority of tenants in this region chose to renew their leases at the original premises. In view of Zhujiang New Town's attraction to companies within and beyond this region was high, leasing demand was better in 2021 and most of the tenants presented a sentiment to adhere to the existing conditions. The overall vacancy rate of Zhujiang New Town dropped to 5.3%, with an average rent of RMB179.1 per sq.m. per month recorded at the end of the fourth quarter.

In 2021, Shanghai's office building market experienced a boom in both supply and demand. 17 new projects debuted for the year, totaling 1.071 million sq.m., 1.6 times of the stock delivered last year, 60% of which were positioned in the emerging business area. The net absorption also hit a record high of 1.298 million sq.m.. The accelerated release of the demand for relocation and expansion contributed to 70% of the new lease activities for the year, among which quality upgrading accounted for more than 30% of the increased high-quality supply. As for demand across industries, TMT demand, led by e-commerce, social media as well as artificial intelligence, big data and fintech, topped the list for the year, accounting for 27%. Rents rebounded for the first time in five years. Driven by the resilient recovery of the core business area, rents rose again while the effective rent increased by 1.2% year-on-year, advanced in the national level.

Affected by construction schedule, multiple projects in Wuhan's office building market postponed their debuts in 2021, with an annual new supply of only 240,000 sq.m., representing a decrease of 58% year-on-year. Leasing demand was active in the first half of the year, however, in the third quarter, a surge in lease termination occurred due to the impact of the pandemic and industrial policies; leasing demand stabilized at the end of the year, a net absorption of nearly 370,000 sq.m. was recorded for the year, which exceeded the pre-pandemic level. Leasing demand mainly arose from the continued growth in TMT, which was undergoing changes in its industry segments, while the traditional financial, real estate industries released stable leasing demand due to the resilience across their industries. The overall rent of Wuhan showed a downward trend with a narrowed decline, and the pressure on a downward rental was still on.

In 2021, six new projects were launched in Hangzhou's office building market, with the market net absorption hitting a new high of 597,000 sq.m.. Upgrading TMT and finance released the demand, while remarkable growth took place in segments such as Internet + related consumption manufacturing industry, specialized, refined, peculiar and innovative industries such as new energy vehicles and big health medicine. Hangzhou's recovered demand was driven by the two driving forces namely the Future Science and Technology City in the emerging business area and Qianjiang New Town in the core business area. Hangzhou's rents gradually stopped falling and stabilized, and rose for the first time in three years.

## Retail Market

In 2021, four shopping centers located in Guangzhou opened, adding 464,000 sq.m. of supply to the city, pushing the total inventory of retail property market in Guangzhou to 6,692,500 sq.m.. The leasing demand remained stable and the overall vacancy rate stayed at 12.9%. Traditional department stores gradually withdrew from the historical stage, and new commercial forms thrived. In the post-pandemic era, the scale of online retail is gradually expanding, and offline physical shopping centers are developing towards immersive shopping experience with diversified and trendy forms.

In 2021, seven projects were put into the market in Wuhan. As the increased supply of quality projects intensified the upgrading of the inventory market, Wuhan's total inventory rose to 7,180,000 sq.m.. The retail business facilitated more new demand. During the year, a number of international retail brands opened their first or second stores in Wuhan. Multi-brand boutiques and collection stores built offline consumption scenes, leading the consumption trend of the Z generation. The average rent of the first floor of Wuhan's shopping centers stabilized, with the rental index rising 0.8% year-on-year.



## CHAIRMAN'S STATEMENT

### Specialized Apparel Market

Demand resumed growth in the first half of 2021 yet its growth slowed down due to the pandemic in the second half of the year. The physical market continued to withstand pressure. Online retail grew slightly better than the brick-and-mortar. The policy of production and electricity restriction resulted in the monthly decline in apparel production and intensified industry competition. Under the pressure of slow recovery of customer flow and continuous lease termination from merchants, Guangzhou apparel businesses have adopted flexible leasing policies to stabilize tenants. Among which, Lihua business area continued to be sluggish, with the rental rate falling by 4% compared with the previous quarter, and the customer flow only recovered to 53% of the pre-pandemic level. As such, the competing products began to shift to middle- and low-end in order to attract customers.

### Hotel and Serviced Apartment Market

In 2021, domestic epidemic fluctuated repeatedly and China adopted dynamic clearing epidemic policy across the board. Demand in the hotel market did not recover as expected. Although the recovery peaked to a point nearly close to the pre-epidemic level in the first half of the year, it fell drastically again in the second half of the year. Under the impact of continuous international travel restrictions, domestic demand dominated the market absolutely, with the total number of domestic tourists of 3.246 billion, representing an increase of 12.8% year-on-year. In particular, during the golden week of National Day, luxury and super high-end hotels were more preferred. In terms of occupancy rate, affected by the local epidemic, the occupancy rate of luxury hotels in Guangzhou was only 10% in June, and then slowly climbed to 70% in November. In December, as the first Omicron case occurred in Guangzhou, the occupancy rate of luxury hotels dropped to 64%. The average room rate remained relatively stable at RMB1,068 for the year, equivalent to 86% of its value in 2019. Compared with the hotel industry, the performance of high-end serviced apartments in Guangzhou showed good stability.

## BUSINESS OPERATING STRATEGIES

In response to the market changes in the latest period of the pandemic and the profound changes in the industry, the Manager strengthened active management and implemented more practical, effective and targeted leasing strategies; seized market opportunities in a practical manner, sought to optimize and adjust tenant structure in the crisis in order to minimize the short-term risks brought by the pandemic and also deliver a long-term sustained business growth and stable rental returns.

In terms of office buildings, the office building projects under the Yuexiu REIT are concentrated in the core CBDs of the first-tier and second-tier cities of the PRC. The Manager adopted a refined operational management strategy, created professional and distinctive benchmark for buildings to foster a stable operation and development cornerstone for leasing business. It strengthened tenant acquisition and practically undertook leases renewal management to stabilize the rental rate of projects; continued to uphold the principle of innovation and empowerment, focused on customer management, resource integration and industry collaboration to create a "Yuexiang Ecosystem (悦享生態圈)". The Manager took "Yuexianghui (悦享會)" as a medium to consolidate tenant management, enhanced tenants' viscosity and thus implemented lease renewal management, striving to minimize the decline in rental rate and income loss during vacancy period resulted from the impact of the recurrent epidemic. Affected by the new policies in real estate and education industries last year in China, the Manager successfully solved the operational risk of lease termination from a number of customers through initiatives such as efficient and orderly negotiation, integration of internal resources, active measures in customer acquisition.

In terms of retail shopping malls, the Manager comprehensively analyzed and grasped the new retail rules in the post-pandemic era, and had an insight into the preferences of young consumers of the Z generation. It continued to improve the member operation system, and promoted online and offline member operation measures by enriching members' rights and interests, constructing members consumption flow, establishing community marketing, improving the application ability of analysis platforms, and portraits of leading member in consumption. It also built up management system in retail business, established business standards to unify business caliber, and laid down a solid management foundation. Through organizing the first "Yuexiu Yue Shopping Festival (越秀悦購節)", it linked merchants to form a consumption closed loop and improve the transformation of members and customer flow. It made great efforts in integrating internal and external resources to seek a breakthrough in tenant acquisition while facing a headwind.

In terms of specialized market, the Manager made active responses to the impact of the recurrent pandemic and proactively sought changes. It endeavored to stabilize operation fundamentals through optimizing positioning, reinforcing tenant acquisition, strengthening management and control, improving operation and encouraging innovation. It further clarified its market positioning, implemented the capital transformation of the facade and floors, facilitated the implementation of "Fashion Industry Brand Incubator Business Model" to accelerate the pace of transformation and upgrading. It created a three-dimensional marketing matrix, empowering the physical market through digital marketing. It also offered assistance to customers, guiding apparel merchants to change their traditional business model, as well as enriched the peripheral products and explored new business opportunities.

In terms of the hotels and serviced apartment, business activities significantly reduced due to the profound impact by the continuous fluctuation of the pandemic, while suburban vacation and "staycation" prospered. In this regard, the Manager focused on integrating internal and external resources and expanded regional domestic demand through multiple channels, among which, the marketing strategy of Four Seasons Hotel focused on the local market, strengthened online sales, and made great efforts in promoting marketing activities of rooms and catering on social media platforms. Through the construction of home-community culture, Ascott Serviced Apartments improved customer viscosity to ensure a relatively stable transaction level of long-stay tenants; continued to deepen online marketing and actively seized the short-stay rental market.

## INVESTMENT AND FINANCIAL STRATEGY

In 2021, the Manager continued to implement an active and prudent investment strategy. The proportion of assets in the Guangdong-Hong Kong-Macau Greater Bay Area continued to increase as we successfully completed the acquisition of Yuexiu Financial Tower (越秀金融大廈) in the second half of 2021. The Manager also continues to look for high-quality projects in line with the investment strategy of Yuexiu REIT, grasping investment opportunities with growth potential.

Yuexiu REIT implemented prudent financial policies. As at 31 December 2021, Yuexiu REIT's total borrowings to total assets ratio remained at the level of 40.2%, which was well below the upper limit of 50% as stipulated in the REIT Code. The Manager paid close attention to the changes in interest rates and exchange rates, actively expanded capital channels, made reasonable planning for overseas loans as they fall due in the future and sought to obtain an appropriate average rate of financing cost.

In response to the impact of fluctuations in exchange rate on the operating results of Yuexiu REIT, the Manager has continued to strengthen the research and analysis on exchange rate hedging instruments, as well as on hedging schemes, and timely introduced exchange rate hedging instruments. In April 2021, the Manager replaced USD400 million of bonds fall due and settled the bonds by hedging. The foreign exchange exposure was approximately 79.0% at the end of December 2021. The Manager has continuously paid close attention to the trend of foreign exchange market while seeking effective control over exchange rate risk at a reasonable cost.



## CHAIRMAN'S STATEMENT

The Manager continued its work in maintaining a stable credit rating of Yuexiu REIT. In 2021, Yuexiu REIT obtained an investment grade rating from Fitch and became the first REIT to obtain investment grade ratings from Standard & Poor, Moody and Fitch.

### ASSET ENHANCEMENT STRATEGIES

The Manager continued to implement strategic asset enhancement plans and explore opportunities for asset appreciation by reviewing the property portfolio of Yuexiu REIT on a regular basis, thereby maintaining its projects' competitive advantage in the market and increasing the returns therefrom. Meanwhile, the Manager has targeted at making frequent contacts with customers to carry out asset optimization to improve customers' satisfaction and experience, achieving continuous enhancement in the rental value of the properties of Yuexiu REIT.

### PROSPECTS

The world economy will continue to be subject to challenges such as the recurrence of the pandemic, bottlenecks in supply chain, rising inflation and sluggish recovery. 2022 is a year that the Chinese economy gradually gets back on track. Despite various risks and challenges exist in internal and external environment, the momentum of a sustained recovery in China's economy has not changed generally, and the factors which have kept the economy operating within a reasonable range have not altered, nor have the conditions supporting high-quality development. The economy is expected to grow with steady progress for the whole year, continuously injecting confidence and momentum into the recovery of the world economy.

During 2022, a key year for the 14th Five-Year Plan, Guangzhou will speed up the construction of a system for modern industries, implement "1+X" and "System of a Core Chain guided by a Chief (鏈長制)" in major industrial chains, build a system of strategic emerging business, deepen its efforts in building an international consumption center city, create the core engine of the international financial hub of the Guangdong-Hong Kong-Macau Greater Bay Area; accelerate the development of a science and technology innovation center with global influence, strengthen the development of the digital economy and the capability in promoting targeted science and technology innovation by converging related resources to attain the greatest achievement and transformation, establish an open platforms for innovation, and cooperation, strive to promote the construction of a hub and network city, and comprehensively deepen reform to optimize business environment. According to the Report on the Work of Guangzhou Government, Guangzhou's GDP is expected to grow by approximately 5.5% in 2022 and may challenge the level of reaching RMB3 trillion.

It is expected that in 2022 the leasing demand from technology and financial enterprises will continue to grow. In Guangzhou, there will be office buildings with an additional supply of over one million sq.m. in the market, Pazhou will remain as the main source of new supply as it houses 12 new projects among the additional 18 projects debuted in the market, accounting for 59.3% of the city's new supply. The competition in the leasing market has intensified significantly, making an impact on the sentiment of property owners. Tenants will have stronger bargaining power over price negotiation and the rental level across the city is expected to move downward steadily.

In 2022, four new shopping malls will enter Guangzhou's retail market, with a total of 474,000 sq.m. of new supply, and new projects are mainly located in non-core business areas. Driven by the growth of local population and consumer demand, the overall demand is expected to be stable, and catering brands will continue to maintain the momentum of expansion becoming the main force of leasing transactions. Guangzhou's vacancy rate is expected to decline steadily. The leasing demand for Zhujiang New Town business area will remain stable, with the adjustment to various project brands and business formats being completed successively. Active demand for Tianhe Road business area will continue. For the two core business areas, vacancy rate is expected to decline steadily.

In the post-pandemic era, the apparel industry is experiencing a slow growth while entering into the stage of recovery and transformation as changes are taking place in consumer groups, and suppliers are also transforming towards diversification and branding. Due to the growth in a headwind of online e-commerce and changes in consumer behavior, traditional distribution channels have been reconstructed, and the apparel specialized market is still facing a severe and complicated environment, with a weakening growth momentum. Given the increasing operational uncertainty of the local specialized market, coupled with a downturn in the overall customer flow and shipments, all apparel business areas have employed extraordinary measures to attract merchants focusing on products tailored for young people and purchasers from third- and fourth-tier cities, and increased their competition for high-quality tenants.

As the global pandemic is undergoing the impact of Omicron, the pandemic will remain the biggest variable for the recovery of the tourism economy. In general, the hotel market will face more difficulties and new challenges, and it may need basically at least one to two years to return to its normal level. The domestic market will continue to be dominant, and the basic market of necessary travel will be further consolidated, and new demands for cultural and leisure, technological experience and holiday consumption will be further released. Local leisure and short-distance travel, independent travel, family leisure and cultural experience are becoming a more visible trend. In 2022, it is highly unlikely that there will be a retaliatory rebound in the tourism market, but the upward recovery will not stop.

In 2022, as the second Chinese city to join the “Four Trillion Club”, Shanghai will continue to make progress while maintaining stability, build Pudong into a model area for establishing socialist modernization and fully implement the development scheme of the 14th Five-Year Plan for the integrated development of the Yangtze River Delta. Shanghai will gather forces to promote its city digital transformation and speed up the building of an international digital capital with global influence. It will develop a number of open service platforms for big data and blockchain, facilitate the nurturing of leading online enterprises in the new economy, promote the digital technology’s role in transforming traditional industries in an all-round and whole-chain way, accelerate the development of innovation in the industrial IoT, Internet of Things, increase efforts in strengthening the core functions of the city, and solidly promote the high-quality development of the economy.

By 2025, new supply to Shanghai office building market will exceed 5,470,000 sq.m., including core business areas of 1,580,000 sq.m. and emerging business area of more than 3,890,000 sq.m., with a supply of over 50 new projects, creating an extremely fierce competition. In the next three years, there will be no new projects in Zhuyuan segment, resulting in no new supply. At the same time, as Sanjin Center (三金中心) was officially put into operation last year, it will attract a group of futures, security and related upstream and downstream enterprises to move into this region, forming a cluster of financial enterprises and bringing new opportunities to Zhuyuan Region.

As a central city in China and a core city in the Yangtze River Economic Belt, Wuhan has shown a good momentum to recovery and high-quality development after the pandemic. In the next five years, Wuhan will actively build the “965” modern industrial system, accelerate the construction of national economic center, and complete the initial stage in building a national trade and logistics center and a regional financial center. Wuhan will accelerate the growth of the digital industry, and promote the integration of the meta-universe, big data, cloud computing, blockchain, geospatial information, and quantum technology with the real economy. It is noted that Wuhan has set its GDP growth target at 7.5% in 2022. Now entering the window period supported by macro policies, the post-pandemic recovering period, the acceleration period of the transformation of old growth drivers into new ones, and the overall regional capacity-building period, Wuhan is striving to speed up transforming the competitive advantage in its scientific and educational talents into the competitive advantage in innovative development, as well as transforming the competitive advantage in its transport location into the competitive advantage in domestic and international dual circulation hub, thereby improving the capacity level and quality of the city.



## CHAIRMAN'S STATEMENT

It is expected that from 2022 to 2024, Wuhan's quality office market will usher in a new peak in supply, and a number of landmark projects will be delivered in 2022. The delivery of quality project will intensify competition in existing projects, with vacancy rate expected to hover at around 40%. According to relevant surveys, new technology-enabled media, professional services, and life science industries have shown a strong willingness to expand in Wuhan. Wuhan's retail property market will see the open of multiple quality projects such as Wuhan Joy City (武漢大悅城) and Wanxiang City (萬象城), with an expected new supply over one million sq.m.. The retail ambience in the emerging business area will be further strengthened.

2022 is a historical year for Hangzhou to hold the Asian Games, and the benefits brought by the urban infrastructure will be realized on the eve of the Asian Games. Driven by the "Phoenix Action (鳳凰行動)" plan to further promote the high-quality development of economy, Hangzhou undoubtedly remains one of the most promising cities in China.

It is expected that another supply peak will show in Hangzhou office building market. Approximately 860,000 sq.m of new supply will be put into the market, which is expected to meet the office demand brought by the capacity upgrade of the Asian Games core segment and alleviate the shortage in expansion space for quality office leasing in some TMT clusters.

We are cautiously optimistic that under the normalized pandemic prevention and control mechanism in China and the 14th Five-Year Plan, with the combination of its premium portfolio of properties coupled with its professional management team, Yuexiu REIT will adhere to its original aspiration of maximizing asset value. Through the implementation of proactive and prudent leasing strategies, Yuexiu REIT will strive to tap the potential of business solicitation and tenants acquisition, strengthen the magnetic force of organizing activities to attract customers, deepen the digital empowerment to promote talents acquisition and operation, keenly grasp the potential investment opportunities to steadily advance debt restructuring, and expand financing opportunities in the capital market to effectively reduce financing costs, continuously generating stable return to the Unitholders.

## APPRECIATION

We would like to take this opportunity to express our sincere gratitude to the Directors, senior management and staff for their dedicated hard work in the development of Yuexiu REIT, and our heartfelt thanks to all Unitholders, tenants and business partners for their strong support for Yuexiu REIT.

**LIN DELIANG**

*Chairman*

Hong Kong, 7 March 2022

# 2021 BUSINESS REVIEW AND FUTURE PROSPECTS

## BUSINESS REVIEW

### Successful acquisition of Yuexiu Financial Tower to deepen our overall strategic arrangement in the Greater Bay Area

In 2021, Yuexiu REIT completed the acquisition of Yuexiu Financial Tower located in the core business district of Zhujiang New Town, Guangzhou. Our enlarged portfolio valuation has been the largest among the PRC portfolios owned by Hong Kong and Singapore listed REITs, and Yuexiu REIT will generate more in its income source from the office building projects and be more resilient to cyclical risk. Upon completion of the acquisition, the proportion of assets located in Guangzhou, a core city in the Greater Bay Area, will increase from 79% to 83%, which the Manager believes will more effectively capture the growth opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area market, while fully optimizing the synergy benefits between Guangzhou IFC and Yuexiu Financial Tower.

In 2021, China's economy continued to recover steadily and made new achievements in high-quality development. Under the normalization of the pandemic, the existing projects of Yuexiu REIT in all sectors continued to attain a sustainable recovery trend as a whole. The operation fundamentals of office buildings and retail shopping malls remained stable, and our wholesale market was actively adjusted and reformed to cope with the transformations. The hotel and serviced apartment sector was slow to recover due to the repeated impacts of the pandemic. However, the Manager rose to the challenges and took the initiatives to seek changes. Leveraging on the excellent operating capacity and foundation of the premium assets, the Manager continued to deliver results matching expectations to the unitholders.

## PROPERTY PORTFOLIO AND VALUATION

As of 31 December 2021, Yuexiu REIT's portfolio of properties consisted of nine properties, namely, White Horse Building, Fortune Plaza, City Development Plaza, Victory Plaza, GZIFC and Yuexiu Financial Tower, located in Guangzhou; Yue Xiu Tower, located in Shanghai; Wuhan Properties; and Hangzhou Victory. The aggregate area of ownership of the properties was approximately 1,183,284.3 sq.m. and the total rentable area was 803,111.9 sq.m. (excluding 1,408.3 sq.m. of parking space of Fortune Plaza; 2,104.3 sq.m. of parking space of City Development Plaza; 91,460.9 sq.m. of hotel, 51,102.3 sq.m. of serviced apartments and 76,512.3 sq.m. of parking space and 7,752.5 sq.m. of other ancillary facilities area of GZIFC; and 13,502.6 sq.m. of parking space and 2,610.4 sq.m. of specific purpose area of Yue Xiu Tower; 62,785.7 sq.m. of parking space and 12,415.1 sq.m. of common facilities area of Wuhan Properties; and 17,663.6 sq.m. of parking space of Hangzhou Victory; 10,289.1 sq.m. of parking space and 29,797.1 sq.m. of common facilities area of Yuexiu Financial Tower, and the following statistics of both aggregate rented area and occupancy rate have excluded the above areas).



## 2021 BUSINESS REVIEW AND FUTURE PROSPECTS

### PARTICULARS OF THE PROPERTIES ARE AS FOLLOWS:

Property	Type	Location	Year of Completion	Area of Ownership (sq.m.)	Total Rentable Area (sq.m.)	Property Occupancy Rate <sup>(1)</sup>	Number of Lease <sup>(1)</sup>	Unit Rent <sup>(1)</sup> (RMB/sq.m./month)
White Horse Building	Wholesale mall	Yuexiu District, Guangzhou	1990	50,199.3	50,128.9	91.4%	875	522.3
Fortune Plaza	Grade A office	Tianhe District, Guangzhou	2003	42,763.5	41,355.2 <sup>(2)</sup>	95.5%	76	153.4
City Development Plaza	Grade A office	Tianhe District, Guangzhou	1997	44,501.7	42,397.4 <sup>(3)</sup>	95.1%	77	140.1
Victory Plaza	Retail shopping mall	Tianhe District, Guangzhou	2003	27,698.1	27,262.3	99.3%	29	224.6
GZIFC	Commercial complex	Tianhe District, Guangzhou	2010	457,356.8	230,266.9	95.1%	289	225.1
Including:	Grade A office			267,804.4	183,539.6 <sup>(4)</sup>	94.5%	233	241.0
	Retail shopping mall			46,989.2	46,727.3	97.3%	56	164.2
	Hotel			91,460.9 <sup>(5)</sup>	N/A	N/A	N/A	N/A
	Serviced apartment			51,102.3	N/A	N/A	N/A	N/A
Yue Xiu Tower	Grade A office	Pudong New District, Shanghai	2010	62,139.4	46,026.3 <sup>(6)</sup>	90.4%	124	238.7
Wuhan Properties	Commercial complex	Qiaokou District, Wuhan		248,194.2	172,993.3	80.9%	277	86.1
Including:	Grade A office		2016	139,937.1	129,446.7 <sup>(7)</sup>	75.2%	174	98.0
	Retail shopping mall		2015	45,471.4	43,546.6 <sup>(8)</sup>	98.0%	103	59.1
	Commercial parking space		2015-2016	47,182.9	N/A	N/A	N/A	N/A
	Residential parking space		2014-2016	15,602.8	N/A	N/A	N/A	N/A
Hangzhou Victory	Grade A office	Shangcheng District, Hangzhou	2017	40,148.4	22,484.8 <sup>(9)</sup>	97.4%	28	122.6
Yuexiu Financial Tower	Grade A office	Tianhe District, Guangzhou	2015	210,282.9	170,196.8 <sup>(10)</sup>	96.1%	237	200.3
Total				1,183,284.3	803,111.9	92.0%	2,012	200.9

#### Notes:

- (1) As at 31 December 2021;
- (2) Excluding 1,408.3 sq.m. of parking space area;
- (3) Excluding 2,104.3 sq.m. of parking space area;
- (4) Excluding 76,512.3 sq.m. of parking space area and 7,752.5 sq.m. of other ancillary facilities area;
- (5) Including 2,262.0 sq.m. of hotel ancillary facilities and refuge floor area;
- (6) Excluding 13,502.6 sq.m. of parking space and 2,610.4 sq.m. of specific purpose area (management office, owners' committee office, bicycle parking space and refuge floor);
- (7) Excluding 10,490.3 sq.m. of common facilities area and refuge floor area;
- (8) Excluding 1,924.8 sq.m. of common facilities area;
- (9) Excluding 17,663.6 sq.m. of parking space area;
- (10) Excluding 10,289.1 sq.m of parking space area and 29,797.1 sq.m. of common facilities area.

## SEGMENTS OF THE PROPERTIES ARE AS FOLLOWS:

Rental Property	Area of Ownership (sq.m.)	Rentable Area (sq.m.)	Occupancy Rate <sup>(1)</sup>	Percentage point increase/ (decrease) as compared to the same period in 2020	Unit Rent (VAT exclusive) <sup>(1)</sup> (RMB/sq.m./ month)	Percentage increase/ (decrease) as compared to the same period in 2020	Operating Income <sup>(2)</sup> (RMB'000)
Office	870,363.1	635,446.9 <sup>(3)</sup>	90.9%	(0.4)	187.7	5.1%	973,345
Retail Shopping Mall	120,158.7	117,536.1 <sup>(4)</sup>	98.0%	0.0	139.4	(6.4)%	160,437
Wholesale	50,199.3	50,128.9 <sup>(5)</sup>	91.4%	(2.6)	522.3	(2.5)%	259,793

Notes:

- As at 31 December 2021;
- For the year ended 31 December 2021;
- Excluding 1,408.3 sq.m. of parking space area of Fortune Plaza; 2,104.3 sq.m. of parking space area of City Development Plaza; 76,512.3 sq.m. of parking space area and 7,752.5 sq.m. of other ancillary facilities area of GZIFC; 13,502.6 sq.m. of parking space and 2,610.4 sq.m. of specific purpose area (management office, owners' committee office, bicycle parking space and refuge floor) of Yue Xiu Tower; 62,785.7 sq.m. of parking space and 10,490.3 sq.m. of specific purpose area (common facilities area and refuge floor) of Wuhan Yuexiu Fortune Centre, 17,663.6 sq.m. of parking space area of Hangzhou Victory and 10,289.1 sq.m. of parking space and 29,797.1 sq.m. of common facilities area of Yuexiu Financial Tower;
- Excluding 435.9 sq.m. of other ancillary facilities area of Victory Plaza, 261.9 sq.m. of other ancillary facilities area of GZIFC Shopping Mall and 1,924.8 sq.m. of other ancillary facilities area of Wuhan Starry Victoria Shopping Centre;
- Excluding 70.4 sq.m. of other ancillary facilities area of White Horse Building.

Operational Property	Type	Commencement of Operation	Area of Ownership (sq.m.)	No. of Units (units)	Average Occupancy Rate <sup>(1)</sup>	Average Daily Rate <sup>(1)</sup> (RMB: yuan)
Four Seasons Hotel Guangzhou	Five star hotel	August 2012	91,460.9	344	62.8%	1,827
Ascott Serviced Apartment GZIFC	High-end serviced apartments	September 2012	51,102.3	314	85.8%	989

Notes:

- From 1 January 2021 to 31 December 2021; in December 2021, daily rate and occupancy rate at Four seasons Hotel were RMB1,712 and 59.7%, while room rate and occupancy rate at Ascott Serviced Apartments GZIFC were RMB998 and 87.1%;
- Both hotel and serviced apartments were entrusted operation.

## 2021 BUSINESS REVIEW AND FUTURE PROSPECTS

### PROPERTY VALUATION

On 31 December 2021, revaluation of the portfolio of properties of Yuexiu REIT was carried out by Colliers International (Hong Kong) Limited, an independent professional valuer, and the revalued market value was approximately RMB42.395 billion.

The following table summarizes the valuation of each of the properties as at 31 December 2021 and 31 December 2020:

Name of Property	Valuation as at 31 December 2021 RMB million	Valuation as at 31 December 2020 RMB million	Increase/ (decrease) percentage
White Horse Building	5,007	5,089	(1.6)%
Fortune Plaza	1,253	1,251	0.2%
City Development Plaza	1,056	1,051	0.5%
Victory Plaza	955	951	0.4%
GZIFC	18,786	18,774	0.1%
Yue Xiu Tower	3,060	3,086	(0.8)%
Wuhan Properties	3,629	3,674	(1.2)%
Hangzhou Victory	619	612	1.1%
Subtotal	34,365	34,488	(0.4)%
Yuexiu Financial Tower	8,030	N/A	N/A
Total	42,395	34,488	22.9%

### LEASE EXPIRY OF THE PROPERTIES

In the next five years and beyond, in respect of the rental area, ratios of lease expiry of Yuexiu REIT Properties each year will be 23.3%, 24.6%, 23.9%, 13.2% and 15.0% respectively. In respect of basic monthly rental, ratios of lease expiry each year will be 25.4%, 27.3%, 24.4%, 10.6% and 12.3% respectively.

### REVENUE REMAINED BASICALLY FLAT

In 2021, the properties of Yuexiu REIT recorded total revenue of approximately RMB1,796,686,000 representing an increase of 2.2% as compared to the same period of the previous year. Among which, White Horse Building, Fortune Plaza, City Development Plaza, Victory Plaza, GZIFC, Yue Xiu Tower, Wuhan Properties, Hangzhou Victory and Yuexiu Financial Tower (the revenue was recorded since 24 December 2021) accounted for approximately 14.5%, 4.1%, 3.9%, 3.8%, 53.4%, 6.6%, 10.2%, 1.9% and 1.6% respectively of the total revenue.



The following table sets out a comparison of revenue in respect of the Properties between the reporting period and the same period of the previous year:

<b>Name of Property</b>	<b>Revenue in 2021 RMB million</b>	<b>Revenue in 2020 RMB million</b>	<b>Increase/ (Decrease) Compared to 2020 RMB million</b>	<b>Increase/ (Decrease) % %</b>
White Horse Building	<b>259.8</b>	287.8	(28.0)	(9.7)%
Fortune Plaza	<b>73.7</b>	73.4	0.3	0.4%
City Development Plaza	<b>70.6</b>	69.7	0.9	1.3%
Victory Plaza	<b>67.8</b>	67.2	0.6	0.9%
GZIFC				
Office	<b>494.5</b>	487.3	7.2	1.5%
Retail shopping mall	<b>64.0</b>	79.8	(15.8)	(19.8)%
Hotel	<b>302.9</b>	267.4	35.5	13.3%
Serviced apartment	<b>100.2</b>	96.2	4.0	4.2%
Yue Xiu Tower	<b>118.1</b>	118.1	–	–
Wuhan Properties	<b>183.5</b>	179.3	4.2	2.3%
Hangzhou Victory	<b>33.3</b>	32.5	0.8	2.5%
Sub-total	<b>1,768.4</b>	1,758.7	9.7	0.6%
Yuexiu Financial Tower <sup>(1)</sup>	<b>28.3</b>	N/A	28.3	N/A
Total	<b>1,796.7</b>	1,758.7	38.0	2.2%

Note:

(1) The revenue of Yuexiu Financial Tower was recorded since 24 December 2021.

## 2021 BUSINESS REVIEW AND FUTURE PROSPECTS

The following table sets out a comparison of net property income in respect of the Properties between the reporting period and the same period of previous year:

<b>Name of Property</b>	<b>Net Property Income in 2021</b> RMB million	<b>Net Property Income in 2020</b> RMB million	<b>Increase/ (Decrease) Compared to 2020</b> RMB million	<b>Increase/ (Decrease)</b> %
White Horse Building	<b>218.8</b>	249.5	(30.7)	(12.3)%
Fortune Plaza	<b>62.0</b>	63.5	(1.5)	(2.4)%
City Development Plaza	<b>58.8</b>	60.1	(1.3)	(2.2)%
Victory Plaza	<b>57.4</b>	57.6	(0.2)	(0.3)%
GZIFC				
Office	<b>415.6</b>	424.0	(8.4)	(2.0)%
Retail shopping mall	<b>55.0</b>	71.1	(16.1)	(22.6)%
Hotel	<b>54.9</b>	45.3	9.6	21.2%
Serviced apartment	<b>59.4</b>	57.4	2.0	3.5%
Yue Xiu Tower	<b>108.5</b>	108.3	0.2	0.2%
Wuhan Properties	<b>153.5</b>	159.2	(5.7)	(3.6)%
Hangzhou Victory	<b>27.5</b>	26.6	0.9	3.4%
Sub-total	<b>1,271.4</b>	1,322.6	(51.2)	(3.9)%
Yuexiu Financial Tower <sup>(1)</sup>	<b>27.0</b>	N/A	27.0	N/A
<b>Total</b>	<b>1,298.4</b>	1,322.6	(24.2)	(1.8)%

Note:

(1) The revenue of Yuexiu Financial Tower was recorded since 24 December 2021.

## GZIFC – OFFICE OCCUPANCY RATE ASCENDED STEADILY WITH THE UPGRADED AND OPTIMIZED MALL BRAND

Since the pandemic, GZIFC's office operation team has continuously implemented tenant background investigation and strictly controlled the tenant-access mechanism, seeing the in advance lease termination decreased by 51% year on year, supporting a continued positive net absorption and a steady monthly rebound in occupancy rate. Although there were fewer active quality tenants in the market, the rental affordability of tenants was gradually recovering, the operation team successfully introduced quality clients such as AIA, HK Deacons, Baotong Insurance (保通保險), Isa Education (愛莎教育), First Qianhai (前海開源), realising a newly contracted area for the year of about 26,000 sq.m. Facing the pressure of a large number of expiring area for the year, the operation team conducted lease renewal negotiations based on the full understanding of customers' needs, and successfully completed lease renewals with important customers such as China Export & Credit Insurance, BiosTime, China Treasury Wharton and Nanyue Fund, hence, high lease renewal rate for the year reached 88%, preventing the outflow of quality customer resources. In 2021, GZIFC was awarded the first "Super Grade-A Business Office Building" (超甲級商務寫字樓), the "Best Practice Award in Operation & Management • Urban Complex", and the "Outstanding Contribution Award in Commercial Landmark Development of the 2021 PropertyGuru Asia Property Awards".

2021 was the first year for GZIFC to tackle a concentration of expiring contracts. The operation team seized the opportunity to optimize the tenant structure, successfully attracting a number of well-known tenants such as "Tim Hortons" (Canadian National Coffee), "King of the Kings" (the first branded restaurant of the long-established Chinese brands) and the "ARCFox" of BAIC BJEV, as well as further enhancing the supporting service capability of GZIFC and better meeting the diversified consumption needs of the CBD elites, with the average rental of new contracts increased by 18.9% for the year. At the same time, it successfully renewed the leases of premium clients such as Costa Coffee with renewed leasing area of approximately 3,400 sq.m., and an average rental increase of 30.7%. The "Friendship Store", a key tenant, commenced the base rental and turnover rent policy in 2021, where the landlord made more efforts in supporting and shared the increment from their business growth. GZIFC Shopping Mall expanded scenario-based marketing, created cross-sector flash mob activities, and vigorously collaborating the internal and external resources to create various festivals, launching two series of activities, namely "Blissful Shopping Festival (悦購節)" and "Joyous Gourmet Season (悦食季)", which strongly boosted sales of the mall.

In 2021, due to the recurrence of COVID-19 pandemic in China, Four Seasons Hotel Guangzhou and Ascott Serviced Apartments at GZIFC had faced certain challenges relating to the recovery in operation, but their overall performance remained as the market benchmark.



## 2021 BUSINESS REVIEW AND FUTURE PROSPECTS

Four Seasons Hotel Guangzhou adopted an appropriate “price for volume” measure to ensure a sustainable operation in general. In 2021, its average occupancy rate was 62.8%, representing an increase of 5.5 percentage points year-on-year. The average room rate was RMB1,827, representing an increase of 3.3% year-on-year. The RevPAR was RMB1,147, representing an increase of 13.2% year-on-year. Since its opening in August 2012, Four Seasons Hotel Guangzhou has been in full operation for nine years. As its core competitors entered the market successively or completed upgrading and renovation, there was a slight decline in the product competitiveness of Four Seasons Hotel Guangzhou. The annual RevPAR competitive index of the hotel was 143.7, representing a decrease of 2.2 year-on-year. Four Seasons Hotel Guangzhou has been awarded the “2021 Forbes Hotel Guide Five-star Hotel” by Forbes Travel Guide for seven consecutive years.

While facing restrictions on international business travel, Ascott Serviced Apartments actively explored domestic accommodation demand. Meanwhile, the long-term rental business remained stable and the revenue of the short-term rental business increased 36.5% year-on-year, effectively promoting the recovery in the overall operation of the Ascott Serviced Apartments. In 2021, its average occupancy rate was 85.8%, representing an increase of 3.6 percentage points year-on-year. The average room rate was RMB989, representing an increase of 1.1% year-on-year. RevPAR was RMB848, representing an increase of 5.5% year-on-year. Since its opening in September 2012, Ascott Serviced Apartments has been in full operation for nine years. Likewise, with its core competitors entered the market successively, the product competitiveness of Ascott Serviced Apartments has slightly declined. However, thanks to the stabilizing effect of the long-term rental business, the annual RevPAR competitive index of the Ascott Serviced Apartments reached 172.0 again, making a record high. Ascott Serviced Apartments at GZIFC ranked first both in operating revenue and GOP in Ascott China since 2016.

### YUEXIU FINANCIAL TOWER – SEIZING THE OPPORTUNITY OF INTERNAL LEASE EXPANSION AND CONTINUING TO OPTIMIZE TENANT STRUCTURE

In 2021, Yuexiu Financial Tower successfully renewed the leasing contracts with major tenants such as Mead Johnson, Everbright, and Liepin (獵聘), facilitated lease expansion for high-quality customers including ZTE and E Fund, and introduced a number of renowned enterprises such as Hyatt International, the newly signed and renewed leased area reached approximately 79,000 sq.m. for the year, which effectively affirmed the fulfilment of the annual goal. In terms of project awards, after obtaining the awards of LEED EBOM v4 platinum certification, platinum WELL mid-term certification, China Construction Engineering Luban Prize (國家建築工程魯班獎) and Sustainable Building Index Verification Symbol, Yuexiu Financial Tower has won the awards of “Best Practice Award in Operation & Management – Green Building”, “Super Grade-A Business Office Building”, “China Building Economy New Landmark”, “Award in Showcasing Value of Commercial Property” and “Outstanding Green Project” in 2021, which demonstrated the commercial value of Yuexiu Financial Tower and its contributions in the fields of energy conservation, environmental protection and sustainable development.

## WHITE HORSE BUILDING – ADJUSTING TENANTS STRUCTURE AND OPTIMIZING THEIR POSITIONING, FORMULATING EMPOWERMENT OF MARKETING ENTITIES

In the post-pandemic era, consumption as a whole is undergoing weak recovery. The growth rate of the apparel industry has slowed down. The industry is in the stage of recovery and transformation. Changes have taken place in the consumer group, and suppliers are also transforming to diversification and branding.

White Horse Building focused on adjusting targeted floors. Firstly, taking the opportunity of the lease expiration of the entire second floor, with the new positioning of “Creation of Stylish Fashion by Young Designers, Vitality Camp (時尚青創·活力之營)”, it successfully introduced powerful customers such as designer brands, self-operated manufacturers, startup companies with new brands and children’s clothing, successfully achieving improvements in both operation and quality; secondly, it completed adjusting the positioning of the men’s clothing on the sixth to eighth floor, combined the areas selling trendy accessories and branded bags on the first floor, formed a collection of women’s wear, men’s wear, children’s wear and accessories, accomplished the structural adjustment of women’s wear on a low floor and men’s wear on a high floor to better meet the one-stop procurement practice and needs of the purchasers. It adhered to the combination of online and offline marketing to support the physical shops in the market, among them, the annual marketing theme for offline marketing was “Make Your Own Fashion Statement – Showcase Cantonese Stylishness (潮流自造·粵有腔調)”, and the model marketing activities are “Nationwide Cantonese Trade – Popularity of White Horse Fashion (粵貨全國·白馬時尚行)”, continued to carry out a series of wide-ranging and very impactful marketing activities. It established digital marketing system online by combining with all kinds of marketing activities to attain 379 reports in total on national and provincial mainstream media leading to 1,052,000 times of broadcast through TikTok and other new media, effectively expanded the brand recognition of White Horse among high net worth individuals and the crowd of generation Z. In addition, White Horse Building efficiently promoted two capital renovation projects, namely the renovation of the second floor and the façade, significantly enhanced the commercial image and fashionable tone of White Horse.

## FORTUNE PLAZA, CITY DEVELOPMENT PLAZA – ELIMINATING THE RISK OF LEASE TERMINATION FROM CUSTOMERS ENGAGING IN EDUCATION RELATED BUSINESS, MAKING BREAKTHROUGH IN BUSINESS SOLICITATION FOR A WHOLE FLOOR

Fortune Plaza captured the lease expansion demand of existing tenants in a timely manner, effectively mitigating the negative impact of the loss of customers engaging in education related business on the podium floor, and the occupancy rate of the podium floor rebounded from 93.1% at the beginning of the year to 96.2% at year end, and the tenant structure was also optimized. City Development Plaza adopted an innovative method to integrate and rearrange the unit sources of small-unit tenants, and introduced a well-known Shanghai enterprise to rent a whole floor. The occupancy rate of the building returned from a bottom low of 91.4% to 95.1% at year end, and the overall operation became stable.

## 2021 BUSINESS REVIEW AND FUTURE PROSPECTS

### VICTORY PLAZA – STEADY LEASE RENEWAL FOR KEY TENANTS AND SEAMLESS INTRODUCTION OF PREMIUM BRANDS

Victory Plaza initiated in advance the lease renewal negotiations with high-quality tenants before lease expiry, and successfully renewed a six-year lease with a key customer, ICBC, which not only secured future rental income, but also achieved a 4.9% rental increase in average. In response to potential operation risks, Victory Plaza took the initiative to negotiate with high-risk customers to terminate their contracts, seamlessly introduced international trendy brands and premium brand merchants, and successfully retained high-quality customers in the Plaza to continue operation through contract restructuring. Affected by the change in market environment and consumption habits, there was a sluggish recovery in sales of Uniqlo, the Plaza's major tenant, and Victory Plaza strengthened the linkage and collaboration among tenants and upgraded the system of members marketing to assist in tenants' business operation. Through the above measures, the occupancy rate of the Plaza reached 99.3% at the end of the rental period, which was close to full occupancy. In 2021, Victoria Plaza was successively given the titles of "Most Popular Commercial Complex of the Year", "Top 10 Most Popular Must-Go-Places in Guangzhou (廣州十大最受歡迎打卡點)" and "The Alliance Member of the YOUNG and YEAH City Night Consumption", which have been fully recognized by the industry.

### YUE XIU TOWER – PREMIUM TENANTS ELEVATE QUALITY AND REDEFINE OFFICE ECOLOGY

Yue Xiu Tower effectively managed expiring leases, formulated unique lease renewal plans for high-quality customers, and strived to retain customers by providing packaged products and services of the office building facilities to enrich customers experience. Under the fiercely competitive market environment, eventually it achieved an approximately 70% annual lease renewal rate. It continuously optimized the industry structure of tenant in the building, actively removed high-risk customers, and successfully introduced more than 10 high-quality foreign-funded enterprises, state-owned enterprises, central enterprises and top 500 enterprises throughout the year. At the same time, Yue Xiu Tower carried out renovation and reconstruction for some units with inconvenient location, poor lighting and irregular layouts, more than 3,000 sq.m. were renovated with refined decoration and all units were well received with contracts signed, effectively shortened the average vacancy cycle of units. As one of the landmark office buildings in Pudong Zhuyuan CBD, Yue Xiu Tower is committed to maintaining a comfortable and healthy office environment. In 2021, it spent RMB1.6 million in building a garden landscape and introduced the art and aesthetics sharing platform, "M-SPACE" to continuously escalate the office services experience in the new era.



## WUHAN PROPERTIES – RESPONDING TO RISK IMPACTS, STRENGTHENING BUSINESS SOLICITATION AND STABILIZING OPERATION

Yuexiu Fortune Center swiftly responded to critical business risks, efficiently terminated contracts with customers such as Xueersi (學而思), and successfully recovered the rental for the year. Meanwhile, there was a sluggish and stagnant flow in potential tenants taking up rental units due to the pandemic, it established channels of multiple customer sources and successfully introduced high-quality customers such as JD.COM and China Construction First Group (中建一局), achieving a newly contracted area of 26,000 sq.m. for the year, thus effectively stabilizing the building's occupancy rate. For the expiring area of about 33,000 sq.m., Yuexiu Fortune Center successfully renewed contracts with important clients such as Guangdong Guangxin (廣東廣信), Citroen, Gezhouba Group (葛洲壩集團), and renewal rate for the year reached 74.2% with an average rental increase by 10.9%. In the 2021 PropertyGuru Asia Property Awards, Yuexiu Fortune Center was awarded the Gold Award in the Best Office Development Category of the Real Estate Asia Awards 2021, which fully demonstrated the industry's high recognition of the project's excellent asset management and operation capabilities.

Starry Victoria Shopping Centre sustained a sound overall business performance. In the second half of the year, the Manager successfully overcame the adverse impacts of the relapsing pandemic and the restrictive education policies, and through multi-channel customer expansion and adaptive adjustment in the direction of business solicitation, it introduced popular brands with remarkable market reputation, achieving a good performance of the newly contracted area of 7,132 sq.m. for the year with its average rental increased by 28.5%. When facing crisis, it took distinctive measures, formulated adjustment plans for specific business projects, and stabilized the operation of all classified tenants with targeted assistance, and stabilized the occupancy rate at the end of the period at 98.0%. With an unstable and recurring pandemic, it had well managed the expiring contracts and successfully achieved an over 70% renewed area, obtained an average rental increase by 6.9%.

## HANGZHOU VICTORY – STEADY GROWTH IN OVERALL OPERATION WITH HIGH OCCUPANCY RATE

Hangzhou Victory has prepared for crises in advance despite of stable and peaceful environment. It monitored tenants' operating risks in multiple dimensions and alarmed the management about customers with potential risk of lease termination, at the same time, it actively maintained customer reserve, reduced loss in vacant units, and conserved an average occupancy rate of over 95% throughout the year and achieved year-on-year improvement in revenue, new contract signing and risk control. In 2021, Hangzhou Victory won the title of the 10th "Guangsha Award (廣廈獎)" jointly awarded by the China Real Estate Association together with the Ministry of Housing and Urban-Rural Development.

## 2021 BUSINESS REVIEW AND FUTURE PROSPECTS

### ACTIVE PROMOTION OF PROJECTS FOR ASSET APPRECIATION, ACHIEVING VALUE PRESERVATION AND APPRECIATION OF PROPERTIES

In the year of 2021, the Manager continued to invest in a number of asset renovation and upgrading projects, which included installation of fire alarm locks on evacuation and fire escapes on the podium floor of the shopping mall at GZIFC; implementation of domestic hot water system, pipeline safety maintenance project and reconstruction project of the steam heating system in B2F logistics area for Four Seasons Hotel; decoration for units of approximately 8,000 sq.m., fire-fighting exhaust pipe replacement and fire-fighting water supply system modification project, main entrance and exterior wall renovation project for White Horse Building; fire-fighting main engine replacement project for Fortune Plaza; renovation of units with approximately 1,700 sq.m., renovation project on the equipment and facilities for fire and domestic water system, renovation project for switch cabinet in drawer inside the low-voltage power distribution room, catering grease trap renovation project, renovation project on peripheral landscape for Shanghai Yue Xiu Tower; decoration for units of approximately 3,082 sq.m., work adding electric valve to main pipeline of the air-conditioning chilled water system, reconstruction project on interchangeable cold and hot source for Wuhan Yuexiu Fortune Centre etc.. With investment input of approximately RMB38 million, the renovated office units of each projects had effectively shortened the vacancy period and increased the level of rent, which improved the operating efficiency and business environment of the projects on a continuous basis.

In 2022, the Manager is still planning to invest mainly in capital expenditure renovation projects for Four Seasons Hotel, White Horse Building, City Development Plaza, Victory Plaza, Fortune Plaza, Shanghai Yue Xiu Tower and Wuhan Fortune Centre in order to achieve value preservation and appreciation of the properties.



## ACTIVE MANAGEMENT IN FINANCE RISKS AND EFFECTIVE REDUCTION OF FINANCE COST

In terms of liquidity management, for the financing cost of a mid-term note due in the first half of 2021, the Manager proactively planned ahead for a refinancing plan and finally in January 2021, Yuexiu REIT issued guaranteed notes at 2.65% due in 2026 with a total principal amount of US\$400,000,000 under the revised US\$1,500,000,000 guaranteed medium-term note programme, which was used to repay US\$400,000,000 guaranteed notes at 4.75% due in April 2021, effective control on short-term liquidity risk was accomplished. Meanwhile, in this financing replacement, the Manager seized the favorable interest rate market window and significantly reduced the overall financing cost. In addition, the Manager obtained a 3-year HK\$1.2 billion club loan in December 2021 to refinance the maturing loans so as to ensure effective monitor on the liquidity risk.

With regard to foreign exchange risk management, despite the constant mutation and spreading of the COVID-19 pandemic across the world at the beginning of 2021, Renminbi remained relatively strong as the economy of mainland China was operating efficiently under effective controlling measures. The Manager continued its focus on market dynamics by adopting effective management strategies and foreign exchange hedging tools at reasonable cost to monitor foreign exchange exposure. In 2021, Yuexiu REIT's accumulated exchange gain for the whole year was RMB341 million, the fair value loss of hedging products was RMB115 million, and the net gain for the whole year was RMB226 million (2020 net gain: RMB500 million).

As for the interest rate management, the COVID-19 pandemic suppressed the growth of global economy in 2021, major economies adopted Quantitative Easing monetary policies to support their own economy since the second half of 2020. At the end of 2021, 1-month HIBOR and 1-month LIBOR dropped by 2 and 4 basis points respectively from those at the beginning of year. The Manager enjoyed the benefit of low financing costs by maintaining appropriate floating interest rate exposure. At the end of 2021, benefiting from the continued low interest rate in the market and the Manager's replacement of the above medium-term notes, the average financing cost of Yuexiu REIT was 2.25%, a decrease of 76 basis points from 3.01% at the beginning of the year.



# FINANCIAL REVIEW

## FINANCIAL RESULTS

The impact of the COVID-19 outbreak in 2021 has not subsided, Yuexiu REIT rental income was slightly increased but net property income was slightly decreased. The following is a summary of Yuexiu REIT financial results for the Reporting Year:

	2021 RMB'000	2020 RMB'000	Increase/ (Decrease) %
<b>Gross income</b>	<b>1,796,686</b>	1,758,732	2.2%
Hotel and serviced apartment direct expenses	<b>(277,142)</b>	(248,335)	11.6%
Leasing agent fees	<b>(43,861)</b>	(43,973)	(0.3)%
Property related taxes (Note 1)	<b>(175,141)</b>	(140,608)	24.6%
Other property expenses (Note 2)	<b>(2,143)</b>	(3,172)	(32.4)%
Total property operating expenses	<b>(498,287)</b>	(436,088)	14.3%
<b>Net property income</b>	<b>1,298,399</b>	1,322,644	(1.8)%
Withholding tax	<b>(47,359)</b>	(49,889)	(5.1)%
Depreciation and amortisation	<b>(134,701)</b>	(132,353)	1.8%
Manager's fees	<b>(139,733)</b>	(142,157)	(1.7)%
Trustee fees	<b>(10,248)</b>	(10,424)	(1.7)%
Other trust expenses (Note 3)	<b>(17,793)</b>	(24,346)	(26.9)%
Total non-property expenses	<b>(349,834)</b>	(359,169)	(2.6)%
<b>Profit before finance expenses, finance income and income tax</b>	<b>948,565</b>	963,475	(1.5)%
Finance income	<b>366,703</b>	842,885	(56.5)%
Fair value gain on support arrangement asset	—	625	N/A
Finance expenses	<b>(390,086)</b>	(488,028)	(20.1)%
<b>Profit before tax</b>	<b>925,182</b>	1,318,957	(29.9)%
Income tax expense	<b>(263,608)</b>	(203,967)	29.2%
<b>Profit after income tax before fair value gain/(loss) on investment properties, fair value loss on derivative financial instruments and the gain on construction payable adjustment</b>	<b>661,574</b>	1,114,990	(40.7)%
Fair value gain/(loss) on investment properties	<b>78,668</b>	(297,633)	126.4%
Fair value loss on derivative financial instruments	<b>(65,680)</b>	(405,118)	(83.8)%
Gain on construction payable adjustment	—	174,882	N/A
<b>Net profit after income tax before transactions with Unitholders</b>	<b>674,562</b>	587,121	14.9%

Note 1 Property related tax included urban real estate tax, land use right tax, urban construction and maintenance tax, education surcharge, local education surcharge and stamp duties.

Note 2 Other property expenses included valuation fee, insurance premium, impairment allowance and other expenses.

Note 3 Other trust expenses included audit fees, legal counselling fees, printing charges, unit registrar fees, listing fees, exchange differences from operation and miscellaneous expenses.



Gross income and net property income during the Reporting Year were approximately RMB1,796,686,000 (2020: RMB1,758,732,000) and RMB1,298,399,000 (2020: RMB1,322,644,000) respectively, which represented an increase/(decrease) of approximately 2.2% and (1.8)% respectively while comparing with 2020.

Gross income included income from office, wholesales, retail, hotel and serviced apartments. Gross income analysis is listed in the following table:

	<b>2021</b> <b>RMB'000</b>	<b>2020</b> <b>RMB'000</b>
Office	<b>973,345</b>	934,975
Wholesales (Note 1)	<b>259,793</b>	287,775
Retail (Note 1)	<b>160,437</b>	172,404
Hotel and serviced apartment (Note 2)	<b>403,111</b>	363,578
<b>Total</b>	<b>1,796,686</b>	1,758,732

Note 1 In 2021, the COVID-19 has continued to affect small and medium-size companies. Some tenants early terminated their tenancy agreements, resulting in a drop in occupancy rate and rental income.

Note 2 Despite the relapse of the COVID-19, the room rentals and food and beverage income of Four Seasons Hotel and Ascott Serviced Apartments still recorded a rebound.

Net property income amounted to approximately RMB1,298,399,000 (2020: RMB1,322,644,000) representing approximately 72.3% (2020: 75.2%) of total gross income, after deduction of hotel and serviced apartments direct expenses, property related taxes, leasing agent fees and other property operating expenses. Net property income analysis is listed in the following table:

	<b>2021</b> <b>RMB'000</b>	<b>2020</b> <b>RMB'000</b>
Office	<b>829,530</b>	819,528
Wholesales	<b>218,857</b>	249,591
Retail	<b>135,780</b>	150,867
Hotel and serviced apartment	<b>114,232</b>	102,658
<b>Total</b>	<b>1,298,399</b>	1,322,644

Hotel and serviced apartment direct expenses were approximately RMB277,142,000 (including depreciation expense of approximately RMB9,977,000 incurred in connection with right-of-use asset and interest expense of approximately RMB735,000 incurred in connection with lease liability), an increase of 11.6% as compared with 2020. It was mainly due to the recovery in the occupancy rate of hotels and serviced apartments in 2021.

Leasing agent fees slightly decreased by approximately 0.3% as compared with 2020. It was mainly because of a decrease in rental income.

Property related tax increased by approximately 24.6% as compared with 2020. It was mainly due to the PRC Government had provided tax relief after the rent concession provided by Yuexiu REIT to its tenants in 2020.

## FINANCIAL REVIEW

Depreciation and amortisation charge was mainly due to the fact that hotel and serviced apartments of GZIFC were booked as fixed assets and land use right incurring the depreciation and amortization charge.

Other trust expenses decreased by approximately 26.9%. It was mainly due to an increase of the foreign exchange gain from operation. Excluding this foreign exchange gain from operation of approximately RMB1,882,000 (2020: foreign exchange loss from operation of approximately RMB7,763,000), other trust expenses incurred for the Reporting Year amounted to approximately RMB19,675,000 (2020: RMB16,583,000).

Overall, the Manager's fees decreased by approximately 1.7%. The Trustee fees decreased by approximately 1.7%.

As Renminbi appreciated against Hong Kong Dollar and United States Dollar for the Reporting Year, the bank borrowings denominated in Hong Kong Dollar and United States Dollar and secured note loans denominated in Hong Kong Dollar and United States Dollar resulted in an exchange gain of approximately RMB340,561,000 (2020: RMB810,900,000). Excluding this exchange factor, the finance income received for the Reporting Year amounted to approximately RMB26,142,000 (2020: RMB31,985,000).

The finance expenses incurred for the Reporting Year amounted to approximately RMB390,086,000 (2020: the finance expenses was approximately RMB488,028,000). The average one-month Hong Kong Interbank Offered Rate ("HIBOR") for 2021 was lower than that of 2020 by approximately over 66 basis points and led to a decrease of interest cost on the floating portion of debt.

Profit after tax before transactions with Unitholders amounted to approximately RMB674,562,000 (2020: RMB587,121,000) which represented an increase of 14.9%, mainly due to a fair value gain on Properties valuation and a decrease of fair value loss on derivative financial instruments in the Reporting Year of 2021.

### Net Asset Value

The net assets attributable to the Unitholders per unit as at 31 December 2021 was approximately RMB4.31 (2020: RMB4.42), which represented a decrease of approximately 2.50%.

### Deferred Units

According to the offering circular in relation to the acquisition of GZIFC dated 30 June 2012, commencing from 31 December 2016, the Yuexiu REIT will, on 31 December of each year, issue to Yuexiu Property Company Limited ("YXP") (or YXP Nominee) such number of Deferred Units as shall be equal to the maximum number of Units that may be issued to YXP (or YXP Nominee) and its concert parties which, when aggregated with the Manager Fee Units that are expected to be issued during the period of 12 months after the relevant Issue Date, will not trigger an obligation on the part of YXP (and parties acting in concert with it) to make a mandatory general offer under Rule 26 of the Takeovers Code for all Units not already owned or agreed to be acquired by them at the relevant time.

Accordingly, on 31 December 2021, the Yuexiu REIT issued 81,000,000 Units (being the "2021 Deferred Units") at a price of HK\$4.00 per Unit to a wholly-owned subsidiary of YXP Property in partial satisfaction of the outstanding consideration from the Yuexiu REIT's investment in Guangzhou International Finance Center in 2012.

As stated in the 2021 Circular, in light of the subscription price of the Rights Issue (being HK\$3.20) being at a discount greater than 10% of the average of the daily closing prices of the Units for the five consecutive trading days preceding the date of the 2021 Announcement (being HK\$3.67), the Deferred Units Issue Price shall be adjusted by multiplying the current Deferred Units Issue Price (being HK\$4.00 per Unit) by the fraction as set out under the Indebtedness Agreement and further described in the 2021 Circular (the “Deferred Units Issue Price Adjustment”). The Deferred Units Issue Price Adjustment has taken effect upon the completion of the Rights Issue, which has taken place on 26 January 2022.

Accordingly, following the Deferred Units Issue Price Adjustment and the Deferred Units Arrangement Modification (as described in the announcement on 31 December 2021), and assuming no other Deferred Units Adjustment Events eventuate, it is expected that the balance of the Assignment consideration will be fully settled by 31 December 2025 by the issue of 329,808,584 Deferred Units (the “Further Deferred Units”) in aggregate at HK\$3.861652 per Unit.

### New Units Issued and Unit Activity

In respect of the partial settlement of the Manager’s Fee during the relevant periods, Yuexiu REIT newly issued 16,174,466 and 16,936,297 units at HK\$4.004 and HK\$4.032 on 7 April 2021 and 26 August 2021 respectively. On 31 December 2021, referring to the terms disclosed in the Circular dated 30 June 2012, Yuexiu REIT issued 81,000,000 Units at a price of HK\$4.00 per Unit to Dragon Yield Holding Limited (a wholly-owned subsidiary of YXP in partial satisfaction of the outstanding consideration from its investment in GZIFC in 2012).

As at 31 December 2021, a total of 3,417,224,428 units were issued by Yuexiu REIT.

The Unit price of the Yuexiu REIT reached a high of HK\$4.20 and a low of HK\$3.20 during the Reporting Year. The average trading volume amounted to approximately 2,460,000 Units per day during the Reporting Year (2020: approximately 3,604,000 Units).

The closing price of the Units as at 31 December 2021 was HK\$3.23, representing a discount of approximately 33.00% as compared to the net assets (including net assets attributable to deferred Unitholders) attributable to Unitholders per Unit as at 31 December 2021.

### EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 26 January 2022, the Right Issue on the basis of 37 units for every 100 units held on the Rights Issue Record Date was completed, and Yuexiu REIT was issued 1,234,403,038 units, of which 454,547,406 units were issued to independent third parties and 779,855,632 units were issued to YXP and its associates. The fund was used for partial payment of the acquisition cost of Guangzhou Yuexiu Financial Tower.

## FINANCIAL REVIEW

### CAPITAL AND FINANCIAL STRUCTURE

Group's borrowings are as follows:

	<b>As at 31 December 2021 RMB'000</b>	<b>As at 31 December 2020 RMB'000</b>
Bank borrowings and notes		
Denominated in RMB	<b>1,284,400</b>	1,552,840
Denominated in HKD	<b>13,793,799</b>	9,840,059
Denominated in USD	<b>2,544,240</b>	2,607,901
<b>Total bank borrowings and notes</b>	<b>17,622,439</b>	14,000,800
Maturity analysis		
Within one year	<b>2,893,984</b>	3,307,488
Two to five years	<b>14,557,455</b>	10,442,312
Beyond five years	<b>171,000</b>	251,000
The effective interest rate (per annum) of the borrowings and notes at the balance sheet day		
RMB	<b>4.31%</b>	4.31%
HKD	<b>1.98%</b>	2.28%
USD	<b>2.72%</b>	4.99%

The overall interest rate per annum of the borrowings and notes at the balance sheet day was 2.25% (2020: 3.01%). The average interest rate was approximately 2.52% (2020: 3.35%) for the year.

In 2021, the Manager adopted a series of liquidity management measures. It managed the annual interest rate at a reasonable level and has been alert of the foreign exchange risk.

As at 31 December 2021, Capped Forward hedging was applied to certain foreign bank loans to fix the RMB exchange rate. The total hedged loan amount was approximately RMB2,525,377,000 (2020: RMB5,196,422,000).

As at 31 December 2021, Yuexiu REIT held certain hedging financial derivatives with fair value liabilities of approximately RMB213,933,000 (2020: fair value liabilities of approximately RMB353,502,000).

Referring to the revised US\$1,500,000,000 guaranteed medium-term note plan in January 2021, Yuexiu REIT issued a total principal of US\$400,000,000 guaranteed note at 2.65% which would mature in 2026. The fund was used for repayment of the US\$400,000,000 guaranteed note at 4.75% which matured in April 2021.

On 17 December 2021, Yuexiu REIT, through its SPV's company, entered into a green club loan facility agreement with certain banks in connection with a three-year unsecured and floating rate term loan facility of HK\$4,800,000,000. On 23 December 2021, the club loan amounting HK\$4,500,000,000 was partially drawn down to pay for partial payment of the acquisition of Guangzhou Yuexiu Financial Tower.



On 21 December 2021, Yuexiu REIT, through its SPV's company, entered into a facility agreement with certain banks in connection with a three-year unsecured and floating rate term loan facility of HK\$1,200,000,000. On 28 December 2021, the loan was drawn down for repayment of certain matured HK\$ bank Loan Facility and general corporate purpose.

As at 31 December 2021, total borrowings of Yuexiu REIT amounted to approximately RMB17,622,439,000 (calculation of total borrowings based on bank loan and other borrowings, excluding capitalization of debt-related expenses), representing approximately 40.2% of total assets. The gearing ratio was below the maximum borrowing limit of 50% as stipulated in the REIT Code (which was amended in December 2020).

As at 31 December 2021, total liabilities of Yuexiu REIT (excluding net assets attributable to the Unitholders) amounted to approximately RMB27,938,370,000, representing approximately 63.7% of total assets of Yuexiu REIT.

## CASH POSITION

Cash and cash equivalents and short-term bank deposits of Yuexiu REIT as at 31 December 2021 amounted to approximately RMB1,476,880,000. Yuexiu REIT has sufficient financial resources to satisfy its financial commitments and working capital requirements.

The Manager has adopted a prudent approach in cash management to ensure flexibility to meet the operational needs and the distributions of Yuexiu REIT.

## ACCOUNTING TREATMENTS

### Units recorded as Financial Liabilities; Distributions to Unitholders as Finance Costs

Pursuant to Rule 7.12 of the REIT Code and the terms of the Trust Deed, Yuexiu REIT is required to distribute to the Unitholders not less than 90% of its audited annual net income after tax (subject to certain adjustments as defined in the Trust Deed).

Yuexiu REIT has a limited life of 80 years from the date of establishment. Accordingly, the Units contain contractual obligations to pay cash distributions and, upon termination of the trust, a share of all net cash proceeds derived from the sale or realisation of the assets of Yuexiu REIT less any liabilities, in accordance with Unitholders' proportionate interests in Yuexiu REIT at the date of the termination of Yuexiu REIT.

In accordance with the Hong Kong Accounting Standards 32 ("HKAS 32"), Yuexiu REIT has, for accounting purposes, classified its Units as financial (not legal) liabilities.

On the basis of the HKAS 32, distributions to be paid to the Unitholders are represented as finance costs and are therefore presented as expenses in the consolidated statement of comprehensive income. Consequently, Yuexiu REIT has, for accounting purposes, recognised distributions as finance costs in its audited consolidated statement of comprehensive income.

The above accounting treatment does not have any impact on the net assets attributable to the Unitholders.

## FINANCIAL REVIEW

### SUMMARY OF ALL REAL ESTATE SALES AND PURCHASES

During the Reporting Year, Yuexiu REIT carried out the following acquisition:

Acquired Yuexiu Financial Tower, located in Guangzhou, for the consideration of approximately RMB7.873 billion. The acquisition was completed on 23 December 2021. Referring to the Offering Circular on 13 November 2021, and the announcements on 14 November 2021, 6 and 23 December 2021 and 7, 19 and 27 January 2022 for details.

### REAL ESTATE AGENTS ENGAGED BY YUEXIU REIT

During the Reporting Year, Yuexiu REIT had engaged Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd (“Yicheng BM”), Guangzhou Baima Business Operation Management Co., Ltd (“Baima BM”) and Guangzhou Yue Xiu Asset Management Company Limited (“GZAM”) to provide designated leasing, marketing, tenancy management and property management services (collectively, “Leasing Agents”) to the Properties.

During the Reporting Year, Yuexiu REIT paid/payable service fees to Yicheng BM, Baima BM and GZAM in the amounts of RMB17,156,000, RMB7,810,000 and RMB18,895,000 respectively.

### REPURCHASE, SALE OR REDEMPTION OF UNITS

Yuexiu REIT may, subject to the fulfillment of certain requirements, purchase its own Units on the Stock Exchange.

During the Reporting Year, there was no repurchase, sale or redemption of Units by Yuexiu REIT or its subsidiaries.

### EMPLOYEES

As at 31 December 2021, Yuexiu REIT employed 521 and 127 employees in China for hotel operation through its branch company and for serviced apartments operation through its subsidiary respectively, mainly to fulfill its operating functions and provision of services for hotel and serviced apartments.

Save as disclosed above, Yuexiu REIT is managed by the Manager. Yuexiu REIT does not employ any staff directly.

### REVIEW OF FINANCIAL RESULTS

The final results of Yuexiu REIT for the Reporting Year have been audited by the independent auditor of Yuexiu REIT and reviewed by the Disclosures Committee and the Audit Committee of the Manager.

## **ISSUANCE OF ANNUAL REPORT**

The annual report of Yuexiu REIT for the Reporting Year will be dispatched to the Unitholders on or before 30 April 2022.

## **ANNUAL GENERAL MEETING**

The date and notice of the annual general meeting will in due course be published and issued to the Unitholders in accordance with the Trust Deed.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT SUMMARY

Yuexiu REIT is managed by the Manager who in turn has delegated the functions of leasing and marketing all properties to Baima BM, Yicheng BM, and GZAM (Yuexiu REIT, the Manager and parties who have been delegated functions are collectively referred to as “we” hereinafter, as and when the context requires). While maintaining a leading position in the capabilities of asset appreciation, business operation and capital operation, we adhere to the concept of sustainable development, and set up three sustainable development principles: win-win development, green development, and inclusive development, to strive for creating long term value.

We continue to reinforce the sustainable development structure. The Board of Directors guides and supervises the sustainable development and is responsible for ESG management and disclosure. The Sustainability Steering Group has been established at the management level, and the Sustainability Working Group and the Sustainability Teams of Properties have been established at the executive level. We organically integrated the concept of sustainability into our existing business and control models, and continued to improve our ESG system development and management to set short, medium and long-term sustainable development goals.

We regard our tenants, customers, employees, government/regulators, unitholders and investors, ESG third-party evaluation institutions, suppliers, media and communities as our main stakeholders. To achieve the goal of sustainable development, we give back to the stakeholders through a series of measures, including carrying out asset appreciation projects and service innovation to improve customer satisfaction and trust; improving employee care policy to create a safe, fair, inclusive, and open working environment; taking effective measures for energy conservation, emission reduction, and waste disposal to reduce the impact of property operation on the environment; advocating public charity and poverty alleviation activities to help the groups in society who are in need. We actively practised green finance by signing a green club loan amounted to HK\$4.8 billion of fund for the first time during the reporting period for the acquisition of Yuexiu Financial Tower, one of the benchmark green buildings. Our ESG performance was recognised by capital markets. We were awarded the “Three Stars” Green rating for the first year in Global Real Estate Sustainability Benchmark (GRESB) in 2021. Meanwhile, we were awarded the Public Disclosure “A” rating in 2021, which was the highest grade in the standard.

We conduct multi-directional risk assessment and materiality analysis around the ESG issues. Through the analysis of regulatory requirements, media research, peer benchmarking, questionnaire survey and field investigation of the properties, we review and obtain material issues, which are the basis for the preparation of the Environmental, Social, and Governance Report (“ESG Report”) to ensure the reasonable disclosure of ESG-related information. This year, we added a new material issue, namely ESG risk management, by integrating climate-related risks into our risk management framework with reference to the recommendations of the Task Force on Climate-Related Financial Disclosure (“TCFD”). We maintain the importance of ESG issues such as energy conservation, water conservation, addressing climate change, waste reduction, talent attraction and retention and value chain social responsibility, in response to the country’s demand for high quality development.

For more information on Yuexiu REIT’s performance in ESG this year, please refer to the ESG Report 2021. After release, the report can be viewed or downloaded from Yuexiu REIT website or the website of the Stock Exchange of Hong Kong.



# PROPERTY PORTFOLIO

## OVERVIEW OF THE PROPERTIES

The property portfolio of Yuexiu REIT comprises eight high-quality properties, namely GZIFC, Yuexiu Financial Tower, White Horse Building, Fortune Plaza, City Development Plaza, Victory Plaza, Yue Xiu Tower, Wuhan Properties and Hangzhou Victory.

## LOCATION OF THE PROPERTIES

The Properties of Yuexiu REIT are located in the core business districts (“CBD”) of Guangzhou, Shanghai, Wuhan and Hangzhou, the PRC. In particular, both GZIFC and Yuexiu Financial Tower are located at the core financial business district of the Zhujiang New Town which is located on the new axis of Guangzhou, and enjoys favorable geographical advantages, with well-developed commercial and thriving cultural activities in the surrounding areas integrating natural landscape and arts of the new town center, which is the new icon of Guangzhou City. The White Horse Building is located in the Liuhua business and exhibition area of Guangzhou, adjacent to Guangzhou Railway Station with a diversity of wholesale markets specializing in apparels, shoes and leatherware in the surrounding areas. Fortune Plaza, City Development Plaza and Victory Plaza are located in the north end of the Guangzhou Tianhe CBD, which is located on the new axis of Guangzhou and being one of the top three CBDs in China approved by the State where prime grade-A office buildings are located, with highly concentrated metro line networks, convenient transportation, established and sound ancillary facilities. Yue Xiu Tower is located at 388 Fushan Road, Pudong New District, Shanghai Municipality, PRC and only 2 kilometres away from the Little Lujiazui central district. Due to its convenient traffic conditions, Yue Xiu Tower can be reached by various rail transit lines in the vicinity and is adjacent to the intersection of metro lines 2, 4, 6 and 9. Wuhan Yuexiu Fortune Centre and Starry Victoria Shopping Center, located in Hankou Riverside Business District in Wuhan, the capital of Hubei Province, Central China, enjoy high transport accessibility as they are directly connected to Metro Line 1 and the planned Metro Line 10. Hangzhou Victory is located in Qianjiang New Town, Shangcheng District, Hangzhou, Zhejiang Province, PRC, enjoys high transport accessibility as the two metro stations, within a walking distance to Sanbao Station and Yudao Station, are adjacent to the intersection of two metro lines (line 6 and line 9) and one airport express line.

# PROPERTY PORTFOLIO



- WHITE HORSE BUILDING
- CITY DEVELOPMENT PLAZA
- VICTORY PLAZA
- FORTUNE PLAZA
- GUANGZHOU IFC
- YUEXIU FINANCIAL TOWER
- SHANGHAI YUE XIU TOWER
- YUEXIU FORTUNE CENTRE AND STARRY VICTORIA SHOPPING CENTRE
- HANGZHOU VICTORY BUSINESS CENTER

## 杭州 HUANGZHOU



## 武漢 WUHAN



廣東省人民政府  
GUANGDONG PROVINCIAL  
PEOPLE'S GOVERNMENT

廣州市人民政府  
GUANGZHOU MUNICIPAL  
PEOPLE'S GOVERNMENT

西門口 XIMENKOU

公園前 GONGYUAN QIAN

## 上海 SHANGHAI



公園前 GONGYUAN QIAN



# 廣州 GUANGZHOU



海珠區  
HAIZHU DISTRICT

-  地鐵站點  
METRO STATION
-  地鐵交換站點  
METRO INTERCHANGE STATION



# PROPERTY PORTFOLIO



**WUHAN YUE XIU  
FORTUNE CENTRE  
AND STARRY VICTORIA  
SHOPPING CENTRE**



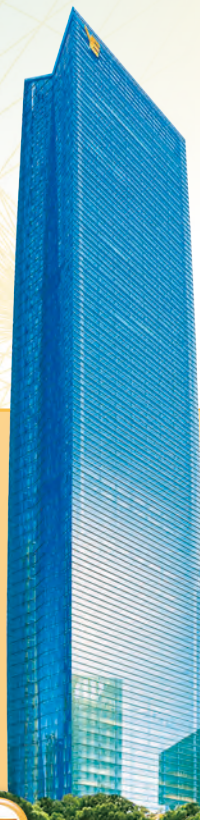
**SHANGHAI YUE XIU  
TOWER**



**HANGZHOU VICTORY  
BUSINESS CENTER**



**GUANGZHOU INTERNATIONAL  
FINANCE CENTER**



**YUE XIU FINANCIAL  
CENTER**



**FORTUNE PLAZA**



**CITY DEVELOPMENT  
PLAZA**



**VICTORY PLAZA**



**WHITE HORSE  
BUILDING**



### AREA OF PROPERTIES

The property portfolio of Yuexiu REIT has an area of ownership of 1,183,284.3 sq.m. and a rental area of 803,111.9 sq.m. As at 31 December 2021, the overall occupancy rate of the property portfolio was 92.0%.

### PROPERTY VALUATION

According to the valuation report issued by Colliers International (Hong Kong) Limited, the property portfolio of Yuexiu REIT was valued at a total value of RMB42.395 billion as at 31 December 2021.

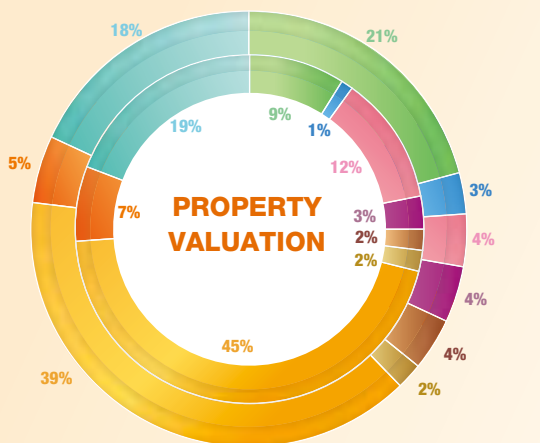
### OPERATING INCOME GENERATED BY THE PROPERTIES

In 2021, Yuexiu REIT recorded a total annual operating income of RMB1.7967 billion.

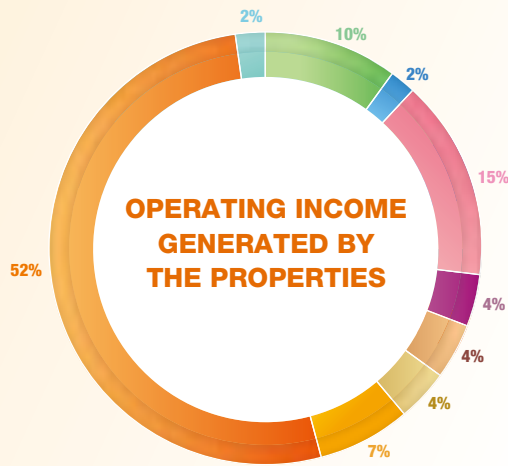
### LEASE EXPIRY OF THE PROPERTIES

In terms of rental area in the next five years and beyond, the proportion of lease expiry of the Properties for each year will be 23.3%, 24.6%, 23.9%, 13.2% and 15.0% respectively. In terms of basic monthly rentals, the proportion of lease expiry for each year will be 25.4%, 27.3%, 24.4%, 10.6% and 12.3% respectively.

#### AREA OF PROPERTIES

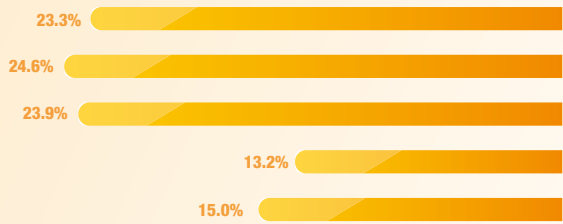


- Wuhan Properties
- Hangzhou Victory
- White Horse Building
- Fortune Plaza
- City Development Plaza
- Victory Plaza
- GZIFC
- Yue Xiu Tower
- Yue Xiu Tower
- Victory Plaza
- Yue Xiu Tower
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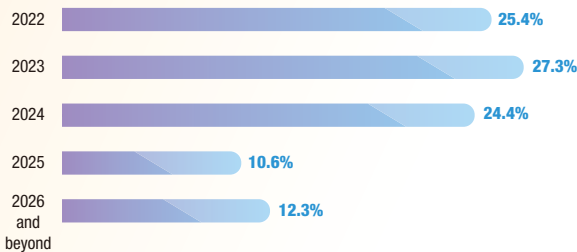


- Wuhan Properties
- Hangzhou Victory
- White Horse Building
- Fortune Plaza
- City Development Plaza
- Victory Plaza
- Yue Xiu Tower
- GZIFC
- Yue Xiu Tower
- Yue Xiu Tower
- Yue Xiu Tower
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- Yue Xiu Tower

#### BY RENTAL AREA



#### BY BASIC MONTHLY RENTALS



### LEASE EXPIRY OF THE PROPERTIES

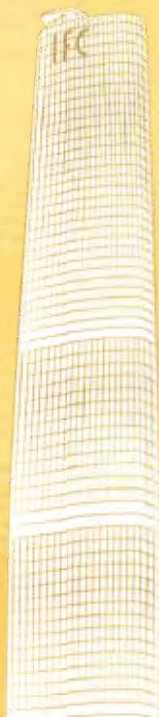
## PROPERTY PORTFOLIO





# GUANGZHOU TIANHE DISTRICT GUANGZHOU IFC

## GUANGZHOU IFC - A GLOBAL BUSINESS LEADER AND GUANGDONG-HONG KONG-MACAU GREATER BAY AREA URBAN LANDMARK COMPLEX



Guangzhou International Finance Center (GZIFC) is located in the central business district (CBD) of Zhujiang New Town, the most radiant and glamorous CBD in Guangzhou. It is a landmark of mixed-use premium grade commercial complex in Guangzhou.

The property is in an excellent location of the core CBD which is on the axis of Guangzhou, where the Metro Line 3 and Line 5 and the Automatic Passenger Mover System (APM) intersect. It is 45 minutes from Guangzhou Baiyun International Airport, 40 minutes from Guangzhou South Railway Station, 10 minutes from Guangzhou East Railway Station, 45 minutes from Nansha Expressway, and 15 minutes from Pazhou convention and exhibition business district, facilitating quick and easy business connection.

Having a total gross floor area of 457,000 sq.m., the property comprises a main tower with 103 floors above the ground and 4 floors underground, and a 28-storey annex building. It has 58 floors of Grade A offices, 6 floors of shopping mall, a carpark with 1,700 parking spaces, a five-star hotel with 344 guest rooms, and 314 units of luxury serviced apartments.

## PROPERTY PORTFOLIO

### GUANGZHOU TIANHE DISTRICT

### GUANGZHOU IFC - OFFICE



The main tower of the property is 432 meters tall, being one of the world's top ten skyscrapers. The property is designed by the renowned architectural firm, Wilkinson Eyre Architects, and its structural works are undertaken by Arup. The property won the "Highly Commended Mixed-use Project" Award of the International Property Awards at the Asia Pacific Presentation Ceremony in 2012, and the honour of "The Most Outstanding Architecture outside the European Union" awarded by the Lubetkin Prize granted by the Royal Institute of British Architects (RIBA) in a global competition. The property also won the Lu Ban Award in 2013, representing the highest honour in quality management and engineering level in the construction industry of China. In 2017, it was granted the LEED V4 standard platinum level certification for the operation stage. It obtained BOMA CHINA COE certifications in 2019 and BOMA 360 Performance Program certification in 2020, becoming the first REITs asset program that won both BOMA COE and BOMA 360 certifications in the Asia Pacific region. In 2021, it won the first batch of "Super Grade A Office Buildings" (超甲級寫字樓) in Guangzhou, "Best Practice Award for Operation Management · Urban Complex" (運營管理最佳實踐獎·城市綜合體), and "2021 Outstanding Contribution Award for Asian Real Estate Commercial Landmark Buildings" (2021亞洲不動產商業地標建築傑出貢獻獎).

#### (I) OFFICE BUILDINGS

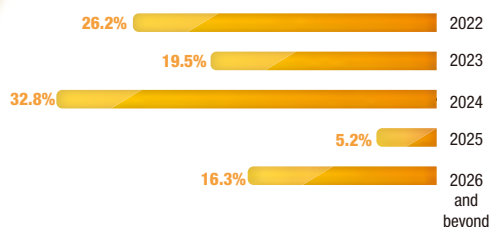
The offices of Guangzhou IFC are on the 4th to 65th floors of the main tower. It has a gross floor area of 268,000 sq.m. and commenced operation in July 2011. As an iconic building and a landmark in southern China, Guangzhou IFC has attracted many multinational companies and renowned enterprises to lease its office space. Currently its tenants include renowned companies such as Bank of America, Société Générale, the British Consulate, Bank of China, China Construction Bank, Agricultural Bank of China, AON, Lucent Shanghai Bell, Mitsubishi Electric, FAW-Volkswagen, DassaultSystemes, Dow Chemical, GLP, BSH Home Appliances, China Export & Credit Insurance, AIA, JD Allianz, Bank of Taiwan, CMB Wing Lung Bank, Yuexiu Group, SFUND, CCB Fintech, Youngy Group, H&H International, AllBright Law Firm, and Deacons.



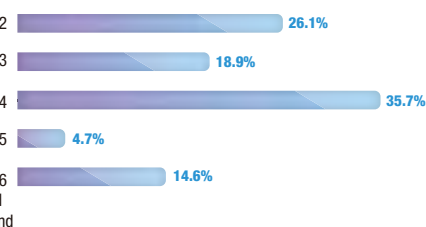
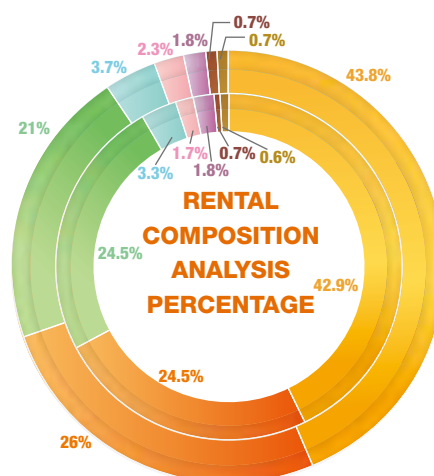




## BY RENTAL AREA



## BY BASIC MONTHLY RENTALS

AREA COMPOSITION ANALYSIS  
PERCENTAGE

- Finance
- Real Estate
- Others
- Culture, Sports and Entertainment
- Commercial Services
- Information Technology
- Manufacturing
- Logistics Services

## TOP 10 TENANTS BY RENTAL INCOME (AS AT 31 DECEMBER 2021)

Name of Tenant	Type	% of Total Monthly Rentals	% of Total Gross Rented Area
Yuexiu Group and its subsidiaries	Mixed	29.7%	24.4%
Guangzhou Industrial Investment Fund and its subsidiaries	Finance	8.4%	7.7%
CCB Fintech	Finance	3.0%	3.7%
China Export Credit Insurance Corporation Guangdong Branch	Finance	2.9%	3.3%
Youngy Group and its subsidiaries	Finance	2.0%	1.9%
Health and Happiness (H&H) China Limited	Manufacturing	1.7%	1.9%
Guangzhou Dabenxiang Technology Co., Ltd.	Commercial Services	1.4%	1.7%
CMB Wing Lung Bank Ltd Guangzhou Branch	Finance	1.3%	1.4%
AIA Life Insurance Co., Ltd. Guangdong Branch	Finance	1.2%	1.7%
安聯財產保險（中國）有限公司	Finance	1.2%	1.6%
<b>Total</b>		<b>52.8%</b>	<b>49.2%</b>

# PROPERTY PORTFOLIO

## GUANGZHOU TIANHE DISTRICT

### GUANGZHOU IFC - SHOPPING MALL



#### (II) SHOPPING MALL

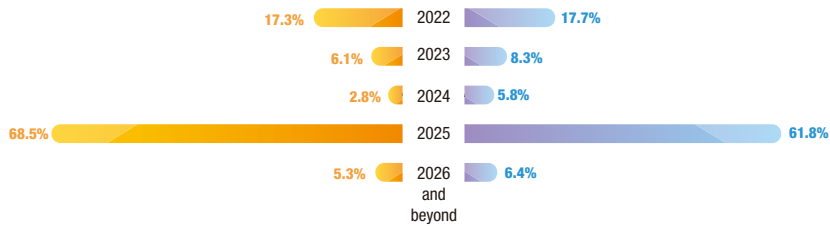
The shopping mall occupies a total of six floors of the podium. It has a gross floor area of 47,000 sq.m. and commenced operation in November 2010.

As of 31 December 2021, the occupancy of the shopping mall was 97.3%, and the unit rental price was RMB164.2 per sq.m. per month.



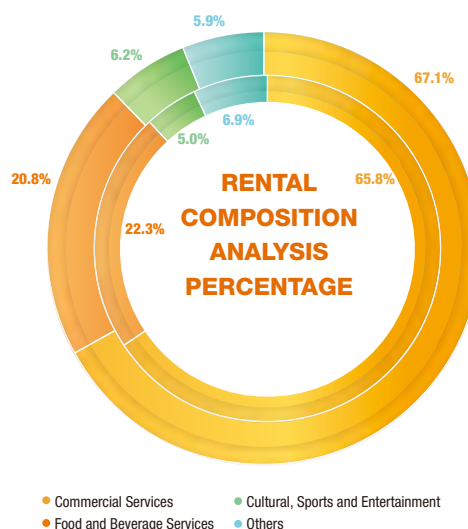
#### BY RENTAL AREA

#### BY BASIC MONTHLY RENTALS





### AREA COMPOSITION ANALYSIS PERCENTAGE



### RENTAL COMPOSITION ANALYSIS PERCENTAGE



### TOP 10 TENANTS BY RENTAL INCOME (AS AT 31 DECEMBER 2021)

Name of Tenant	Industry	% of Total Monthly Rentals	% of Total Gross Rented Area
Guangzhou Friendship Group Co., Ltd.	Commercial Services	41.9%	58.5%
Guangzhou Nio Sales and Service Co., Ltd	Commercial Services	12.1%	3.0%
Yuexiu Group and its subsidiaries	Food and Beverage	6.9%	5.9%
Welcom Fitness Management Consulting (Guangzhou) Co., LTD	Cultural, Sports and Entertainment	2.6%	3.5%
Beijing Blue Park Arcfox Automotive Technology Co., Ltd.	Commercial Services	2.5%	0.4%
Guangzhou Guojin TaoTaoJu Catering Management Limited	Food and Beverage	2.4%	4.3%
Guangzhou Jinlong Catering Management Co., Ltd	Cultural, Sports and Entertainment	2.4%	2.7%
Guangzhou Luqi Automobile Sales Co., Ltd	Commercial Services	2.0%	0.4%
Youyue Restaurant of Zhujiang New Town, Tianhe District, Guangzhou	Food and Beverage	1.8%	2.3%
Guangzhou ChangLaiDaPaiDang Catering Co.,Ltd	Food and Beverage	1.7%	1.8%
<b>Total</b>		<b>76.3%</b>	<b>82.8%</b>



## PROPERTY PORTFOLIO

### GUANGZHOU TIANHE DISTRICT

### GUANGZHOU IFC - FOUR SEASONS HOTEL GUANGZHOU



#### (III) FOUR SEASONS HOTEL GUANGZHOU

Four Seasons Hotel Guangzhou is entrusted to Four Seasons Group, the world-famous hotel brand management company, for operation and management. The hotel occupies the 68th to 100th floor of the main tower of Guangzhou International Finance Center, and the 1st to 5th floor (partial) of the podium, with a gross floor area of about 91,000 sq.m..

Four Seasons Hotel Guangzhou provides comprehensive service support, including conference and banquet facilities with a gross floor area of approximately 14,000 sq.m., CATCH (light French seafood restaurant) on the 100th floor, Tian Bar on the 99th floor, Kumoi (Japanese restaurant) and Caffe Mondo (Italian buffet) on the 72nd floor, the Yu Yue Heen (one Michelin star Chinese restaurant) on the 71st floor, the Atrium on the 70th floor, Dolcetto Cafe on the first floor, and Hua Spa (a SPA clubhouse, a sky swimming pool and a fitness center) on the 69th floor. There is a grand tapering atrium rising from 70th through 100th floor. There is also a reception hall on the 1st floor of the hotel lobby to provide guests with convenient and efficient concierge services.

Four Seasons Hotel Guangzhou, which has been awarded “Forbes Hotel Guide Five-star Hotel” by Forbes Travel Guide for seven consecutive years, adheres to its consistent objectives of making guests feel at home, creating an exclusive and prestigious experience for every honourable guests with the most attractive and quality services.

	<b>Date of inception</b>	<b>Area of ownership</b>	<b>Number of rooms</b>	<b>Average occupancy rate</b>	<b>Average room rate (RMB/night)</b>
Four Seasons Hotel Guangzhou	August 2012	91,460.9	344	62.8%	1,827





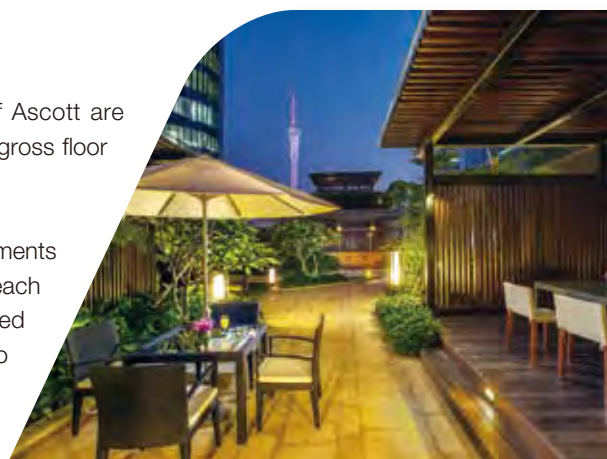
## GUANGZHOU TIANHE DISTRICT

## GUANGZHOU IFC - ASCOTT IFC GUANGZHOU

### (IV) ASCOTT IFC GUANGZHOU

Luxury serviced apartments under the operation and management of Ascott are located on the 6th to 28th floor of the property's annex building, with a gross floor area of 51,000 sq.m..

Ascott IFC Guangzhou provides 314 sets of elegant stylish luxury apartments for global business travelers. From one bedroom to three bedrooms, each apartment has separate living room and dining area with a fully equipped kitchen as well as a high-quality home theater system, allowing travelers to enjoy pleasant and comfortable living for both long-stay residential and leisure purposes. The 24-hour security patrol and CCTV surveillance system can ensure a safe and well protected residence for travelers.



	Date of inception	Area of ownership	Number of rooms	Average occupancy rate	Average room rate (RMB/night)
Ascott IFC Guangzhou	September 2012	51,102.3	314	85.8%	989



## PROPERTY PORTFOLIO





# GUANGZHOU TIANHE DISTRICT YUEXIU FINANCIAL TOWER

## YUEXIU FINANCIAL TOWER - A LANDMARK PROPERTY IN ZHUJIANG NEW TOWN CORE CBD

Yuexiu Financial Tower is located in the core area of Zhujiang New Town, the core CBD of Guangzhou. It is on the axis of Zhujiang New Town with GZIFC. The straight-line distance between the two buildings is only 700 meters, both of which are among the top ten skyscrapers in Guangzhou. With convenient transportation, it is within walking distance of Zhujiang New Town Station (the transfer station of Metro Line 3 and Line 5), and 200 meters from Xiancun Station, the transfer station of Metro Line 13 and Line 18. Metro Line 18 was newly opened on 28 September 2021 and the second phase of Line 13 is currently under construction (expected to open in 2022). Metro Line 18 will become a key vertical line connecting Guangzhou Tianhe District with Panyu District and Nansha District from north to south, while Metro Line 13 will become a key horizontal line running through the Guangzhou Metro network from east to west in Guangzhou City. In addition to the subway line, the property is also adjacent to the passenger automatic transportation system (APM) connecting other areas of Tianhe District with Haizhu District. The property has won several awards, including American Green Building LEED V4 Standard Platinum Level Certification (美國綠色建築LEED EBOM V4鉑金級認證), American Green Building WELL V2 Platinum Pre-certification (美國綠色建築WELL V2鉑金級預認證) and China Construction Engineering Luban Prize (National Prime-quality Project) (中國建設工程魯班獎(國家優質工程)), the latter of which represents the highest honor in construction quality of China. It is widely recognized for its outstanding design, quality and infrastructure. In 2021, it won “Best Practice Award for Operation Management · Green Building” (運營管理最佳實踐獎·綠色建築), “Super Grade A Office Buildings” (超甲級商務寫字樓), “New Landmark of China’s Building Economy” (中國樓宇經濟新地標), “Commercial Property Value Performance Award” (商辦物業價值表現獎), and “Excellent Green Project” (優秀綠色項目).

## PROPERTY PORTFOLIO

### GUANGZHOU TIANHE DISTRICT

### YUEXIU FINANCIAL TOWER



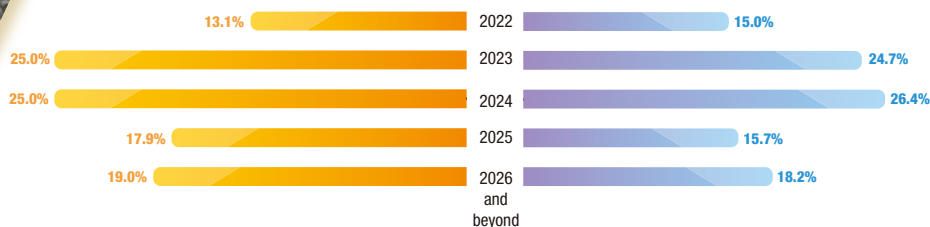
The property was completed in August 2015, with a building height of approximately 309 meters and 68 floors (including a 4-storey retail component and a 64-storey office component), with a total gross floor area of 210,282.9 sq.m.. A number of well-known companies have settled in, including Allianz Insurance Group, China Resources, Lenovo, Volkswagen, China Everbright Group, Ping An, China Minmetals, COFCO, Mead Johnson, Deloitte, WeWork, Dongfeng Motor, Ansteel Group, GP Corp, ZTE, China Aerospace, Hyundai Korea, Baxter Medical, etc..



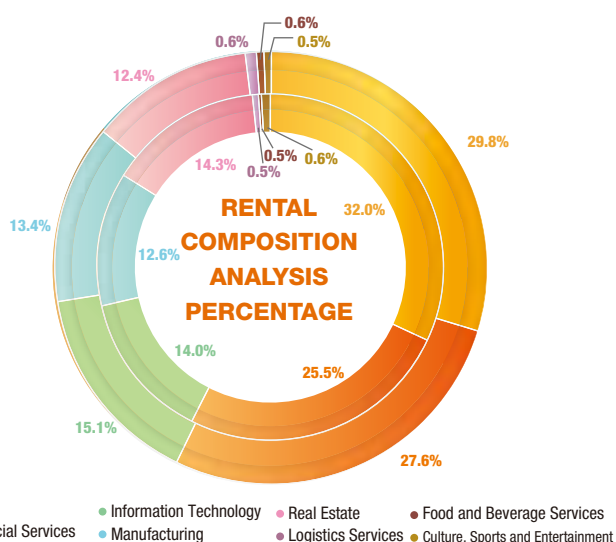




### BY RENTAL AREA      BY BASIC MONTHLY RENTALS



### AREA COMPOSITION ANALYSIS PERCENTAGE



### TOP 10 TENANTS BY RENTAL INCOME (AS AT 31 DECEMBER 2021)

Name of Tenant	Type	% of Total Monthly Rentals	% of Total Gross Rented Area
Yuexiu Group and its subsidiaries	Mixed	20.6%	16.4%
WeWork Business Information Consulting (Guangzhou) Co., Ltd.	Commercial Services	5.6%	4.9%
MeadJohnson Nutrition (China) Co., Ltd.	Manufacturing	3.2%	3.8%
Guangzhou Wanglaoji Health Industry Co., Ltd.	Manufacturing	3.2%	3.3%
E Fund Management Co., Ltd.	Finance	3.2%	3.5%
Guangzhou Intelligence Communication Technology CO., Ltd.	Information Technology	3.1%	3.7%
Everbright Securities and its affiliates	Finance	2.5%	2.4%
Kaiyue Hotel Consulting Service (Guangzhou) Co., Ltd.	Commercial Services	2.2%	2.7%
Deloitte & Touche LLP and its affiliates	Commercial Services	1.9%	3.4%
Zhongxing Telecommunication Equipment Corporation	Information Technology	1.8%	2.3%
<b>Total</b>		<b>47.2%</b>	<b>46.3%</b>

## PROPERTY PORTFOLIO





# GUANGZHOU YUEXIU DISTRICT WHITE HORSE BUILDING

## WHITE HORSE BUILDING – TOP 10 CHINA APPAREL WHOLESALE MARKET AND MEDIUM-TO-HIGH END ORIGINAL APPAREL PROCUREMENT CENTRE

Located in the heart of Liuhua business and exhibition area, a famous fashion center in China, which is close to the Guangzhou Railway Station, Guangdong Bus Station and Guangzhou Bus Station, located at the intersection of the Metro Line 2 and Line 5, enjoying greatly convenient traffic, the White Horse Building formally commenced operation on 8 January 1993. It has an operating area of 60,000 sq.m., comprising 4 storeys of shopping mall, 5 storeys of offices and one storey of underground carpark.

More than 1,000 fashion manufacturers from various regions across the country congregate in the Guangzhou White Horse Apparel Market. The Market is mainly engaged in medium-to-high end fashionable men's and women's branded apparel and adheres to the competitive advantages featuring "Original Brands, High Quality Products, Primary Source of Goods and Manufacturers' Direct Sales". 80% of the tenants in the Market operate their own factories and are capable of independent product R&D and manufacturing. Their products are widely popular worldwide, covering over 30 provinces, municipalities and autonomous regions in the PRC, as well as over 70 countries and regions such as the United States, Russia, the Middle East, Southeast Asia and Western Europe. The Market has an average daily traffic flow of 40,000 customers with an annual trading amount of over RMB10 billion.



## PROPERTY PORTFOLIO

### GUANGZHOU TIANHE DISTRICT

### WHITE HORSE BUILDING



Guangzhou White Horse Apparel Market made timely use of Internet resources to provide free WiFi services across the Market. The WeChat of Guangzhou White Horse Apparel Market (WeChat ID: BAIMA\_MARKET) has been created to concurrently provide purchasers with the latest fashion information and recommendation of superior brands and sources of goods, which creates limitless business opportunities through mobile phones. Meanwhile, the Market provides more comprehensive information services for merchants by actively exploring the new media image-text short video marketing model.

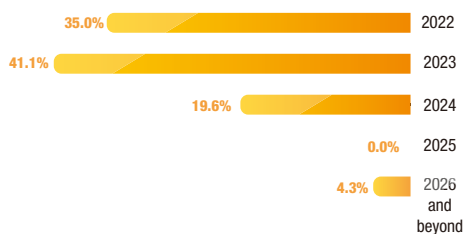
After years of cultivation and development, the Guangzhou White Horse Apparel Market has become a bellwether in the wholesale industry of garments in the country, and has won various recognition and awards, such as the Top 10 Professional Markets of Fashion in China, CNTAC Product Development and Promotion Award, the First Incubation Bases for Fashion Brands in China, National Civilized Market, Guangdong Civilized Market, Guangdong Fashion Apparel International Purchase Centre, Guangdong Famous Brand, Leading Enterprise in Guangdong Modern Wholesale Market, China E-Commerce Modelling Enterprise, 2013-2014 Top 100 E-Commerce Enterprises in Guangdong, 2018 Silk Road Textile Industry Influence Innovation Market, the Most Influential Brand Market in China over the Past 40 Years of Reform and Opening-Up, Chinese Apparel Brand Incubation Base Service Model, 2019 Guangdong Apparel Industry Benchmarking Professional Market and Special Innovation Award of Fashion Trendy of 2020 China Textile and Apparel Dealers Award (2020年中國紡織服裝流通大獎時尚引領特別創新獎).



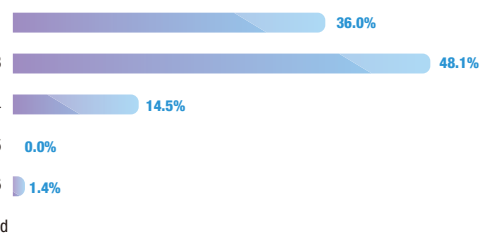
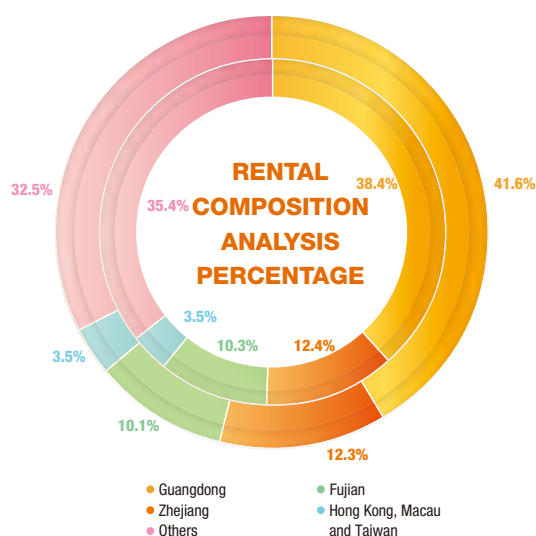




## BY RENTAL AREA



## BY BASIC MONTHLY RENTALS

AREA COMPOSITION ANALYSIS  
PERCENTAGE

## TOP 10 TENANTS BY RENTAL INCOME (AS AT 31 DECEMBER 2021)

Name of Tenant	Industry	% of Total Monthly Rentals	% of Total Gross Rented Area
Li Tie	Commercial services	1.4%	1.1%
Fu Xiaohong	Commercial services	1.2%	0.9%
Li Xinyou	Commercial services	0.8%	0.7%
Chen Jiaru	Commercial services	0.7%	0.6%
Huang Zhiqiang	Commercial services	0.7%	0.5%
Lv Li	Commercial services	0.7%	0.5%
Shuang Xiumei	Commercial services	0.7%	0.5%
Xu Qingquan	Commercial services	0.7%	0.5%
Guo Qingrang	Commercial services	0.6%	0.5%
Li Baodong	Commercial services	0.6%	0.4%
Total		8.1%	6.2%

## PROPERTY PORTFOLIO





# GUANGZHOU TIANHE DISTRICT FORTUNE PLAZA

## FORTUNE PLAZA - PREMIUM GRADE-A COMMERCIAL BUILDING AND MODEL OF NATIONAL PROPERTY MANAGEMENT

Located on Ti Yu Dong Road which is known as the “Guangzhou Wall Street”, and also at the heart of the Tianhe CBD, Fortune Plaza is easily accessible and adjacent to two important business districts, being Zhujiang New Town in the south and Tianhe North in the north, benefiting greatly from its geographical advantages with many restaurants, recreational and living ancillary facilities in its adjacent areas. The property is erected above the Tianhe Sports Center Station, which is the interchange of metro lines No. 1 and 3 with various public transport stations. This project has a total gross floor area of over 80,000 sq.m. comprising a 2-storey underground carpark, a 6-storey commercial podium, a single-storey hanging garden clubhouse and 2 grade-A office towers with 26 storeys and 36 storeys respectively, which are among the few intelligent 5A Grade-A office buildings purely for office use in the Tianhe CBD business circle in Guangzhou. Inside the building, there are banks, a business center, a large conference center, convenience stores and a grand clubhouse, which provide all-round and convenient ancillary business services for business people in the building.





## PROPERTY PORTFOLIO

### GUANGZHOU TIANHE DISTRICT

## FORTUNE PLAZA

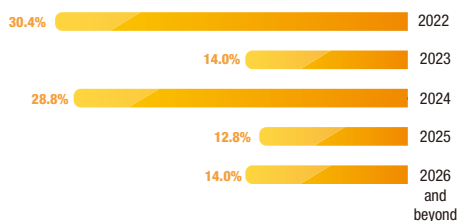


As an iconic building and landmark in the Tianhe CBD of Guangzhou, Fortune Plaza is the top choice for renowned companies. The property has been recognized as the “Model of National Property Management” and Building Sustainability Authentication Flag (楼宇可持续发展指数验证标志) and is well received by customers in the industry. The existing tenants of Fortune Plaza include many famous enterprises, such as Chevron, Citibank, AEON Group, CITS American Express, COSCO Shipping, Hanwha Chemical, Publicis Group, Swatch Group, Ping An Bank, Wanglaoji, Baleno, Master Meditech, Guangfa Bank, Yaeher Healthcare, and Dongguan Securities.

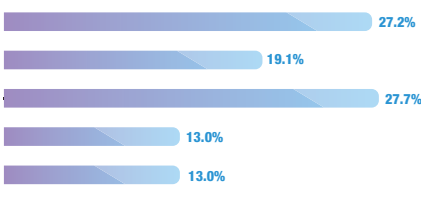
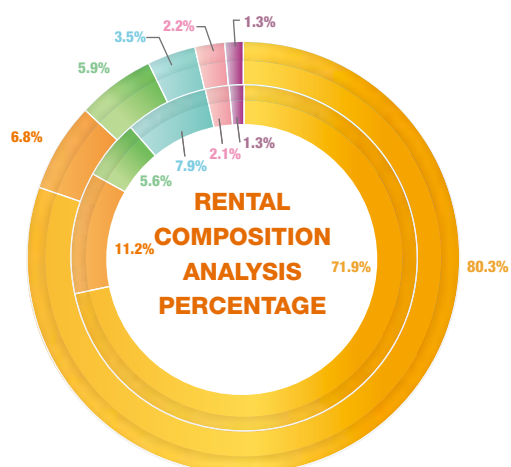




## BY RENTAL AREA



## BY BASIC MONTHLY RENTALS

AREA COMPOSITION ANALYSIS  
PERCENTAGE

- Commercial Services
- Information Technology
- Manufacturing
- Finance
- Food and Beverage Services
- Logistics Services

## TOP 10 TENANTS BY RENTAL INCOME (AS AT 31 DECEMBER 2021)

Name of Tenant	Industry	% of Total Monthly Rentals	% of Total Gross Rented Area
Guangzhou Friendship Baleno Company Limited	Commercial Services	10.6%	10.8%
Guangdong AEON Teem CO., Ltd	Commercial Services	8.4%	10.8%
Shenzhen Qianhai Qimeng Space Investment Co., Ltd.	Information Technology	4.4%	5.1%
Guangdong Guohui Law Firm	Commercial Services	3.9%	4.0%
Cyril Human Resources	Commercial Services	3.6%	4.2%
Guangdong Development Banking Co., Ltd. Guangzhou Branch	Finance	3.5%	1.7%
Guangzhou Shenshenfu Catering Management Co., Ltd.	Food and Beverage	3.4%	0.6%
Saatchi & Saatchi Guangzhou Yuexiu Branch	Commercial Services	3.2%	3.3%
Ping An Bank Co., Ltd. Guangzhou Branch	Finance	2.8%	2.0%
SMH Watch Service Center Co., Ltd.	Commercial Services	2.6%	2.5%
<b>Total</b>		<b>46.4%</b>	<b>45.1%</b>



## PROPERTY PORTFOLIO





# GUANGZHOU TIANHE DISTRICT CITY DEVELOPMENT PLAZA

## CITY DEVELOPMENT PLAZA - PREMIUM GRADE-A COMMERCIAL BUILDING MODEL OF NATIONAL PROPERTY MANAGEMENT

Located at the junction of Tianhe North Road and Tiyu West Road, City Development Plaza is facing Tianhe Sports Center and is adjacent to landmark buildings such as CITIC Tower and Victory Plaza. With bus stops within easy reach, it is just a 5-minute walk from Linhexi Station of the Metro Line 3 and Automatic Passenger Mover System and has many restaurants and ancillary facilities in its adjacent areas. City Development Plaza has a total gross floor area of over 70,000 sq.m., comprising a 2-storey underground car park, a 4-storey commercial podium and a 28-storey high-end office building. With a uniquely large green area square of 5,000 sq.m., it provides a super large area for holding events by its business and office customers, and is a commercial complex integrating office, finance, business and food and beverage functions. In 2018, it was awarded the Building Sustainability Authentication Flag (楼宇可持續發展指數驗證標誌).



## PROPERTY PORTFOLIO

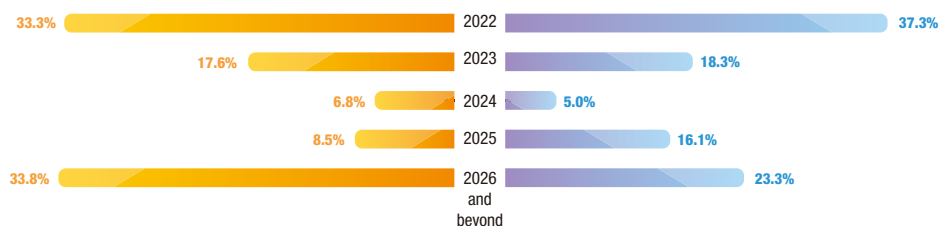
### GUANGZHOU TIANHE DISTRICT

### CITY DEVELOPMENT PLAZA

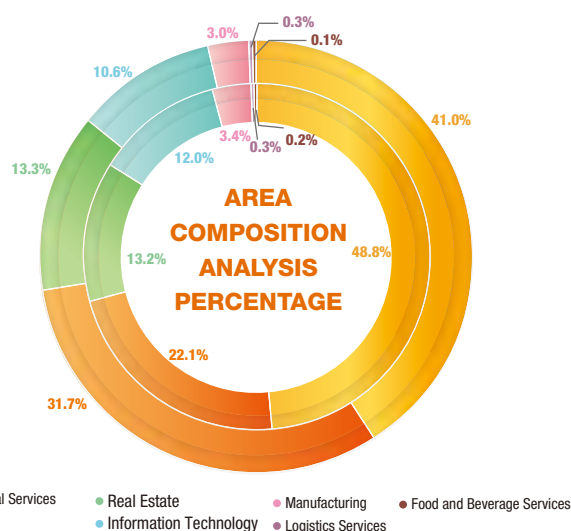


Existing tenants of City Development Plaza include many famous enterprises, such as Efund, SPD Bank, Guangfa Bank, General Mills, Wangsu Science & Technology, Cinda Securities, Spectris and Labcorp, and visa centres for several countries such as the U.K. and Canada were set up in its podium.

### BY RENTAL AREA      BY BASIC MONTHLY RENTALS



### RENTAL COMPOSITION ANALYSIS PERCENTAGE



### TOP 10 TENANTS BY RENTAL INCOME (AS AT 31 DECEMBER 2021)

Name of Tenant	Industry	% of Total Monthly Rentals	% of Total Gross Rented Area
Yuexiu Group and its subsidiaries	Mixed	15.9%	16.7%
Guangzhou Wisevalley Development Co., Ltd.	Commercial Services	12.3%	19.4%
Shanghai Pudong Development Bank, Guangzhou Branch	Finance	11.4%	3.7%
Efund Management Co., Ltd.	Finance	9.5%	9.1%
Overseas Group	Commercial Services	6.1%	6.9%
Guangdong Development Banking Co., Ltd. Guangzhou Branch	Finance	4.1%	1.7%
TAIHE INSURANDE	Finance	3.7%	4.6%
Trueland Information Technology (Guangzhou) Co., Ltd.	Information Technology	3.0%	2.0%
General Mills Trading (Shanghai) Co., Ltd.	Commercial Services	2.4%	2.3%
Wangsu Science & Technology Co., Ltd. Guangzhou Branch	Information Technology	1.9%	2.0%
<b>Total</b>		<b>70.2%</b>	<b>68.5%</b>



# PROPERTY PORTFOLIO





# GUANGZHOU TIANHE DISTRICT VICTORY PLAZA

## VICTORY PLAZA – AN EXPERIENCE SHOPPING MALL AND FASHION TREND “HOLY LAND”

Located at the junction of Tianhe Road and Tiyu West Road and the interchange of Metro Line 1 and Line 3, Victory Plaza is at the core of the most prosperous area of Tianhe CBD and enjoys a strong and well developed business environment. With a magnificent diamond shape and contemporary look, it is no doubt the business landmark of Tianhe CBD. With a total gross floor area of approximately 140,000 sq.m., it comprises a 4-storey underground car park, a 6-storey shopping mall, a single-storey hanging garden clubhouse and two grade A office buildings with 52 storeys and 36 storeys respectively.

Its shopping mall is positioned as an “Youth New Home” and was renamed as “VT101” on 28 September 2014. It features fashionable, young, LOHAS and trendy lifestyle. Its shopping mall focuses on young people, students, white collars and young families as the target customers to build a cluster of flagship stores in the business circle of Tianhe road through the introduction of the first store brand of Guangzhou and personalized flagship stores with homogenous branding.

It has introduced tenants including Uniqlo’s largest and latest flagship store in southern China, Guangzhou McDonald’s first future canteen flagship store, GU’s first flagship store in southern China, 7-Eleven, YO!TEA, Tai Er, YE&CO, Lao Xiang Cun, supafama 農場西餐, COLINMINT, and Cheng Sushi. It has integrated fast fashion, global trend, culture and creativity, and art space.



## PROPERTY PORTFOLIO

### GUANGZHOU TIANHE DISTRICT

## VICTORY PLAZA

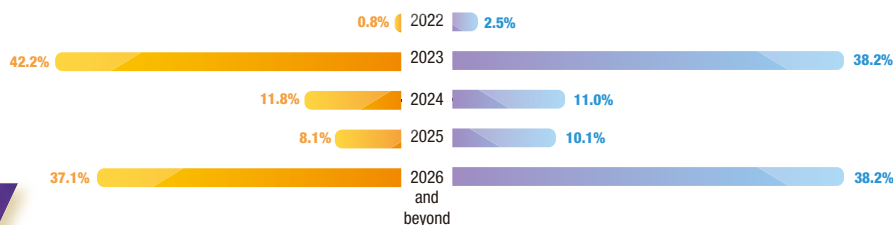


In 2019, Victory Plaza won many prestigious awards including the “Best Popularity Award”, the “Star of the Originality Services”, the “Good City Love Unit” by Guangzhou Charity Association. In 2020, Victory Plaza was awarded the “2nd China Commercial Property Planning Festival i.e. 3rd Golden Light Awards Ceremony” (第二屆中國商業地產企劃節暨第三屆金燈獎頒獎盛典), and awarded “Golden Light Award – Excellent Scene Award” (金燈獎卓越場景獎) for three successive years which represents the influence of decoration in China. In 2021, it won the titles of “Most Popular Commercial Complex of the Year” (年度最受歡迎商業綜合體), “Top Ten Most Popular Check-in Points in Guangzhou” (廣州十大最受歡迎打卡點) and “Member of YOUNG City YEAH City Night Consumption Alliance” (YOUNG 城 YEAN 市 夜間消費聯盟成員).

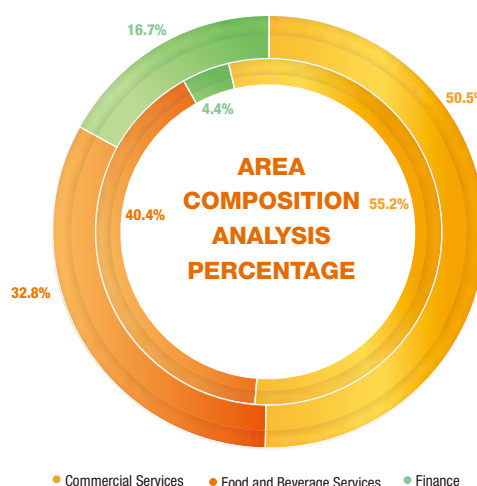




### BY RENTAL AREA      BY BASIC MONTHLY RENTALS



### RENTAL COMPOSITION ANALYSIS PERCENTAGE



### TOP 10 TENANTS BY RENTAL INCOME (AS AT 31 DECEMBER 2021)

Name of Tenant	Industry	% of Total Monthly Rentals	% of Total Gross Rented Area
Fast Retailing (China) Trading Co., Ltd. Victory Plaza Shop	Commercial Services	28.0%	38.3%
GU Shanghai Trading Co., Ltd.	Commercial Services	10.7%	5.3%
China Merchants Bank Co., Ltd. Guangzhou Branch	Finance	9.2%	2.9%
Industrial and Commercial Bank of China Limited, Guangzhou Dezheng Zhong Road Sub-branch	Finance	7.5%	1.5%
Guangdong Sanyuan McDonald's Food Company Limited	Food & Beverage	6.5%	4.7%
J.M. Developments (Limited Partnership)	Food & Beverage	4.7%	9.6%
Guangzhou Meten Education Technology Co., Ltd	Commercial Services	3.9%	5.2%
You Guang Zhi	Food & Beverage	2.7%	4.6%
Ivy (Guangzhou) Investment Co., Ltd.	Commercial Services	2.6%	1.3%
Guangzhou Xin Ying Dong Education Consultancy Co., Ltd.	Commercial Services	2.4%	2.6%
<b>Total</b>		<b>78.3%</b>	<b>76.0%</b>

## PROPERTY PORTFOLIO





# SHANGHAI PUDONG NEW DISTRICT YUE XIU TOWER

**YUE XIU TOWER –  
CONCENTRATED LOCATION  
FOR HIGH-GROWTH FINANCIAL  
ENTERPRISES, PREMIUM PROPERTY  
IN THE CORE AREA OF ZHUYUAN  
CBD IN PUDONG, SHANGHAI**

Yue Xiu Tower, located in Zhuyuan commercial district, Pudong, Shanghai, is only 2 kilometers from the centre of small Lujiazui Finance and Trade Zone. The property, being completed in September 2010, consists of a 25-storey Grade A office building attached with a 2-storey basement, as well as its retail space and car park, with a total gross floor area of 62,139.4 sq.m. and a rental gross floor area of 59,528.9 sq.m. (of which the area of the office building and retail space is 46,026.3 sq.m.). Yue Xiu Tower is situated at the transfer point of Metro Line 2, Line 4, Line 6 and Line 9 and surrounded by many retail and auxiliary facilities, such as banks, convenience stores and restaurants.

Existing tenants of Yue Xiu Tower are a number of renowned enterprises, including COFCO Futures, China Credit Trust, Nabtesco, Huatai Securities, Hongta Securities, Nanjing Securities, Access World and Sulzer Pumps Equipment.





## PROPERTY PORTFOLIO

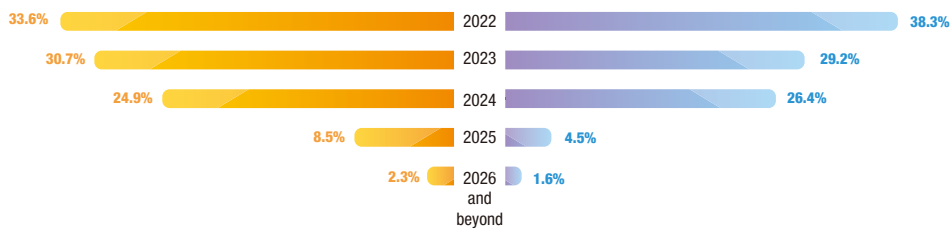
### SHANGHAI PUDONG NEW DISTRICT

### YUE XIU TOWER



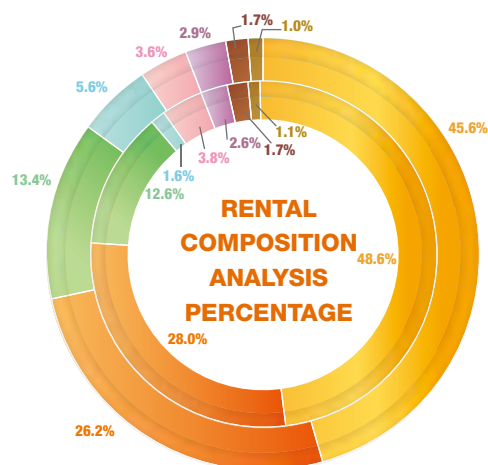
#### BY RENTAL AREA

#### BY BASIC MONTHLY RENTALS





### AREA COMPOSITION ANALYSIS PERCENTAGE



### TOP 10 TENANTS BY RENTAL INCOME (AS AT 31 DECEMBER 2021)

Name of Tenant	Industry	% of Total Monthly Rentals	% of Total Gross Rented Area
Yuexiu Group and its subsidiaries	Finance	18.0%	14.2%
Hongta Securities Co., Ltd	Finance	5.3%	4.7%
Xingong (Shanghai) Information Technology Services Limited	Commercial Services	4.8%	4.7%
Shanghai Zhengjia Clinical of TCM	Commercial Services	4.4%	2.8%
Tecan (Shanghai) Trading Co., Ltd	Commercial Services	3.9%	3.5%
Shanghai Nabtesco Business Management Co., Ltd	Manufacturing	3.4%	2.8%
Shanghai Shengbin Medical Consulting Service Co.,Ltd.	Commercial Services	2.8%	2.1%
China Credit Trust Co., Ltd.	Finance	2.3%	2.1%
Shanghai Jusheng Financial Leasing Co., Ltd.	Finance	1.9%	1.5%
Sulzer Pumps Wastewater Shanghai Co., Ltd	Manufacturing	1.9%	1.6%
<b>Total</b>		<b>48.5%</b>	<b>40.0%</b>




## PROPERTY PORTFOLIO





# WUHAN QIAOKOU DISTRICT WUHAN PROPERTIES

## YUEXIU FORTUNE CENTRE – WORLD COMMERCE PORTAL AND A RIVERSIDE BUSINESS LANDMARK COMPLEX IN QIAOKOU, WUHAN



Yuexiu Fortune Centre, located in Hankou Riverside Business District which is an emerging business district in Wuhan, is currently the tallest International Grade A office building completed in Wuhan. As the only International Grade A office building in Hankou and in the riverside area of Hankou, Yuexiu Fortune Centre owns excellent riverside views in three directions. The property is located within the second ring of Wuhan. Public transportation is convenient and people can easily access three towns in Wuhan. It is connected to Hanyang by Yuehu Bridge on the south side. Two metro lines meet at Qiaokou Road station (Metro Line 1 is in operation and Metro Line 10 is under planning). Hanjiang Avenue Expressway, next to the Yuexiu Fortune Centre, is directly connected to the Wuhan Tianhe International Airport. The property won the “2021 Asia Real Estate Annual Office Development Gold Award” (2021亞洲不動產年度寫字樓開發項目金獎) in 2021.

## PROPERTY PORTFOLIO

### WUHAN QIAOKOU DISTRICT

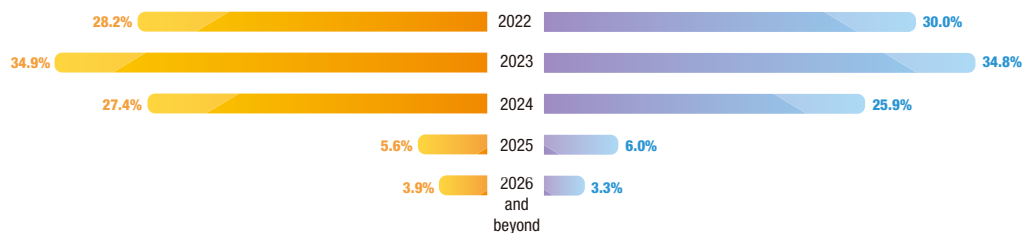
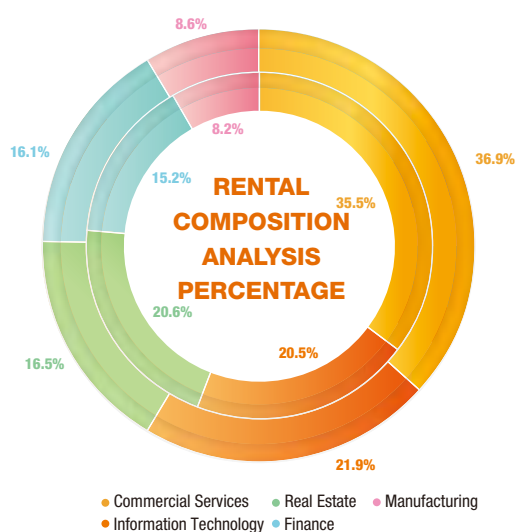
### WUHAN PROPERTIES - YUEXIU FORTUNE CENTRE



Yuexiu Fortune Centre was completed in August 2016, with a height of 330 metres and a total gross floor area of 139,937.1 sq.m., comprising a 68-storey office building. The main tenants of Yuexiu Fortune Centre are premium domestic and foreign companies, including Fortune 500 companies, such as SAP, Gezhouba Group, Kaili Air Conditioning, Hitachi, China Resources Snow Breweries, Ping An Pu Hui, China Textile, Media, Pacific Insurance, Taikang Life Insurance and so on. It has also attracted a number of renowned enterprises, including PSA, McQuay, AVIVA-COFCO, Sumitomo Group, Guangdong Guangxin, Prolog, Today Dream, C&D Realty, Kingdee Software, New Hope Real Estate, Shenzhen Investment Holding and DHH Law Firm.

## BY RENTAL AREA

## BY BASIC MONTHLY RENTALS

AREA COMPOSITION ANALYSIS  
PERCENTAGE

## TOP 10 TENANTS BY RENTAL INCOME (AS AT 31 DECEMBER 2021)

Name of Tenant	Industry	% of Total Monthly Rentals	% of Total Gross Rented Area
Yuexiu Group and its subsidiaries	Real estate	14.8%	10.8%
Guangdong Guangxin Communication Service Co., Ltd.	Information Technology	9.5%	10.5%
GEZHOUBA GROUP	Real estate	4.1%	3.5%
New China Life Insurance Co., Ltd. Wuhan Central Branch	Finance	3.2%	3.3%
Wuhan Prolog Integrated Technology Co., Ltd.	Information Technology	3.1%	2.8%
Aviva-COFCO Life Insurance Co., Ltd. Hubei Branch	Finance	3.0%	3.1%
BEIJING DHH (WUHAN) LAW FIRM	Commercial Services	2.3%	2.7%
BEIJING FENBITIANXIA CO.,LTD. WUHAN BRANCH	Commercial Services	2.1%	2.5%
Hubei CNPC Youyi Environmental Protection Technology Group Co., Ltd	Commercial Services	1.8%	1.4%
Wuhan Today Dream Trading Co., Ltd.	Commercial Services	1.6%	1.5%
Total		45.5%	42.0%



## PROPERTY PORTFOLIO

### WUHAN QIAOKOU DISTRICT

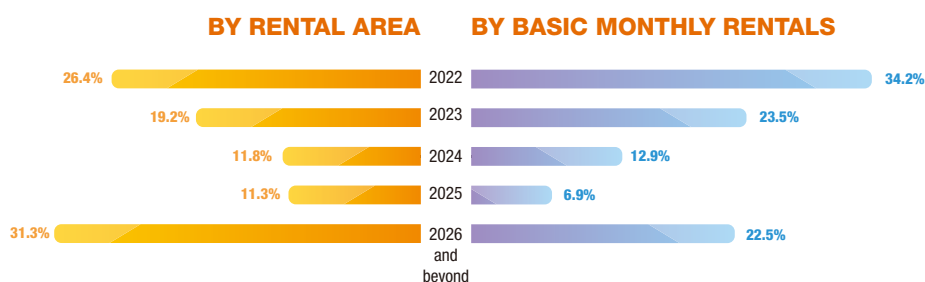
### WUHAN PROPERTIES - STARRY VICTORIA SHOPPING CENTRE



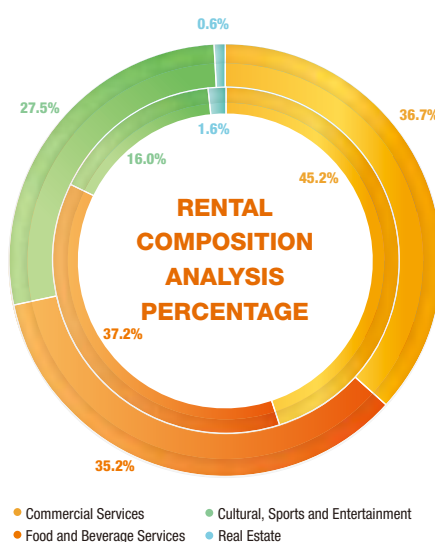
Starry Victoria Shopping Centre is the first Hong Kong lifestyle oriented neighborhood shopping centre in Wuhan. Office staffs and family-oriented consumers are its target consumer groups. It is also the first shopping center built with a covered walkway to the metro. The 5-storey shopping arcade (inclusive of a 1-storey basement) has a gross floor area of 45,471.4 sq.m. with 1,134 commercial carpark spaces and 375 residential carpark spaces.

Starry Victoria Shopping Centre provides supplementary services to office and residence services, F&B and life experience stores. Existing tenants of Starry Victoria are a number of renowned enterprises, including KFC, Tao Heung, Hutaoli, KenGee, Starbucks, Zhongbai Life Theatre, Hotwind, Huawei, Xiaomi, Apple Digital, Be True Shine, Han Gong Yan, Three Squirrels, WELTMEISTER, The green party, Luckin Coffee, Xibeimowang, Cai Lin Ji, Xiang Shi, Yi Peng Fan Tuan.





**AREA COMPOSITION ANALYSIS  
PERCENTAGE**



**TOP 10 TENANTS BY RENTAL INCOME (AS AT 31 DECEMBER 2021)**

Name of Tenant	Industry	% of Total Monthly Rentals	% of Total Gross Rented Area
Wuhan Insun Starry Victoria Cinema Co., Ltd.	Culture, Sports and Entertainment	5.0%	11.0%
Zhongbai Warehouse Supermarket Co., Ltd	Commercial Services	4.6%	8.1%
Wuhan Starry Victoria Hutaoli Restaurant Management Co., Ltd.	Food and Beverage	4.5%	2.2%
Wuhan KINGZONE Fitness Management Co., Ltd.	Culture, Sports and Entertainment	4.4%	5.4%
Wuhan Today Dream Trading Co., Ltd.	Commercial Services	2.4%	0.8%
Shanghai Yingxi Tianhao Catering Co., Ltd. Qiaokou Branch	Food and Beverage	2.3%	4.9%
Yanhe Aesthetics (Wuhan) Beauty Co., Ltd.	Commercial Services	2.0%	1.5%
Wuhan Hengxiuhui Catering Management Co., Ltd.	Food and Beverage	1.8%	1.7%
Chuyue Health Management Consulting (Wuhan) Co., Ltd.	Commercial Services	1.6%	1.2%
Wuhan Kengee Food Sales Co., Ltd	Food and Beverage	1.5%	0.5%
<b>Total</b>		<b>30.2%</b>	<b>37.4%</b>



## PROPERTY PORTFOLIO





# HANGZHOU SHANGCHENG DISTRICT VICTORY BUSINESS CENTER

## HANGZHOU VICTORY – A NEW OFFICE ENVIRONMENT WITH 270-DEGREE CIRCULAR-SCREEN DIAMOND OFFICE BUILDINGS

Hangzhou Victory Business Center Tower is located in Qianjiang New Town, Shangcheng District, Hangzhou, Zhejiang Province, within only 10-minute walking distance from the junction (Sanbao Station and Yudao Station,) at which two planning metro lines (line 6 and line 9) and one airport express line will intersect, and will enjoy greater accessibility to the Xiaoshan International Airport, Asian Games Village and other main metro stations in the future. The project was completed in January 2017, with a total gross floor area of more than 70,000 sq.m., including two 18-storey Grade A offices, four blocks of detached villa-style office buildings and 2-storey underground car park spaces. The property was awarded “Guangsha Award” (廣廈獎) in 2021.

Hangzhou Victory Business Center Tower Block 2 has attracted a number of renowned enterprises, including Powerchina, CRCC, Bank of China, Hangzhou Customs, Sijiqing Street Qianyun Community, Sunkwan Properties, Qingwang Group, Qingchuang Hezi, Caitong Securities and Yuexiu Property.



# PROPERTY PORTFOLIO

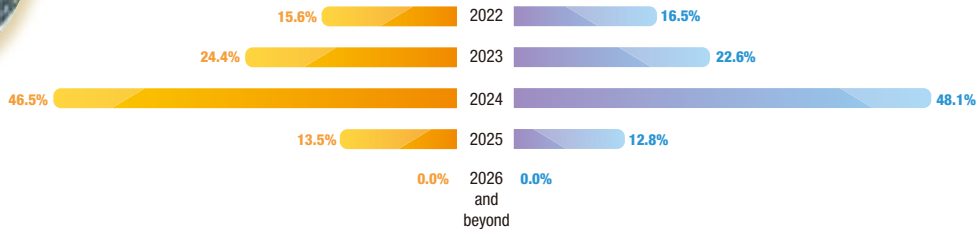
## HANGZHOU SHANGCHENG DISTRICT

### VICTORY BUSINESS CENTER

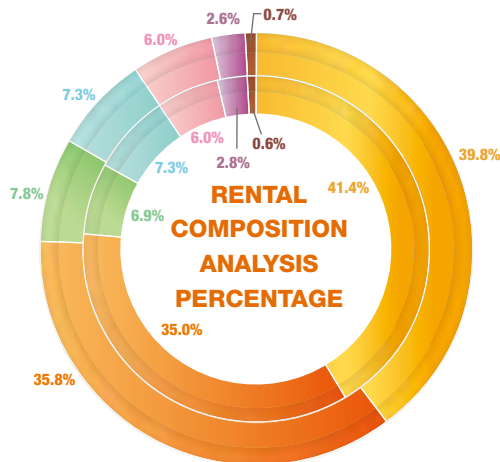


BY RENTAL AREA

BY BASIC MONTHLY RENTALS



AREA COMPOSITION ANALYSIS PERCENTAGE



- Others
- Commercial Services
- Information Technology
- Finance
- Manufacturing
- Logistics Services
- Real Estate

**TOP 10 TENANTS BY RENTAL INCOME** (AS AT 31 DECEMBER 2021)

<b>Name of Tenant</b>	<b>Type</b>	<b>% of Total Monthly Rentals</b>	<b>% of Total Gross Rented Area</b>
Yuexiu Group and its subsidiaries	Real Estate	<b>26.5%</b>	<b>23.3%</b>
Hangzhou Qiantang Wisevalley Industrial Construction Center	Others	<b>15.5%</b>	<b>14.6%</b>
Sijiqing Street Government Office of Jianggan District, Hangzhou	Others	<b>15.2%</b>	<b>16.4%</b>
Zhejiang Yiqiwan Internet Technology Co., Ltd.	Information Technology	<b>6.0%</b>	<b>5.7%</b>
CCCC Water Resources and Hydropower construction Co. Ltd	Real Estate	<b>5.7%</b>	<b>5.7%</b>
Sijiqing Street Qianyun Community Committee, Jianggan District, Hangzhou	Others	<b>4.3%</b>	<b>4.8%</b>
Sunkwan Properties Group Limited	Real Estate	<b>3.7%</b>	<b>4.2%</b>
China Railway Construction Investment Group Co., Ltd.	Real Estate	<b>3.4%</b>	<b>4.0%</b>
Zhejiang Jiahe Energy Co., Ltd	Manufacturing	<b>2.8%</b>	<b>2.6%</b>
Powerchina Real Estate	Real Estate	<b>2.7%</b>	<b>2.6%</b>
<b>Total</b>		<b>85.8%</b>	<b>84.1%</b>





# REPORT OF THE TRUSTEE

## TRUSTEE REPORT TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager of Yuexiu Real Estate Investment Trust has, in all material respects, managed Yuexiu Real Estate Investment Trust in accordance with the provisions of the Trust Deed dated 7 December 2005, as amended by the First Supplemental Deed dated 25 March 2008, the Second Supplemental Deed dated 23 July 2010, the Third Supplemental Deed dated 25 July 2012, the Fourth Supplemental Deed dated 3 April 2020 and the Fifth Supplemental Deed dated 28 May 2021 for the financial year ended 31 December 2021.

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

*(in its capacity as the trustee of Yuexiu Real Estate Investment Trust)*

Hong Kong, 7 March 2022

## DIRECTORS' AND SENIOR EXECUTIVES' PROFILES



- |                            |                     |
|----------------------------|---------------------|
| 1. Mr. CHEUNG Yuk Tong     | 5. Ms. OU Haijing   |
| 2. Mr. CHAN Chi On, Derek  | 6. Mr. LI Feng      |
| 3. Mr. CHAN Chi Fai, Brian | 7. Mr. ZENG Zhizhao |
| 4. Mr. LIN Deliang         | 8. Mr. CHEN Xiaoou  |

### DIRECTORS

The Directors of the Manager are:

Name	Age	Position
Mr. LIN Deliang (林德良)	52	Chairman, Executive Director and Chief Executive Officer
Ms. OU Haijing (區海晶)	45	Executive Director and Deputy Chief Executive Officer
Mr. LI Feng (李鋒)	53	Non-Executive Director
Mr. ZENG Zhizhao (曾志釗) (appointed on 4 March 2021)	44	Non-Executive Director
Mr. CHAN Chi On, Derek (陳志安)	58	Independent Non-Executive Director
Mr. CHAN Chi Fai, Brian (陳志輝)	67	Independent Non-Executive Director
Mr. CHEUNG Yuk Tong (張玉堂)	64	Independent Non-Executive Director
Mr. CHEN Xiaoou (陳曉歐)	52	Independent Non-Executive Director

Note: Mr. CHENG Jiuzhou (程九洲) resigned as an Executive Director and a Deputy Chief Executive Officer on 4 March 2021.

## DIRECTORS' AND SENIOR EXECUTIVES' PROFILES

### CHAIRMAN, EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

#### Mr. LIN Deliang

Mr. Lin has been appointed as Chairman on 14 August 2018 and is an Executive Director and Chief Executive Officer of the Manager and as one of the Responsible Officers licensed under the Securities & Futures Ordinance (“SFO”) and is authorized to carry out type 9 regulated activities.

Prior to joining the Manager, Mr. Lin participated in and was in charge of investment planning, sales and marketing programmes for various large scale residential and commercial properties of the Yuexiu Property Company Limited (“Yuexiu Property”), a company listed on The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”) (Stock Code: 00123). After joining Guangzhou City Construction & Development Co. Ltd. (廣州市城市建設開發有限公司) (“GCCD”) in 1992, Mr. Lin held various managerial positions in the investment development department of GCCD as well as in Xingye Real Estate Agent Co., Ltd. (being a subsidiary of Yuexiu Property) and Guangzhou Investment (HK Property) Company Limited. He was responsible for the operations management of properties located in, among others, Hong Kong, Macau, France and Singapore from 2003 to 2005. In 2006, Mr Lin was deputy general manager of Guangzhou Dongfang Hotel Group of Guangzhou Yue Xiu Holdings Limited (“Yue Xiu Group”), responsible for financial revenue management, hotel brand development, and tourism affairs etc. Mr. Lin is a qualified Real Estate Appraiser of China, China Land Valuer and China Real Estate Agent.

After joining the Manager, Mr. Lin was responsible for organizing to implement Yuexiu REIT’s acquisition of Guangzhou International Finance Center and a series of major capital operation projects in Shanghai, Wuhan and Hangzhou since 2009. As a composite professional of “DOS” (develop, operate and securitise) in the real estate investment and securitization field, Mr. Lin has accumulated nearly 30 years of practical experience in large property positioning and planning, investment development, commercial operations, and capital operations.

Mr. Lin graduated from Jinan University in the PRC with professional studies in corporate management, and obtained a bachelor degree in economics. He completed a MBA postgraduate course at South China University of Technology from 2004 to 2005.

### EXECUTIVE DIRECTOR AND DEPUTY CHIEF EXECUTIVE OFFICER

#### Ms. OU Haijing

Ms. OU Haijing is an Executive Director, and has been the Deputy Chief Executive Officer of the Manager since 26 April 2019 and one of the Manager’s Responsible Officers licensed under the SFO since 27 September 2018.

Since October 2016, Ms. Ou has been the head of asset management, primarily responsible for project management including leasing, property operation and asset enhancement. Prior to this role, Ms. Ou was responsible for the internal governance and human resources management of the Manager from May 2009 to September 2016, and headed the investment team of the Manager from 2007 to 2009. Before joining the Manager, Ms. Ou was mainly engaged in the capital operations and had participated in various mergers and acquisitions of Yue Xiu Group, including the listing of Yuexiu REIT. Ms. Ou has over 10 years of experience in internal governance in Yuexiu REIT. She is now a licensed person under the SFO and is authorised to carry out regulated activities of type 9.

Ms. Ou graduated from Jinan University in the PRC with professional studies in international economics and trade and economic law, and obtained a bachelor’s degree in Economics and a bachelor’s degree in Law (i.e. a double degree). Subsequently, she completed postgraduate studies in Finance at the Lingnan College of Sun Yat-Sen University in 2003.



## NON-EXECUTIVE DIRECTOR

### Mr. LI Feng

Mr. LI Feng is Non-Executive Director of the Manager. He is also an executive director of Yuexiu Property, Chairman and an executive director of Yuexiu Transport Infrastructure Limited (“Yuexiu Transport”), a company listed on the Hong Kong Stock Exchange (Stock Code: 01052), a non-executive director of Chong Hing Bank Limited, Chairman of Yuexiu Financial Holdings Limited and Yue Xiu Securities Holdings Limited, a director of Guangzhou Yuexiu Financial Holdings Group Co., Ltd. (廣州越秀金融控股集團股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 000987), and a director of GCCD.

Besides, Mr. Li is also the chief capital officer of Yue Xiu Group, mainly responsible for formulating and implementing major capital operation, organizing industrial development and financing coordination, upgrading the customer resource management, promoting and improving digital transformation of the whole group and as a press spokesman of Yue Xiu Group. Mr. Li holds the certificate in Major Administrative Decision-Making and Argumentation (廣州市重大行政決策論證專家) conferred by the Guangzhou Municipal Government, He is also the president of Association of Guangzhou Belt and Road Investment Enterprises, member of Guangzhou Housing Provident Fund Management Committee, director of Guangzhou People’s Association for Friendship with Foreign Countries and vice-president of The Listed Companies Council, Hong Kong Chinese Enterprises Association and a member of the Risk Management Committee of China Evergrande Group, a company listed on the Hong Kong Stock Exchange (Stock Code: 03333). Mr. Li joined Yuexiu in December 2001, he is familiar with business of listed companies and the operations of capital markets, he was also involved in the successful listing of Yuexiu REIT, and has extensive practical experience in capital operations.

Mr. Li graduated from South China University of Technology and Jinan University, and obtained a bachelor of Engineering, master of Business Administration and the qualification of a Senior Engineer in China.

### Mr. ZENG Zhizhao

Mr. Zeng Zhizhao is a Non-executive Director of the Manager.

Mr. Zeng joined the Yue Xiu group in July 2005 and is currently acting as the deputy general manager of Yuexiu Property, being responsible for the management of financial and capital operation of listed companies of the real estate sector within the Yue Xiu group.

Mr. Zeng has extensive experience in capital operations. Mr. Zeng has held various positions with Yue Xiu Group Holdings Limited where he worked as, among others, deputy manager and senior manager and certain other positions of the capital department from July 2005 to April 2014, as deputy director of capital operations of the capital department from April 2014 to November 2015, as deputy general manager of the capital department from November 2015 to March 2019, and as general manager of the capital department from March 2019 to January 2021, where he was mainly responsible for organizing and implementation of major capital operations projects, co-ordination of investor relations of listed companies within the Yue Xiu Group, capital operations and post-investment management of the headquarters of Yue Xiu group. Mr. Zeng was also involved in various capital operation projects including among others the acquisition of Guangzhou International Finance Center by Yuexiu REIT, acquisition of Chong Hing Bank Limited, and issuance of certain bonds.

Mr. Zeng received a bachelor’s degree in International Finance in July 1999, a master’s degree in Finance in July 2002, and a doctorate degree in Finance in July 2005, each from Xiamen University in Xiamen, PRC. He has been a certified public accountant in the PRC since June 2002. He has also obtained the qualification of financial economist in the PRC in December 2007 and the qualification of fund practitioner of Asset Management Association of China in May 2017.

## DIRECTORS' AND SENIOR EXECUTIVES' PROFILES

### INDEPENDENT NON-EXECUTIVE DIRECTORS

#### **Mr. CHAN Chi On, Derek**

Mr. Chan is an Independent Non-Executive Director ("INED") of the Manager.

Mr. Chan has over 30 years of experience in the financial services industry and is a co-author of a book on listing procedures and securities rules and regulation in Hong Kong.

Mr. Chan is currently the chairman of Halcyon Capital Limited and Halcyon Securities Limited, which are engaged in corporate finance and securities businesses in Hong Kong respectively. He worked for the Hong Kong Stock Exchange from 1989 to 1996 and was an executive director of Haitong International Securities Group Limited (Stock Code: 00665) (formerly known as Taifook Securities Group Limited), and had been the head of its corporate finance division for 16 years until the end of 2012.

Mr. Chan is also currently an independent non-executive director of Longfor Group Holdings Limited (Stock Code: 00960) and China Conch Venture Holdings Limited (Stock Code: 00586). The shares of the companies mentioned above are listed on the Hong Kong Stock Exchange.

Mr. Chan graduated from The Hong Kong University of Science and Technology with a master's degree in Business Administration in 1994 and from The University of Hong Kong with a bachelor's degree in Social Sciences (majoring in Economics) in 1985.

#### **Mr. CHAN Chi Fai, Brian**

Mr. Chan is an INED of the Manager.

Mr. Chan is currently also a director of the Hong Kong Parkview Group. He has been heavily involved in the overall development of the Hong Kong Parkview Group since he joined the group in 1990. With projects and investment properties in Hong Kong, PRC, Singapore and United Kingdom, the Hong Kong Parkview Group is principally engaged in property development and hospitality.

Prior to joining the Hong Kong Parkview Group, Mr. Chan worked in the banking sector from 1978 to 1989, the first 7 years of which was with a reputable international bank. The last position Mr. Chan held before leaving his banking career was as group financial controller of IBI Asia (Holding) Limited. During his 11 years in banking, Mr. Chan was involved in international banking operations, mergers and acquisitions as well as financial and risk management.

Mr. Chan is a director of Primeline Energy Holdings Inc., which is listed on the TSX Venture Exchange (Stock Code: PEH.V).

Mr. Chan is a certified public accountant with professional accounting qualifications in Hong Kong and United Kingdom, and has a higher diploma in Business Studies from The Hong Kong Polytechnic University.

**Mr. CHEUNG Yuk Tong**

Mr. Cheung is an INED of the Manager.

Mr. Cheung joined Baker & McKenzie in 1982 and worked in the Chicago, Beijing, Shanghai and Hong Kong offices of the firm. He was a partner in the corporate group of Baker & McKenzie's Hong Kong office, and was co-head of its Hong Kong and China mergers and acquisitions practice until June 2013 when he ceased to be a partner of Baker & McKenzie. His practice was focused in the areas of mergers and acquisitions and corporate finance.

Mr. Cheung was a member of the Judging Panel for the Corporate Governance Excellence Awards organized by the Hong Kong Chamber of Listed Companies from 2012 to 2015. He was also a member of the Takeovers and Mergers Panel and the Takeovers Appeals Committee of the Securities and Futures Commission of Hong Kong from 2012 to 2014.

Mr. Cheung graduated from The University of Hong Kong with an LL.B. and a postgraduate certificate in Laws, and from the London School of Economics with an LL.M.. He was admitted as a solicitor in Hong Kong and England, and as an attorney-at-law in New York.

**Mr. CHEN Xiaou**

Mr. Chen is an INED of the Manager.

Mr. Chen, has over 25 years of professional experience in large scale real estate asset management and investment, fund management, development, planning and design and international business operations. He has been living and working in PRC, the United States, Hong Kong, Singapore and Australia for many years. He is the China Chapter Board Member of Asia Pacific Real Estate Association, Fellow of The Building Owners and Managers Association China ("BOMA") and a BOMA-certified commercial real estate expert.

Mr. Chen is the chairman of F.O.G. Capital & Asset Management Corporation, and had been vice president, China, of CDPQ-Ivanhoe Cambridge. His past experience also includes an executive position in New World China Land, the China property flagship of New World Development Company Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 00017). He had worked as an architectural designer and urban planner in United States. Mr. Chen's management record includes large scale mixed-use development, high-end residential, retail, office and hotel projects.

Mr. Chen is a visiting professor of Cheung Kong Graduate School of Business, and was also the MBA Mentor for The School of Business of Renmin University of China. He received an AMDP (Advanced Management Development Program in Real Estate) certificate from Harvard University Graduate School of Design in 2010, obtained a master of Architecture degree from University of New South Wales in Australia in 1999, and obtained a bachelor of Architecture degree from Northwestern Polytechnical University in China in 1992.

**COMPENSATION OF DIRECTORS OF THE MANAGER**

All fees and compensation of the Directors and senior executives of the Manager were borne by the Manager and not by Yuexiu REIT or any of its controlled entities.

**INDEPENDENCE OF DIRECTORS**

The Manager has received written annual confirmation of independence from each of the four INEDs of the Manager confirming his independence based on the criteria set out in the Compliance Manual and the Manager considered all independent non-executive Directors to be independent.



## DIRECTORS' AND SENIOR EXECUTIVES' PROFILES

### SENIOR EXECUTIVES OF THE MANAGER

#### Mr. LIN Deliang

Mr. Lin is the Chairman, Chief Executive Officer, Executive Director and one of the Responsible Officers of the Manager. Information on his business and working experience have been set out in the subsection headed "Directors" above.

#### Ms. OU Haijing

Ms. OU is an Executive Director, and has been the Deputy Chief Executive Officer of the Manager and one of the Responsible Officers. Information on her business and working experience have been set out in the subsection headed "Directors" above.

#### Mr. YU Tat Fung

Mr. Yu is the company secretary and has been appointed as the compliance manager on 1 March 2010 of the Manager. He is also the group general legal counsel of Yue Xiu and is responsible for the company secretarial affairs and compliance of the Manager. From October 2004, Mr. Yu was the company secretary of Yuexiu Property, Yuexiu Transport and Yuexiu Services Group Limited (Stock Code: 006626), and he has also been appointed as the company secretary of Yue Xiu since January 2014. Mr. Yu obtained a bachelor's degree in social sciences from The University of Hong Kong in 1981. He attained the Solicitors' Final Examination in England in 1983. He was admitted as a solicitor of the Supreme Court of Hong Kong in 1986. He was also admitted to the Bar of the Province of British Columbia in Canada in 1995. Prior to joining Yuexiu Property in 1997, he was engaged in private practice with an emphasis on corporate and commercial law.

#### Mr. KWAN Chi Fai

Mr. Kwan is the Chief Financial Officer and one of the Responsible Officers of the Manager. He is responsible for the financial management of the Manager. Prior to joining Yue Xiu in January 2007, Mr. Kwan was the financial controller of 2 companies which are listed on the Hong Kong Stock Exchange. He has over 25 years of experience in finance, accounting and taxation.

Mr. Kwan is a member of Chartered Professional Accountants of Canada, the Hong Kong Institute of Certified Public Accountants and the Association of International Accountants. He obtained a master degree in business administration and a bachelor degree in accounting from The University of Hong Kong.

#### Ms. YOU Quan

Ms. You is the general manager of the project development department of the Manager. She is mainly responsible for the capital technical alteration, risk control and facility management operations of the properties. Before joining the Manager by the end of 2018, Ms. You was a project manager of TaiKoo Hui Guangzhou Development Co., Ltd and the HVAC director of Guangzhou City Construction & Development Design Institute Co. Ltd. for nearly 10 years. She has successively held positions such as technology and design department director, design and engineering department deputy director, regional director, project management department general manager of subsidiaries of Yuexiu Property since 2010. She has rich experience in both engineering and operations management, involved in management of 5-star hotels, likes Four Seasons Hotel Guangzhou, and super high-rise buildings and city level multi-functional commercial complexes, likes Guangzhou IFC and TaiKoo Hui.

Ms. You graduated from the HVAC, Gas and Refrigeration Department of Chongqing University of Architecture in 1995 with a master degree in engineering. She has a wide range of professional knowledge and is the holder of certified Public Utility Engineer (HVAC) qualification, senior HVAC engineer license, fire facility design certificate, building equipment engineer license.

**Mr. YU Xinyuan, Philip**

Mr. Yu is the Owner Representative of hotels and apartments of the Manager. Mr. Yu joined the Yuexiu Property since 2008, he was involved in the Four Seasons Hotel Guangzhou and Ascott Serviced Apartments management contracts negotiation and related preopening works for GZIFC projects. Mr. Yu joined the Manager in 2012, and was the deputy general manager of hotels and apartments department of the Manager. Before joining the Yuexiu Property, Mr. Yu had served as the department manager and general manager in domestic high-star level hotels. Mr. Yu has accumulated abundant experiences on hotel operations, preopening works and asset management.

Mr. Yu graduated from Quanzhou Huaqiao University in 1992 with a bachelor's degree in economics. Mr. Yu is also the members of Hospitality Asset Managers Association in Asia Pacific and China branch.

**Mr. LIU Bihong**

Mr. Liu is the general manager of the internal audit department and the deputy general manager of the compliance department of the Manager, and is also the deputy head of the legal department of Yue Xiu. He is mainly responsible for the examination of the correctness and completeness of the records of the operations and transactions and risk management and control, and also responsible for the prevention and management of PRC legal risks, and provides PRC legal support for the Manager's business and investment acquisitions. He assists in compliance work to ensure conformity with the requirements of the regulatory bodies such as the Hong Kong Stock Exchange and the SFC. He is also responsible for the corporate service of the Manager. Mr. Liu joined the GCCD Group in 1999 and worked in legal department. He was involved in the successful listing of Yuexiu REIT.

Mr. Liu obtained a bachelor's degree in engineering from Jilin University of Technology (吉林工業大學) in 1994 and graduated from the Sun Yat-sen University in 2005 with a Juris Master Degree. Mr. Liu has a wide range of professional knowledge and has gained professional qualifications successively in PRC, including Chinese Lawyer Qualification (1996), Certified Public Accountant (1998), Enterprise Legal Consultant (2000) and the Qualification for Registered Tax Agent (2001).

**Mr. CHEN Yongqin**

Mr. Chen is currently the general manager of the finance department of the Manager and is responsible for the finance, taxation and fund management of the Manager. Mr. Chen joined GCCD Group in 2005 and has successively held positions such as deputy manager and senior manager of the finance department of a subsidiary of GCCD. He has over 15 years of experience in finance and auditing in the real estate industry.

Mr. Chen graduated from the accounting department of Sun Yat-sen University in 2002 with a bachelor's degree in management. Mr. Chen is a Chartered Management Accountant (CIMA), Certified Internal Auditor (CIA), U.S. Certified Information System Auditor (CISA), Certified Fraud Examiner, and U.S. Certified Risk Manager. Mr. Chen is also an associate member of Association of International Accountants (AAIA), member of Australia Institute of Public Accountants (IPA), member of U.K. Institute of Financial Accountants (IFA), member of International Forensic Certified Public Accountants Association and international affiliate of Hong Kong Institute of Certified Public Accountants (HKICPAIA).

# THE LEASING AGENTS

## THE LEASING AGENTS

Yicheng BM was incorporated in the PRC in 1997 and is 66.92% owned by YXP as at 31 December 2021. (It introduced quality management system, environmental management system and professional health and safety management system in 2009 and has passed annual review and acquired re-certification. It was GB/T19001-2016/ISO9001:2015, GB/T24001-2016/ISO14001:2015 and GB/T45001-2020/IOS45001:2018 certified as at 31 December 2021). Yicheng BM newly certified an energy management system, certificate number GB/T23331-2020/ISO50001:2018, in 2021.

Baima BM (previously known as Guangzhou White House Property Management Co. Ltd was incorporated in the PRC in 1998 and is 66.92% owned by YXP as at 31 December 2021) provides leasing, marketing, tenancy management and property management services to White Horse Building and has been exclusively managing the property since 1998. It was GB/T19001-2016/ISO9001:2015 certified in 2018.

Guangzhou Yue Xiu Asset Management Company Limited (“GZAM”) was incorporated in the PRC in 2012 to provide leasing, marketing and tenancy management services for the office buildings and retail mall of GZIFC and Shanghai Yue Xiu Tower.

## CONFLICTS OF INTEREST

Yuexiu Property, its subsidiaries and associates are engaged in, amongst other things, investment in and development and management of commercial properties. Possible conflicts of interest may arise where Yuexiu REIT competes directly with Yuexiu Property and/or its subsidiaries or associates for property acquisitions and tenants. In order to address such potential conflict of interest, the following arrangements have been made.

## SEGREGATION OF OPERATIONAL LEASING AND MARKETING FUNCTIONS

The Yuexiu Property Group has effected an internal restructuring which resulted in Baima BM, Yicheng BM and GZAM (together “Leasing Agents”) only being solely responsible for providing leasing and marketing services to Yuexiu REIT’s properties and another company within the Yuexiu Property group (“YXP Property Manager”) will be responsible for providing such services to properties not belonging to Yuexiu REIT.

## “CHINESE WALLS”

“Chinese Wall” procedures have been put in place to ensure that there is segregation of information between the Leasing Agents and the YXP Property Manager. These include having separate operating premises and IT systems, and separate reporting lines, for each of the Leasing Agents and the YXP Property Manager. Leasing Agents have on-site premises for their use in connection with their property management functions. The personnel and IT systems of the Leasing Agents and the YXP Property Manager have been physically segregated.



## CONTRACTUAL PROTECTION

Contractual provisions have been included in each of the tenancy services agreements entered into between the Manager and Partat Investment Limited (“Partat”), Moon King Limited (“Moon King”), Full Estates Investment Limited (“Full Estates”), Keen Ocean Limited (“Keen Ocean”), Guangzhou Yue Xiu City Construction International Finance Centre Co., Ltd (“GYCCIFC”), Guangzhou Jiayao Property Development Co., Ltd., Guangzhou Yuyao Property Development Co., Ltd., Guangzhou Jingyao Property Development Co., Ltd., Guangzhou Jinyao Property Development Co., Ltd., (together as “Yuexin Financial Tower Project Companies”), Shanghai Hong Jia Real Estate Development Co., Ltd. (“Shanghai Hong Jia”), Wuhan Yuexiu Property Development Limited (“Wuhan YXPD”), Hangzhou Yuehui Real Estate Development Co., Ltd. (“Hangzhou Yuehui”) or, as the case may be, and the relevant Leasing Agent to provide that:

- (i) the Leasing Agents will at all times act in the best interests of Yuexiu REIT and exercise a reasonable standard of care, skill, prudence and diligence under the circumstances then prevailing that a reputable leasing agent would use in providing similar services for comparable local commercial properties;
- (ii) the Leasing Agents will adhere to the organisational charts and reporting lines agreed with the Manager and will act in accordance with the directions of the Manager;
- (iii) the Leasing Agents will implement the annual business plan and budget approved by the Manager every year and use its best endeavours to achieve the revenue targets in such approved annual business plan and budget; and
- (iv) if leasing or marketing opportunities in relation to any of the Properties become available to the Leasing Agents which the Leasing Agents, acting reasonably and in good faith, consider are or are likely to be in competition with the Yuexiu Property Manager, the Leasing Agents will either:
  - refer all such business proposals to the Manager for vetting and confirmation before the relevant Leasing Agent proceeds with such proposals or opportunities; or
  - sub-contract to a third party leasing agent independent of the Yuexiu Property Group, to devise and implement the relevant business proposal.

Yuexiu Property, being the parent company of the Leasing Agents, has provided an undertaking to Yuexiu REIT that it will procure that the Leasing Agents will comply with the relevant provisions set out in the tenancy services agreements in this regard.

# CORPORATE GOVERNANCE

With the objective of establishing and maintaining high standards of corporate governance, certain policies and procedures have been put in place to promote the operation of Yuexiu REIT in a transparent manner and with built-in checks and balances. Set out below is a summary of the key components of the corporate governance policies that have been adopted and are followed by the Manager and Yuexiu REIT.

## AUTHORISATION STRUCTURE

Yuexiu REIT is a unit trust authorised by the SFC under section 104 of the SFO and regulated by the provisions of the REIT Code. The Manager has been authorised by the SFC under section 116 of the SFO to conduct the regulated activity of asset management. As at 31 December 2021, the Manager had three persons who are approved as Responsible Officers pursuant to the requirements of section 125 of the SFO and Rule 5.4 of the REIT Code, Mr. Lin Deliang and Ms. Ou Haijing, the Executive Directors of the Manager, are also Responsible Officers of the Manager pursuant to the requirements of section 125 of the SFO. Mr. Kwan Chi Fai is also Responsible Officer.

The Trustee is registered as a trust company under section 77 of the Trustee Ordinance (Chapter 29) and is qualified to act as a trustee for authorised collective investment schemes under the SFO and the REIT Code.

## ROLES OF THE TRUSTEE AND MANAGER

The Trustee is responsible under the Trust Deed for, among other things, the safe custody of the assets of Yuexiu REIT held by it on behalf of Unitholders. The Manager's role under the Trust Deed is to manage Yuexiu REIT in accordance with the Trust Deed and, in particular, to ensure that the financial and economic aspects of Yuexiu REIT's assets are professionally managed in the sole interests of the Unitholders.

## FUNCTIONS OF THE BOARD

As at 31 December 2021, the board of Directors of the Manager ("Board") comprised eight members, four of whom are INEDs.

The Board principally oversees the day-to-day management of the Manager's affairs and the conduct of its business and is responsible for the overall governance of the Manager. The Board's function is largely separated from, and independent of, the executive management function. The Board leads and guides the Manager's corporate strategy and direction. Day-to-day management functions and certain supervisory functions have been delegated to relevant committees of the Board and a schedule of matters specifically reserved to the Board has been formally adopted. The Board exercises its general powers within the limits defined by the Manager's articles of association ("Articles of Association"), with a view to ensuring that management discharges its duties and is compensated appropriately, and that sound internal control policies and risk management systems are maintained. The Board will also review major financial decisions and the performance of the Manager. In accordance with the REIT Code, the Manager is required to act in the best interests of the Unitholders, to whom it owes a fiduciary duty.

## ROLES OF THE KEY BOARD MEMBERS

The roles of the key members of the Board are as follows:

- Chairman – responsible for the overall leadership of the Board and the Manager generally.
- Chief Executive Officer – responsible for the day-to-day operations of the Manager and supervises the Manager’s management team to ensure that Yuexiu REIT is operating in accordance with its stated strategies, policies and regulations.
- INEDs – govern the Manager through the Board and their participation in Board committees.

## BOARD COMPOSITION

The composition of the Board is determined using the following principles:

- the Board should comprise Directors with a broad range of commercial experience, including expertise in funds management and the property industry; and
- at least half of the Board and, in any event, not less than three Directors should comprise INEDs.

The composition will be reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience.

## BOARD MEETINGS

Board meetings will normally be held at least four times a year at approximately quarterly intervals. To ensure that Directors will be given sufficient time to consider the issues to be tabled at the various Board meetings, details of the venue, time and agenda of the meeting are required to be given at least 10 clear days in advance of the meeting (except if there are exceptional circumstances or if the majority of Directors agree to a shorter period of notice).

No Board meeting, or any adjourned Board meeting, will be quorate unless a simple majority of Directors for the time being (excluding any Directors which the Manager has a right to exclude for that purpose, whether pursuant to a contract or otherwise) are present at the time when the relevant business is transacted. A Director who, whether directly or indirectly, has a material interest in a contract or proposed contract with the Manager, which is of significance to the Manager’s business, he must declare the nature of his interest during the Board meeting or by giving a general notice to the Board, whichever is earlier before the question of entering into the contract is taken into consideration on behalf of the Manager.

A Director who is prohibited from voting by reason of a conflict of interest will not be counted for the purposes of establishing the necessary quorum for the meeting.

Matters to be considered by the Board will be adopted on the basis of a simple majority of votes.



## CORPORATE GOVERNANCE

The Manager has held nine full Board meetings, three of which were held by means of written resolutions, during the Reporting Year and the attendance of individual directors at such Board meetings is as follows:

<b>Members of the Board</b>	<b>Number of meetings attended</b>
Chairman and Executive Director	
Mr. Lin Deliang	9
Executive Directors	
Mr. Cheng Jiuzhou (resigned on 4 March 2021)	0
Ms. Ou Hajjing	9
Non-executive Directors	
Mr. Li Feng	9
Mr. Zeng Zhizhao (appointed on 4 March 2021)	7
Independent Non-executive Directors	
Mr. Chan Chi On, Derek	9
Mr. Chan Chi Fai, Brian	9
Mr. Cheung Yuk Tong	9
Mr. Chen Xiaouu	9

Note:

Mr. Cheng Jiuzhou resigned as an Executive Director and Mr. Zeng Zhizhao was appointed as a Non-executive Director on 4 March 2021.

## BOARD COMMITTEES

The Board has the power to delegate to committees consisting of such numbers of its body as it thinks fit. Various committees have been established to assist the Board in discharging its responsibilities. The committees of the Board have been set up with clear terms of reference to review specific issues or items and to then submit their findings and recommendations to the full Board for consideration and endorsement. Unless the decision making power has been vested in the relevant committee by the Board, the ultimate responsibility for making final decisions rests with the full Board and not the committees.

The committees of the Board are as follows:

### AUDIT COMMITTEE

The Audit Committee comprises INEDs only (at least one of whom must have appropriate professional qualifications or accounting or related financial management expertise) and should have at least three members. As at the date of this report, the members of the Audit Committee are Mr. Chan Chi On, Derek, Mr. Cheung Yuk Tong, Mr. Chan Chi Fai, Brian and Mr. Chen Xiaouu. Mr. Chan Chi Fai, Brian is the Chairman of the Audit Committee. Among other matters, it reviews the completeness, accuracy and fairness of Yuexiu REIT's financial statements and considers the scope, approach and nature of internal and external audit reviews, and is responsible for the overall risk management.

The Audit Committee's responsibilities also include:

- (1) appointing external auditors, reviewing their reports and guiding management to take appropriate actions to remedy faults or deficiencies identified in internal control.
- (2) monitoring the procedures in place to ensure compliance with applicable legislation, the REIT Code and the applicable Listing Rules.
- (3) reviewing all financial statements and internal audit reports.
- (4) reviewing and monitoring the procedures established to regulate connected party transactions, including ensuring compliance with the provisions of the REIT Code relating to transactions between Yuexiu REIT and a "connected person" (as defined in REIT Code).

The Audit Committee meets on a half yearly basis and otherwise on an as-needed basis. During the Reporting Year, seven meetings of the Audit Committee were held, one of which was held by means of written resolutions.

Audit Committee meetings were held during 2021 for considering and reviewing 2020 annual result, 2021 interim result, connected party transactions and other internal controls, risk management and compliance matters of Yuexiu REIT.

The attendance of members at such meetings is as follows:

<b>Members attended</b>	<b>Number of meetings attended</b>
Mr. Chan Chi Fai, Brian (Chairman)	7
Mr. Chan Chi On, Derek	7
Mr. Cheung Yuk Tong	7
Mr. Chen Xiaoou	7

The external auditors of Yuexiu REIT attended the Audit Committee meeting to report major audit issues and findings. The Audit Committee also met with the external auditors without the presence of the management team of the Manager once during the Reporting Year.

## **FINANCE AND INVESTMENT COMMITTEE**

The Finance and Investment Committee comprises seven Directors, including the Chairman, the Chief Executive Officer and at least one INED. As at the date of this report, the members of the Finance and Investment Committee are Mr. Lin Deliang, Ms. Ou Haijing, Mr. Cheng Jiuzhou (resigned on 4 March 2021), Mr. Li Feng, Mr. Zeng Zhizhao (appointed on 4 March 2021), Mr. Chan Chi On, Derek, Mr. Chan Chi Fai, Brian and Mr. Chen Xiaoou. Mr. Lin Deliang is the Chairman of the Finance and Investment Committee. It is responsible for, among other matters, evaluating and making recommendations on proposed acquisitions and disposals of assets, approving budgets and reviewing actual expenses on all key expenditures and reviewing the quarterly financial performance, forecasts and annual financial plan of the Manager and Yuexiu REIT. The Finance and Investment Committee also reviews and recommends changes to financial authorities, policies or procedures in areas such as accounting, taxes, treasury, distribution payout, investment appraisal, management and statutory reporting.

## CORPORATE GOVERNANCE

Finance and Investment Committee meetings were held during 2021 for reviewing 2020 annual result, 2021 interim result, bank loan refinancing, foreign exchange and capital renovation of Yuexiu REIT.

The Finance and Investment Committee has held seven meetings, one of which was held by means of written resolutions, during the Reporting Year, and the attendance of members at such meetings is as follows:

<b>Members attended</b>	<b>Number of meetings attended</b>
Mr. Lin Deliang (Chairman)	7
Ms. Ou Haijing	7
Mr. Li Feng	7
Mr. Cheng Jiuzhou (resigned on 4 March 2021)	0
Mr. Zeng Zhizhao (appointed on 4 March 2021)	5
Mr. Chan Chi On, Derek	7
Mr. Chan Chi Fai, Brian	7
Mr. Chen Xiaou	7

Note:

Mr. Cheng Jiuzhou resigned as a member of the Finance and Investment Committee and Mr. Zeng Zhizhao was appointed as a member of the Finance and Investment Committee on 4 March 2021.

## DISCLOSURES COMMITTEE

The Disclosures Committee comprises the Chief Executive Officer and at least one INED. Among other matters, it is responsible for reviewing matters relating to the regular, urgent and forward looking disclosure of information to Unitholders and public announcements and circulars. The Disclosures Committee also oversees compliance with applicable legal requirements (including those relating to Yuexiu REIT's connected party transactions) and the continuity, accuracy, clarity, completeness and currency of information disseminated by the Manager and Yuexiu REIT to the public and applicable regulatory agencies.

The Disclosures Committee's responsibilities also include:

- (1) Regularly review and recommend to the Board on matters of corporate disclosure issues and announcements, financial reporting, connected party transactions and potential areas of conflict of interests.
- (2) Oversee compliance with applicable legal requirements and the continuity, accuracy, clarity, completeness and circulation of information disseminated by both the Manager and the Yuexiu REIT to the public and applicable regulatory agencies.
- (3) Review and approve all material non-public information and all public regulatory filings of the Group prior to such information being disseminated to the public or filed with applicable regulatory agencies, as applicable.



The Disclosures Committee members are appointed by the Board from among the Directors. The Disclosures Committee presently consists of two members, namely, Mr. Lin Deliang and Mr. Chan Chi On, Derek. Mr. Chan Chi On, Derek is the Chairman of the Disclosures Committee.

The Disclosures Committee meets on a half yearly basis and otherwise on an as-needed basis. During the Reporting Year, twenty two meetings of the Disclosures Committee were held, fifteen of which were held by means of written resolutions.

The Disclosures Committee meetings were held during 2021 for considering and reviewing results announcements, interim and annual reports and other corporate disclosure issues of Yuexiu REIT.

The attendance of members at such meetings is as follows:

<b>Members attended</b>	<b>Number of meetings attended</b>
Mr. Chan Chi On, Derek (Chairman)	22
Mr. Lin Deliang	22

## **REMUNERATION AND NOMINATION COMMITTEE**

The Remuneration and Nomination Committee comprises of one member appointed by Manager and at least three INEDs. As at the date of this report, the members of the Remuneration and Nomination Committee are Mr. Lin Deliang, Mr. Chan Chi On, Derek, Mr. Chan Chi Fai, Brain and Mr. Cheung Yuk Tong. Mr. Cheung Yuk Tong is the Chairman of the Remuneration and Nomination Committee. Among other matters, it reviews the terms and conditions of employment of all staff and Directors (other than the members of the Remuneration and Nomination Committee, whose remuneration is determined by the Board) and recommends the manpower deployment plan (including the succession plan for the management of the Manager and the Board), remuneration and retirement policies and packages. It ensures that no Director is involved in deciding his own remuneration. It is also responsible for reviewing the structure, size and composition of the Board and its committees on an ongoing basis and for nominating, and providing recommendations on, persons for appointment, re-appointment or removal as Directors. If a member of the Remuneration and Nomination Committee is subject to re-appointment or removal, then such Director will abstain from participating in such discussions.

Remuneration and Nomination Committee meetings were held during 2021 for reviewing the performance management and manpower deployment of the Yuexiu REIT and the Manager and reviewing the structure, size and composition of the board and committees.

## CORPORATE GOVERNANCE

The Remuneration and Nomination Committee were held four meetings, one of which was held by means of written resolutions during the Reporting Year and the attendance of members at such meetings is as follows:

<b>Members attended</b>	<b>Number of meetings attended</b>
Mr. Cheung Yuk Tong (Chairman)	4
Mr. Lin Deliang	4
Mr. Chan Chi On, Derek	4
Mr. Chan Chi Fai, Brian	4

## INDEPENDENT BOARD COMMITTEE

Independent Board Committee presently comprises of four INEDs, namely, Mr. Chan Chi On, Derek, Mr. Cheung Yuk Tong, Mr. Chan Chi Fai, Brian and Mr. Chen Xiaou.

The Independent Board Committee was held one meeting during the Reporting Year.

Independent Board Committee held by INEDs to review and approve the connected party transactions relating to acquisition of Yuexiu Financial Tower and all the related matters.

<b>Members attended</b>	<b>Number of meeting attended</b>
Mr. Chan Chi On, Derek	1
Mr. Chan Chi Fai, Brian	1
Mr. Cheung Yuk Tong	1
Mr. Chen Xiaou	1

## DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

In accordance with the Corporate Governance Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. The company should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director. The Directors should also provide the company with their respective training records according to the Corporate Governance Code.

During the Reporting Year, the Directors have participated in relevant seminars or readings etc. which covered topics relating to the management and related regulations, as well as compliance issues with respect to the Listing Rules and the Securities and Futures Ordinance. Based on the Director's training records, trainings received by each Director during the period from 1 January 2021 to 31 December 2021 are summarized as follows:

<b>Name of Directors</b>	<b>Readings on publications and newspapers on updated information about economics, commerce, Directors duties, etc.</b>	<b>Participation in trainings/briefings/corporate governance/seminars/conferences relevant to Directors' duties</b>
<b>Executive Directors</b>		
Mr. Lin Deliang	√	√
Mr. Cheng Jiuzhou (resigned on 4 March 2021)	√	√
Ms. Ou Haijing	√	√
<b>Non-Executive Directors</b>		
Mr. Li Feng	√	√
Mr. Zeng Zhizhao (appointed on 4 March 2021)	√	√
<b>Independent Non-Executive Directors</b>		
Mr. Chan Chi On, Derek	√	√
Mr. Chan Chi Fai, Brian	√	√
Mr. Cheung Yuk Tong	√	√
Mr. Chen Xiaou	√	√

Note:

Mr. Cheng Jiuzhou resigned as an Executive Director and Mr. Zeng Zhizhao was appointed as a Non-executive Director on 4 March 2021.

## APPOINTMENT AND REMOVAL OF DIRECTORS

Directors may be nominated for appointment by the Board following a recommendation made by the Remuneration and Nomination Committee. All Directors will be appointed for specific terms. One-fourth of the INEDs who are subject to retirement by rotation (if necessary, rounded up to the nearest whole number) will retire at every annual general meeting from and including the first annual general meeting and the retiring Directors on each occasion will be those who have been in office longest since their last appointment or re-appointment, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree amongst themselves) be determined by ballot.

The Chairman has been appointed for an initial term of three years. Upon the expiration of such initial term, he may be re-appointed as a Chairman.



## CORPORATE GOVERNANCE

A Director may also be removed from office if served with a notice of removal signed by all of the other Directors. An outgoing Director must abstain from voting in respect of a resolution proposed at a Board meeting in respect of the appointment of his successor or his re-appointment.

Directors may be nominated for appointment and/or removal by the Board (following a recommendation made by the Remuneration and Nomination Committee), provided that if the Director so appointed is an INED, he/she shall hold office only until the next general meeting of the Yuexiu REIT and shall then be eligible for re-election at that meeting. Such re-election of INED shall be approved by Unitholders by way of an Ordinary Resolution.

Pursuant to the Articles of Association, a Director will need to vacate his office in certain circumstances, such as in the event that he becomes bankrupt, is convicted of an indictable offence, has been absent from Directors' meetings for six months or more without special leave of absence from the Board or fails to comply with the required standard set out in any code of conduct adopted by the Board and the Board resolves that he is thereby disqualified to continue as a Director.

## RISK MANAGEMENT AND INTERNAL CONTROL

To maintain a more effective and efficient business operation and sustainable business growth, Yuexiu REIT systematically determining business risk and setting up risk management structure, procedures and related contents.

Our risk management framework is guided by three defensive lines of risk management and control. First line of defense are the front line operation departments and different functional departments. They are responsible for monitoring performance against the operational and management indicators and will submit the control report regularly to the risk management team for review. The second line of defense is the risk management team. They are responsible for developing pertinent operational and management indicators, collecting, summarizing and analyzing the result from the control report. The third line of defense is the internal audit team responsible for carrying out independent objective assurance, evaluating the reasonableness of all risk indicators and operational procedures. Moreover, they need to report to the Board regularly.

The Board meets quarterly or more frequently, if necessary, to review the risk report submitted by the internal audit team and the effectiveness and adequacy of internal control of the major operation procedures of Yuexiu REIT.

Moreover, the Board has reviewed the financial performance of Yuexiu REIT, any risks relating to the assets of Yuexiu REIT, examined liability management and will act upon any comments from the auditors of Yuexiu REIT (where appropriate).

The Manager has appointed experienced and well-qualified management team to handle the day-to-day operations of the Manager and Yuexiu REIT. In assessing business risk, the Board has considered the economic environment and the property industry risk. It reviews management reports and feasibility studies on individual development projects prior to approving any major transactions.

## CONFLICT OF INTEREST

The Manager has established the following procedures to deal with conflict of interest:

- 1) The Manager does not manage any other real estate investment trust or involve in any other real estate business.
- 2) All connected party transactions are monitored and undertaken according to the procedures and/or on terms in compliance with the REIT Code.
- 3) At least half of the Board comprise INEDs.
- 4) INED's appointment should be approved by Unitholders by way of an Ordinary Resolution.

## GENERAL MEETINGS

Yuexiu REIT will in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year. The Trustee or the Manager may at any time convene a meeting of Unitholders. The Manager will also convene a meeting if requested in writing by not less than two Unitholders registered as together holding not less than 10.0% of the issued and outstanding Units. Except for annual general meeting where at least 21 days' notice of the meeting will be given, at least 14 days' notice of other meetings will be given to the Unitholders and the notice will specify the time and venue of the meeting and the resolutions to be proposed.

Two or more Unitholders present in person or by proxy registered as holding not less than 10.0% of the Units for the time being in issue will form a quorum for the transaction of all businesses, except for the purpose of passing a special resolution. The quorum for passing a special resolution will be two or more Unitholders present in person or by proxy registered as holding not less than 25.0% of the Units in issue. The quorum for an adjourned meeting shall be such number of Unitholders who are present in person or by proxy regardless of the number of Units held by them.

## REPORTING AND TRANSPARENCY

Yuexiu REIT will prepare its financial statements in accordance with Hong Kong Financial Reporting Standards with a financial year-end of 31 December and a financial half-year of 30 June. In accordance with the REIT Code, the annual results for Yuexiu REIT will be announced no later than three months following each financial year end and the annual report and financial statements for Yuexiu REIT will be published and sent to Unitholders no later than four months following each financial year-end and the interim results no later than two months following each financial half-year. In addition, Yuexiu REIT aims to provide Unitholders with relevant operational information, such as occupancy levels and utilisation rates of the properties that it holds, along with the publication of such financial results following each financial year-end and financial half-year.

As required by the REIT Code, the Manager will ensure that public announcements of material information and developments with respect to Yuexiu REIT will be made on a timely basis in order to keep Unitholders apprised of the position of Yuexiu REIT.

## CORPORATE GOVERNANCE

### DISTRIBUTION PAYMENTS

In accordance with the Trust Deed, Yuexiu REIT is required to distribute not less than 90% of Total Distributable Income to Unitholders. The Manager's policy is to distribute to Unitholders 100% of Yuexiu REIT's Total Distributable Income for each of the 2006, 2007 and 2008 financial years and thereafter at least 90% of Yuexiu REIT's annual Total Distributable Income in each subsequent financial year. As stated in the circular issued to Unitholders dated 30 June 2012, the Manager intended to distribute to the Unitholders an amount equal to 100% of Yuexiu REIT's Total Distributable Income and Additional Item for the financial years ended from 31 December 2012 to 31 December 2016 and no less than 90% thereafter.

The Manager also has the discretion under Trust Deed, where there are surplus funds, to distribute amounts in addition to that set out in the circular. At the time of announcing the distribution for any particular year, the Manager shall consider whether to exercise such discretion having regard to factors including but not limited to Yuexiu REIT's funding requirements, its earnings and financial position, its growth strategy, operating and capital requirements, compliance with relevant laws, regulations and covenants (including existing limitations on borrowings as prescribed in the REIT Code), other capital management considerations, the overall stability of distributions and prevailing industry practice.

### ISSUES OF NEW UNITS POST-LISTING

To minimise the possible material dilution of holdings of Unitholders, any further issue of Units will need to comply with the pre-emption provisions contained in the REIT Code. Such provisions require that further issues of Units be first offered on a pro rata pre-emptive basis to existing Unitholders except that Units may be issued: (i) free of such pre-emption rights; (ii) as consideration for the acquisition of additional real estate; and (iii) free of pre-emption rights in other circumstances provided that the approval of Unitholders by way of an ordinary resolution is obtained, provided that the number of Units issued under (i) and (ii) shall not exceed an aggregate maximum in any financial year of 20% of the number of Units in issue at the end of the previous financial year.

The Manager and Yuexiu REIT may issue Units or convertible instruments to a connected person, without the requirement of obtaining Unitholders approval where (i) the connected person receives a pro rata entitlement in its capacity as a Unitholder; (ii) Units are issued to the Manager to satisfy part or all of the Manager's remuneration or (iii) when Units or convertible instruments are issued to a connected person within 14 days in a place and top up exercise, subject to certain conditions.



## **INTERESTS OF, AND DEALINGS IN UNITS BY, THE MANAGER AS WELL AS DIRECTORS AND SENIOR MANAGEMENT OF THE MANAGER**

To monitor and supervise any dealings of Units by the Directors and their associates, the Manager has adopted a code containing rules on dealings by the Directors and associated parties (“Code Governing Dealings in Units by Directors”) equivalent to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules. Pursuant to this code, Directors wishing to deal in the Units must first have regard to Parts XIII and XIV of the SFO with respect to insider dealing and market misconduct as if these provisions of the SFO applied to the securities of Yuexiu REIT. In addition, there are occasions where Directors cannot deal in the Units even though the requirements of the SFO, if it applied, would not be contravened. A Director must not make any unauthorised disclosure of confidential information or make any use of such information for the advantage of himself or others. The Manager shall be subject to the same disclosure requirements as the Directors, *mutatis mutandis*.

Directors who are aware of or privy to any negotiations or agreements related to intended acquisitions or disposals which are significant transactions or connected party transactions under the REIT Code or any price-sensitive information must refrain from dealing in the Units as soon as they become aware of them or privy to them until proper disclosure of the information in accordance with the REIT Code and any applicable Listing Rules. Directors who are privy to relevant negotiations or agreements or any price-sensitive information should caution those Directors who are not so privy that there may be unpublished price-sensitive information and that they must not deal in Yuexiu REIT’s securities for a similar period.

Interests held by Directors and their associates will be published in the annual and interim reports of Yuexiu REIT. To facilitate this, the Manager has adopted a code containing rules on disclosure of interests by Directors. The Manager shall be subject to the same dealing requirements as the Directors, *mutatis mutandis*.

The above codes may also be extended to senior executives, officers and other employees of the Manager or Yuexiu REIT as the Board may determine.

The Manager has also adopted procedures for monitoring of disclosure of interests by Directors, the chief executive of the Manager, and the Manager. The provisions of Part XV of the SFO are deemed by the Trust Deed to apply to, among other things, the Manager, the Directors and chief executive of the Manager and each Unitholder and all persons claiming through or under him.

## CORPORATE GOVERNANCE

Under the Trust Deed, Unitholders with a holding of 5.0% or more of the Units in issue will have a notifiable interest and will be required to notify the Hong Kong Stock Exchange, the Trustee and the Manager of their holdings in Yuexiu REIT. The Manager shall keep a register for these purposes and it shall record in the register, against a person's name, the particulars provided pursuant to the notification and the date of entry of such record. The said register shall be available for inspection by the public without charge during such hours as the register of Unitholders is available for inspection. In addition, the Manager maintains a website containing all important information concerning Yuexiu REIT. The Manager shall cause copies of all disclosure notices received to be promptly posted to its website.

### MATTERS TO BE DECIDED BY UNITHOLDERS BY SPECIAL RESOLUTION

Pursuant to the Trust Deed, decisions with respect to certain matters require specific prior approval of Unitholders by way of special resolution. Such matters include, among other things, removing the Trustee and approving the termination of Yuexiu REIT.

### CONFIRMATION OF COMPLIANCE WITH CODE GOVERNING DEALINGS IN UNITS BY DIRECTORS

Specific enquiry has been made of all Directors and Manager and all of them confirmed they had complied with the required standard set out in the Code Governing Dealings in Units by Directors.

### PUBLIC FLOAT

Based on the information that is publicly available as at the date of this report, the Manager reports there was more than 25% of the Units held in public hands as required under the Listing Rules and the REIT Code.

### COMPLIANCE WITH COMPLIANCE MANUAL

Except from Article A.2.1 of the Corporate Governance Code, it is required that the roles of the Chairman and the Chief Executive Officer should be segregated and should not be performed by the same individual. At present, Mr. Lin Deliang is both the Chairman and Chief Executive Officer of the Manager. This structure was considered of more efficiency in business planning and decision-making for Yuexiu REIT. The Board also did not believe that the current structure of a single Chairman and Chief Executive Officer will compromise the balance of power and authority between the board and the Manager's management.

The Manager has adopted a compliance manual (the "Compliance Manual") for use in relation to its management and operation of Yuexiu REIT which includes key policies and procedures for maintaining a high standard of corporate governance.

During the Reporting Year, the Manager has complied with the provisions of its Compliance Manual for its management of Yuexiu REIT.

## TRUST DEED AMENDMENTS

As stated in the announcement dated 26 April 2021, the Manager and the Trustee entered into a supplemental deed (the “Fifth Supplemental Deed”) to amend the Trust Deed of Yuexiu REIT to include expansion of the geographical scope of investment to any part of in the world; expansion of the investment scope of Yuexiu REIT’s investment strategy to include Property Development and Related Activities and Relevant Investments; and make other miscellaneous amendments to the Trust Deed of Yuexiu REIT. For further background and the full text of these amendments, please refer to the abovementioned announcement and the Appendix thereto.

Under 10.7(a)(v) of the REIT Code, clause 19.2(e), clause 36 of the Trust Deed, and paragraph 3.3 of Schedule 1 to the Trust Deed, the Manager proposes to seek the necessary Unitholders’ approval by way of Special Resolutions at the EGM as required for the Geographical Scope Amendments, Property Development Amendments and Relevant Investments Amendments and the Special Resolutions will be decided on by poll at the EGM. The Special Resolutions were passed by the Unitholders on 27 May 2021.

## AUDITORS

The financial statements of Yuexiu REIT have been audited by PricewaterhouseCoopers. They have been re-appointed for performing the audit for the financial year ending 31 December 2022.



## CONNECTED PARTY TRANSACTIONS

The connected party transaction rules of the REIT Code govern transactions between the Yuexiu REIT Group and its connected persons (as defined in Rule 8.1 of the REIT Code). Such transactions will constitute connected party transactions for the purposes of the REIT Code.

### THE MANAGER AND SUBSTANTIAL HOLDER GROUP

Set out below is the information in respect of the connected party transactions involving Yuexiu REIT and its connected persons:

### LEASING TRANSACTIONS

Certain portions of City Development Plaza, GZIFC, Yuexiu Financial Tower, Fortune Plaza, Yue Xiu Tower, Wuhan Properties, Hangzhou Victory and White Horse Building have been leased to connected parties of Yuexiu REIT in relation to the Manager ("Manager Group"). Details are as follows:

Tenant	Location of unit	Relationship with Yuexiu REIT	Lease commencement/ renewal date	GFA (sq.m.)	Monthly	Monthly	Rent free	Rental income	
					Monthly rent (RMB)	rent per sq.m. (RMB)	period (days)	Term (years)	Reporting Year (RMB)
<b>City Development Plaza</b>									
Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd. ("Yicheng BM")	103F	an associate of the Manager	58.98	1 Jan 2020	871	15	0	3	10,443
Guangzhou Yuexiu Xingye Property Agent Ltd. ("Xingye")	27, 28/F	an associate of the Manager	3,688.68	1 Jan 2018	493,582	134	0	4	6,096,527
廣州鵬輝貿易有限公司	21FGHl	an associate of the Manager	691.63	1 Jun 2020	99,595	144	0	3	1,195,141
廣州悅秀智訊科技信息諮詢有限公司	18ABJ	an associate of the Manager	691.62	1 Sep 2020	99,594	144	0	3	1,195,127
廣州悅秀智訊科技信息諮詢有限公司 <sup>(1)</sup>	18CDE	an associate of the Manager	461.09	1 Jun 2021	66,397	144	0	2.25	769,368
廣州悅秀智訊科技信息諮詢有限公司	18F	an associate of the Manager	126.45	1 Sep 2020	18,209	144	0	3	218,507
Yicheng BM	Carpark	an associate of the Manager	2,104.25	19 Nov 2019	304,167	145	0	3	3,646,674
廣州城建開發裝飾有限公司	9FGH	an associate of the Manager	461.09	27 Jul 2020	61,478	133	0	2.85	733,471
廣州宏城發展有限公司第一分公司	8E	an associate of the Manager	126.45	30 Dec 2020	16,860	133	0	0.17	33,667
Xingye <sup>(2)</sup>	10FG	an associate of the Manager	334.64	1 Mar 2021	44,618	133	0	0.50	447,655
Xingye	10A	an associate of the Manager	230.54	30 Dec 2021	31,836	138	0	0.09	2,054
<b>Sub-total:</b>									<b>14,348,634</b>

- On 1 June 2021, 廣州悅秀智訊科技信息諮詢有限公司 entered into a lease with Full Estates Investment Limited to renew the lease of unit 18CDE of City Development Plaza for a term of 2.25 year commencing from 1 June 2021, and other lease conditions remained unchanged.
- On 1 September 2021, Xingye entered into a lease with Full Estates Investment Limited to renew the lease of unit 10FG of City Development Plaza for a term of 0.66 year commencing from 1 September 2021, and other lease conditions remained unchanged.

Tenant	Location of unit	Relationship with Yuexiu REIT	Lease commencement/ renewal date	GFA (sq.m.)	Monthly rent	Monthly rent per sq.m.	Rent free period	Term	Rental income during 2021 Reporting Year
					(RMB)	(RMB)	(days)	(years)	(RMB)
<b>GZIFC</b>									
Guangzhou Yuexiu Holdings Ltd. ("GZYX")	0401-B	an associate of the Manager	1 Dec 2021	948.00	180,571	190	0	3	173,019
Guangzhou Yuexiu Enterprises Holdings Ltd. ("YXE" <sup>(1)</sup> )	0601-A	an associate of the Manager	1 Jan 2019	1,224.74	271,892	222	0	3	3,223,512
Guangzhou Yuexiu Financial Holdings Group Co., Ltd. ("GZYFHG")	0601-B	an associate of the Manager	1 Jan 2019	227.87	50,587	222	0	1.5	1,062 <sup>(2)</sup>
Guangzhou Yuexiu Financial Holdings Co., Ltd.	0601-B	an associate of the Manager	1 Aug 2020	48.75	10,823	222	0	1.42	128,315
YXE <sup>(1)</sup>	0601-C	an associate of the Manager	1 Jul 2020	88.00	19,536	222	0	1.5	241,586
Guangzhou Yuexiu Asset Management Co., Ltd. ("GZAM")	0601-D	an associate of the Manager	1 Sep 2019	138.72	30,796	222	0	3	365,113
GZAM	0601-E	an associate of the Manager	1 Jan 2021	46.82	10,287	220	0	3	116,585
廣州越達投資有限責任公司	0601-F	an associate of the Manager	1 Jan 2021	126.99	27,901	220	0	3	316,210
Guangzhou City Construction and Development Co. Ltd. ("GCCD")	0601-G, H	an associate of the Manager	1 Jan 2019	877.03	194,701	222	0	3	2,308,338
Guangzhou Yuexiu Financial Holdings Co., Ltd.	0601-I	an associate of the Manager	1 Jul 2020	160.05	35,531	222	0	1.5	454,263
GCCD	0601-J	an associate of the Manager	1 Aug 2020	179.12	39,765	222	0	1.42	493,146
Guangzhou Futures Co., Ltd.	1004	an associate of the Manager	31 Dec 2020	252.46	57,308	227	0	1	630,510
Guangzhou Futures Co., Ltd.	1005-1006	an associate of the Manager	1 Apr 2020	495.45	112,467	227	0	1.75	1,346,969
Guangzhou Futures Co., Ltd.	1007-1012	an associate of the Manager	1 Jan 2019	1,486.52	337,441	227	0	3	3,820,842
廣州東耀房地產開發有限公司 <sup>(3)</sup>	1401	an associate of the Manager	1 Jan 2019	3,071.42	746,355	243	0	3	9,375,444
廣州市祥港房地產開發有限公司	1501	an associate of the Manager	1 Jan 2019	3,141.03	747,565	238	0	3	9,390,644
GCCD	1601	an associate of the Manager	1 Jan 2019	3,156.79	751,316	238	0	3	9,437,761
廣州越達投資有限責任公司	1701-A	an associate of the Manager	1 Jan 2021	1,585.09	395,971	250	0	3	4,487,671
Guangzhou Yue Tong Expressway Operations and Management Co., Ltd. ("Yue Tong")	1701-B	an associate of the Manager	1 Jan 2021	261.29	65,273	250	0	3	739,760
Guangzhou Yue Peng Information Ltd. ("Yue Peng")	1701-C	an associate of the Manager	1 Jan 2021	266.86	66,664	250	0	3	755,524
Guangzhou Suiqiao Development Co., Ltd. ("Suqiqiao")	1701-D	an associate of the Manager	1 Jan 2021	200.99	50,209	250	0	3	569,035
廣州越達投資有限責任公司	1701-E	an associate of the Manager	1 Jan 2021	855.96	213,827	250	0	3	2,423,374
YXE <sup>(1)(4)</sup>	2604	an associate of the Manager	1 Jan 2021	544.25	119,217	219	0	0.25	1,430,604
廣州越秀資本投資管理有限公司	3301	an associate of the Manager	15 Sep 2019	274.77	70,655	257	0	2.95	792,579
廣州越秀資本投資管理有限公司 <sup>(5)</sup>	3309, 3310, 3311, 3312	an associate of the Manager	1 Mar 2019	1,095.81	292,216	267	0	2.50	3,302,569
Guangzhou Yuexiu Kunpeng Private Equity Fund Management Co., Ltd. <sup>(6)</sup>	3406-A	an associate of the Manager	1 Apr 2020	207.00	55,397	268	0	1	662,488
Guangzhou Yuexiu Venture Investment Fund Management Co., Ltd	3809, 3810	an associate of the Manager	1 Apr 2021	562.40	139,261	248	0	3	1,213,198
GZAM <sup>(7)</sup>	4001, 02, 03, 05, 06	an associate of the Manager	1 May 2018	2,882.42	713,741	248	0	3	8,578,479
YXE <sup>(1)</sup>	4606	an associate of the Manager	1 Jan 2018	558.37	138,263	248	0	4.83	1,698,582

## CONNECTED PARTY TRANSACTIONS

Tenant	Location of unit	Relationship with Yuexiu REIT	GFA (sq.m.)	Lease commencement/	Monthly rent (RMB)	Monthly rent per sq.m. (RMB)	Rent free period (days)	Term (years)	Rental income
				renewal date					during 2021 Reporting Year (RMB)
YXE <sup>(10)</sup>	5004-B	an associate of the Manager	282.54	25 Mar 2020	68,617	243	0	1.02	820,513
YXE <sup>(11)</sup>	5604	an associate of the Manager	533.50	25 Mar 2019	142,267	267	0	3.02	1,634,561
YXE <sup>(11)</sup>	5605	an associate of the Manager	533.50	30 Aug 2021	142,267	267	0	2.01	554,297
Guangzhou Yue Xiu City Construction Jones Lang LaSalle Property Services Co., Ltd. ("GZ JLL")	5607	an associate of the Manager	134.16	31 Dec 2020	16,610	124	0	2.50	186,347
YXE <sup>(11)</sup>	5801-A, 05-A, 06-E, 07-A	an associate of the Manager	734.15	1 Jun 2019	204,863	279	0	3	2,437,006
廣州東耀房地產開發有限公司 <sup>(10)</sup>	5801-B, 02, 03, 04-A	an associate of the Manager	1,196.58	1 Jun 2019	333,904	279	0	3	3,972,056
GZAM	5804-B	an associate of the Manager	242.29	1 Jun 2019	67,610	279	0	3	804,278
Yuexiu (China) Transport Infrastructure Investment Co., Ltd.	5804-C	an associate of the Manager	262.73	1 Jun 2019	73,314	279	0	3	872,131
Guangzhou Yuexiu Financial Holdings Co., Ltd.	5805-B, 06-A, 06-B	an associate of the Manager	721.10	1 Jul 2020	201,221	279	0	1.92	2,393,685
Guangzhou Yuexiu Financial Leasing Co., Ltd.	5806-C	an associate of the Manager	133.50	1 Jun 2019	37,253	279	0	3	443,154
Guangzhou Paper Group Ltd.	5806-D	an associate of the Manager	85.49	1 Jun 2019	23,856	279	0	3	283,784
廣州越秀企業發展有限公司 <sup>(10)</sup>	5807-B	an associate of the Manager	85.49	1 Jun 2019	23,856	279	0	3	284,391
YXE <sup>(11)</sup>	6201	an associate of the Manager	3,330.29	30 Aug 2020	1,110,097	333	0	3	12,927,519
Guangzhou Yuexiu Financial Holdings Co., Ltd.	6301-A, E	an associate of the Manager	696.58	1 Jul 2020	245,722	353	0	1.5	2,870,876
Guangzhou Yuexiu Financial Holdings Co., Ltd.	6301-B, C	an associate of the Manager	1,742.17	1 Jul 2020	614,560	353	0	1.5	7,180,169
Guangzhou Yuexiu Financial Holdings Co., Ltd.	6301-D, F	an associate of the Manager	860.73	1 Jul 2020	288,345	335	0	1.5	3,463,519
YXE <sup>(11)</sup>	6401, 6501	an associate of the Manager	6,509.02	1 Jan 2019	2,278,157	350	0	3	27,928,550
Yuexiu (China) Transport Infrastructure Investment Company Limited	Annex 440-A	an associate of the Manager	208.68	1 Jan 2021	40,067	192	0	1	480,804
GZYFHG	Annex 440-B	an associate of the Manager	189.75	1 Jan 2019	34,914	184	0	1	733 <sup>(11)</sup>
Guangzhou Yuexiu Financial Holdings Co., Ltd.	Annex 440-B, G	an associate of the Manager	220.12	1 Jan 2021	42,263	192	0	1	507,156
Guangzhou Yuexiu Industrial Investment Fund Management Co., Ltd.	Annex 440-C	an associate of the Manager	148.73	1 Jan 2021	28,556	192	0	1	342,672
廣州越秀商業地產投資管理有限公司	Annex 440-D	an associate of the Manager	342.09	1 Jan 2021	65,681	192	0	1	788,172
GCCD	Annex 440-E	an associate of the Manager	836.56	1 Jan 2021	160,620	192	0	1	1,927,440
廣州市城建開發集團名特網絡發展有限公司	Annex 440-F	an associate of the Manager	174.36	1 Jan 2021	33,477	192	0	1	401,724
YXE <sup>(11)</sup>	Annex 440-H	an associate of the Manager	559.01	1 Jan 2021	107,330	192	0	1	1,287,960
Guangzhou Yuexiu Financial Technology Co., Ltd.	Annex 440-I	an associate of the Manager	141.18	1 Jan 2021	27,107	192	0	1	325,284
Guangzhou Futures Co., Ltd.	Annex 440-J	an associate of the Manager	25.17	1 Jan 2021	4,833	192	0	1	57,996
GZ JLL	Annex 440-K	an associate of the Manager	14.42	1 Jan 2021	2,769	192	0	1	33,228



Tenant	Location of unit	Relationship with Yuexiu REIT	GFA (sq.m.)	Lease commencement/renewal date	Monthly rent	Monthly rent per sq.m.	Rent free period	Term	Rental income during 2021 Reporting Year
					(RMB)	(RMB)	(days)	(years)	(RMB)
Guangzhou Yuexiu Business Operation Management Co., Ltd.	Annex 440-L	an associate of the Manager	8.70	1 Jan 2021	1,670	192	0	1	20,040
GZ JLL	Carpark	an associate of the Manager	71,082.79	1 Jan 2021	1,390,835	20	0	1	16,690,020
廣州皇上皇集團股份有限公司	裙樓B105a	an associate of the Manager	361.20	15 Sep 2021	87,720	243	0	3	295,753
廣州皇上皇集團股份有限公司	B1ADa19-3, B1ADc21, B1ADd17-2, B1ADc22, ADh27-1 廣告位	an associate of the Manager	N/A	26 Nov 2021	20,193	N/A	0	0.17	23,560
廣州風行乳業股份有限公司	B1V101-1, 2	an associate of the Manager	63.00	5 Nov 2021	36,000	571	0	1	67,200
GCCD	B1V103	an associate of the Manager	48.00	11 Oct 2021	N/A	N/A	0	0.03	68,101
<b>Sub-Total:</b>									<b>160,851,861</b>

- (1) On 5 August 2021, Guangzhou Yuexiu Enterprises Holdings Ltd. ("YXE"), its registered Chinese corporate name has been changed from "廣州越秀企業集團有限公司" to "廣州越秀企業集團股份有限公司". The English name of YXE remains to be Guangzhou Yuexiu Enterprises Holdings Ltd.
- (2) During 2021 Reporting year, the amount of overdue payment of the lease of Unit 0601-B of GZIFC received/receivable by GZIFC from GZYFHG was RMB 1,602.
- (3) On 1 July 2021, 廣州東耀房地產開發有限公司 entered into a lease with GZIFC, to renew the lease of Unit 1401 of GZIFC, the tenant of which has been changed into 廣州越創房地產開發有限公司 for a term of 0.5 years commencing from 1 July 2021, and other lease conditions remain unchanged.
- (4) On 1 April 2021, YXE entered into a lease with GZIFC, to renew the lease of Unit 2604 of GZIFC for a term of nine months commencing from 1 April 2021, and other lease conditions remain unchanged.
- (5) On 1 September 2021, 廣州越秀資本投資管理有限公司 entered into a lease with GZIFC, to renew the lease of Unit 3309, 3310, 3311, 3312 of GZIFC for a term of three years commencing from 1 September 2021, and other lease conditions remain unchanged.
- (6) On 1 April 2021, Guangzhou Yuexiu Kunpeng Private Equity Fund Management Co., Ltd. entered into a lease with GZIFC, to renew the lease of Unit 3406-A of GZIFC for a term of six months commencing from 1 April 2021, and other lease conditions remain unchanged; On 1 October 2021, Guangzhou Yuexiu Kunpeng Private Equity Fund Management Co., Ltd. entered into a lease with GZIFC, to renew the lease of Unit 3406-A of GZIFC for a term of three months commencing from 1 October 2021, and other lease conditions remain unchanged.
- (7) On 1 May 2021, GZAM entered into a lease with GZIFC, to renew the lease of Unit 4001, 4002, 4003, 4005, 4006 of GZIFC, for a term of three years commencing from 1 May 2021, the monthly rent adjusted to RMB749,429, and the unit price of rent adjusted to RMB260/m<sup>2</sup>/month.
- (8) On 1 April 2021, YXE entered into a lease with GZIFC, to renew the lease of Unit 5004B of GZIFC for a term of three months commencing from 1 April 2021, and other lease conditions remain unchanged; On 1 July 2021, YXE entered into a lease with GZIFC, to renew the lease of Unit 5004B of GZIFC for a term of six months commencing from 1 July 2021, and other lease conditions remain unchanged.
- (9) On 1 July 2021, 廣州東耀房地產開發有限公司 entered into a lease with GZIFC, to renew the lease of Unit 5801-B, 5802, 5803, 5804-A of GZIFC, the tenant of which has been changed into 廣州越秀華城房地產開發有限公司 for a term of 0.92 years commencing from 1 July 2021, and other lease conditions remain unchanged.
- (10) On 1 January 2021, 廣州越秀企業發展有限公司 entered into a lease with GZIFC, to renew the lease of Unit 5807-B of GZIFC, the tenant of which has been changed into Guangzhou Yuexiu Fengxing Foods Co., Ltd. ("YX Fengxing Foods") for a term of 1.41 year commencing from 1 January 2021, and other lease conditions remain unchanged. During 2021 reporting year, the amount of overdue payment received/receivable by GZIFC from YX Fengxing Foods was RMB607.
- (11) During 2021 Reporting year, the amount of overdue payment of the lease of Unit Annex 440-B of GZIFC received/receivable by GZIFC from GZYFHG was RMB733.

## CONNECTED PARTY TRANSACTIONS

Tenant	Location of unit	Relationship with Yuexiu REIT	Lease commencement/ renewal date	GFA (sq.m.)	Monthly	Monthly	Rent free	Rental income	
					Monthly rent (RMB)	rent per sq.m. (RMB)	period (days)	Term (years)	during 2021 Reporting Year (RMB)
<b>Yuexiu Financial Tower<sup>(1)</sup></b>									
廣州越秀城房地產開發有限公司	102	an associate of the Manager	1 Jul 2021	114.52	57,260	500	0	0.5	14,937
Chong Hing Bank Limited Guangzhou Branch ("Chong Hing Guangzhou")	101, 201, 301	an associate of the Manager	1 Oct 2021	974.85	336,327	345	0	1.5	86,867
GZ JLL	403	an associate of the Manager	1 Aug 2020	30.00	4,686	156	0	1.42	1,194
廣州越秀華城房地產開發有限公司	404	an associate of the Manager	16 Apr 2021	94.18	20,720	220	0	4.72	5,442
GZ JLL	410	an associate of the Manager	1 Feb 2021	15.00	2,343	156	0	1.92	617
金鷹基金管理有限公司	3001-16	an associate of the Manager	1 Jan 2019	3,126.66	716,154	229	0	3	191,056
廣州宏勝房地產開發有限公司	3102	an associate of the Manager	1 Jan 2021	1,656.10	394,309	238	0	1	103,709
廣州越秀城房地產開發有限公司	3101	an associate of the Manager	1 Jan 2021	1,468.61	349,669	238	0	1	91,968
廣州裕秀房地產開發有限公司	3207-08	an associate of the Manager	1 Jan 2021	485.52	127,206	262	0	5	33,439
廣州越冠房地產開發有限公司	3501-03	an associate of the Manager	1 May 2020	850.88	202,590	238	0	2.67	52,428
廣州敏秀房地產開發有限公司	4304B-09A	an associate of the Manager	1 May 2021	915.75	238,095	260	0	1	62,622
廣州南方智煤產業園有限公司	4309B-12A	an associate of the Manager	1 May 2021	610.50	158,730	260	0	1	41,748
廣州越創房地產開發有限公司	4312B-15A	an associate of the Manager	1 May 2021	610.50	158,730	260	0	1	41,748
廣州東秀房地產開發有限公司	4315B-16	an associate of the Manager	1 May 2021	305.25	79,365	260	0	1	20,874
廣州裕秀房地產開發有限公司	4516	an associate of the Manager	1 Jan 2021	237.68	62,272	262	0	5	16,369
Guangzhou Yuexiu Financial Leasing Co., Ltd.	4601-16	an associate of the Manager	1 May 2021	3,121.83	737,347	236	0	3	179,588
Chong Hing Guangzhou	5001-16	an associate of the Manager	1 Dec 2021	3,053.36	726,990	238	0	3	189,548
廣州越秀華城房地產開發有限公司	5614-16	an associate of the Manager	1 Jan 2021	637.77	172,198	270	0	5	45,266
廣州越秀華城房地產開發有限公司	5707	an associate of the Manager	16 Apr 2021	139.88	34,970	250	0	4.72	9,184
廣州裕秀房地產開發有限公司	5708	an associate of the Manager	1 Jan 2021	332.32	87,068	262	0	5	22,888
廣州資產管理有限公司	5803	an associate of the Manager	15 Sep 2020	159.59	40,277	252	0	2.79	10,762
廣州資產管理有限公司	5804-06	an associate of the Manager	1 Jul 2020	478.78	116,275	243	0	3	29,495
廣州資產管理有限公司	5807-08	an associate of the Manager	1 Sep 2020	468.56	118,256	252	0	2.83	31,648
廣州資產管理有限公司	5809-16	an associate of the Manager	28 Jun 2020	1,506.69	380,260	252	0	3.01	101,869
廣州資產管理有限公司	5905	an associate of the Manager	1 Jun 2020	339.70	82,499	243	0	3.08	20,955
廣州資產管理有限公司	5906	an associate of the Manager	1 Jul 2020	194.23	47,170	243	0	3	12,654
廣州資產管理有限公司	5907	an associate of the Manager	1 Jan 2021	657.29	159,628	243	0	2.5	42,558
廣州資產管理有限公司	5910	an associate of the Manager	16 Jul 2021	378.95	88,422	233	0	3.05	22,415
廣州樹富房地產開發有限公司	6009-11	an associate of the Manager	1 Jan 2021	550.31	144,181	262	0	5	37,901
廣州樹富房地產開發有限公司	6015-16	an associate of the Manager	1 Jan 2021	460.97	120,774	262	0	5	31,748
廣州市穗港澳合作交流促進會	6103	an associate of the Manager	1 Jun 2021	155.59	31,118	200	0	1	8,184
廣州樹富房地產開發有限公司	6403	an associate of the Manager	1 Jan 2021	273.21	71,581	262	0	5	18,816
廣州市品善房地產開發有限公司	6809-11A	an associate of the Manager	28 Apr 2020	443.75	109,881	248	0	3.01	26,948
廣州市品善房地產開發有限公司	6811B-16	an associate of the Manager	1 Jan 2020	827.79	204,977	248	0	2.5	51,532
廣州越秀華城房地產開發有限公司	6701	an associate of the Manager	16 Apr 2021	977.62	271,778	278	0	4.72	71,379
Chong Hing Guangzhou	Logo on the South of the Roof	an associate of the Manager	1 Apr 2021	412.50	63,492	154	0	2	16,699

Tenant	Location of unit	Relationship with Yuexiu REIT	Lease commencement/ renewal date	GFA (sq.m.)	Monthly	Monthly	Rent free	Rental income	
					Monthly rent (RMB)	rent per sq.m. (RMB)	period (days)	Term (years)	Reporting Year (RMB)
Guangzhou Yuexiu Financial Holdings Co., Ltd.	Logo on the North of the Roof	an associate of the Manager	1 Jan 2021	412.50	79,365	192	0	3	20,874
廣州越冠房地產開發有限公司	3504	an associate of the Manager	1 May 2020	404.00	96,190	238	0	2.67	25,682
廣州越冠房地產開發有限公司	3505	an associate of the Manager	1 Jan 2021	874.07	208,029	238	0	5	54,685
廣州越秀華城房地產開發有限公司	3601	an associate of the Manager	16 Apr 2021	1,685.00	370,700	220	0	4.72	97,360
廣州越秀華城房地產開發有限公司	LED Advertising Space	an associate of the Manager	1 Jan 2021	265.42	396,825	1,495	0	1	104,370
GCCD	Parking apron	an associate of the Manager	1 Jan 2021	N/A	N/A	N/A	0	5	65,717
廣州匯城實業發展有限公司	Car Park	an associate of the Manager	24 Dec 2021	10,289.05	1,181,667	115	0	3.02	310,471
廣州資產管理有限公司	5311-13	an associate of the Manager	25 Oct 2021	496.29	106,348	214	0	2.77	26,883
Guangzhou Yuexiu Financial Leasing Co., Ltd.	6401, 10, 11	an associate of the Manager	1 Aug 2021	778.04	198,585	255	0	3	51,777
Sub-total:									2,504,874

(1) The revenue of Yuexiu Financial Tower from connected parties were recorded since 24 December 2021.



## CONNECTED PARTY TRANSACTIONS

Tenant	Location of unit	Relationship with Yuexiu REIT	GFA (sq.m.)	Lease commencement/renewal date	Monthly	Monthly	Rent free	Rental income	
					rent (RMB)	rent per sq.m. (RMB)	period (days)	Term (years)	Reporting Year (RMB)
<b>Fortune Plaza</b>									
Yicheng BM	Carpark	an associate of the Manager	1,408.29	19 Nov 2019	195,834	139	0	3	2,347,864
廣州市城建開發集團名特網絡發展有限公司	West 2401	an associate of the Manager	997.66	1 Oct 2020	152,023	152	0	3	1,708,729
Sub-total:									4,056,593
Tenant	Location of unit	Relationship with Yuexiu REIT	GFA (sq.m.)	Lease commencement/renewal date	Monthly rent (RMB)	Monthly rent per sq.m. (RMB)	Rent free period (days)	Term (years)	Rental income Reporting Year (RMB)
<b>Yue Xiu Tower</b>									
Chong Hing Bank Limited Shanghai Branch ("Chong Hing Shanghai")	2801-05	an associate of the Manager	1,444.18	1 Dec 2019	398,275	276	0	2.25	4,779,828
Shanghai Yuexiu Finance Leasing Co., Ltd.	2101, 05-07	an associate of the Manager	1,006.41	1 May 2017	306,116	304	0	5	3,767,541
Guangzhou Yuexiu Asset Management Company Limited Shanghai	310B, 301A, 301B	an associate of the Manager	495.17	1 Nov 2020	136,307	275	0	3.17	1,633,620
Shanghai Yuexiu Finance Leasing Co., Ltd.	1202, 03, 04, 05B	an associate of the Manager	788.41	30 Dec 2020	223,740	284	0	3	2,594,836
廣期資本管理(深圳)有限公司 <sup>(1)</sup>	701, 707A, 708	an associate of the Manager	539.81	29 Sep 2020	125,098	232	0	3	1,458,901
Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd Shanghai Branch ("Yicheng Shanghai")	Carpark	an associate of the Manager	13,502.58	1 Jan 2021	142,857	11	0	3	1,714,284
廣州資產管理有限公司	1201A, 06A, 07, 08	an associate of the Manager	724.14	31 May 2021	205,575	284	0	2.58	1,491,423
Shanghai Yuexiu Finance Leasing Co., Ltd.	1205A, 06B	an associate of the Manager	101.03	31 May 2021	28,681	284	0	2.58	208,079
Guangzhou Yuexiu Industrial Investment Fund Management Co., Ltd.	1201B	an associate of the Manager	181.24	31 May 2021	51,452	284	0	2.58	373,279
Guangzhou Futures Co., Ltd. <sup>(2)</sup>	1503	an associate of the Manager	317.77	1 Jun 2021	73,651	232	0	3	504,120
廣期資本管理(上海)有限公司	2201, 05A, 06, 07	an associate of the Manager	843.67	31 Dec 2021	234,619	278	0	3	7,237
Sub-total:									18,533,148

(1) On 1 March 2021, 廣期資本管理(深圳)有限公司 was renamed as 廣期資本管理(上海)有限公司.

(2) On 1 October 2021, Guangzhou Futures Co., Ltd. entered into a lease with Shanghai Hong Jia Real Estate Development Co., Ltd., to renew the lease of Unit 1503 of Yue Xiu Tower, the tenant of which has been changed into Guangzhou Futures Co., Ltd Shanghai for a term of 2.67 years commencing from 1 October 2021, and other lease conditions remain unchanged.

Tenant	Location of unit	Relationship with Yuexiu REIT	GFA (sq.m.)	Lease commencement/renewal date	Monthly	Monthly	Rent free	Rental income	
					Monthly rent (RMB)	rent per sq.m. (RMB)	period (days)	Term (years)	Reporting Year
<b>Wuhan Properties</b>									
武漢越秀商業管理有限公司	3401-3408	an associate of the Manager	2,434.81	16 Jul 2018	231,890	95	0	5.05	2,955,423
武漢越秀商業管理有限公司	3409	an associate of the Manager	80.46	16 Jul 2018	3,066	38	0	5.05	36,766
廣州越秀城開房地產開發有限公司	5801, 5802	an associate of the Manager	2,638.6	1 Jan 2021	351,806	133	0	0.50	2,110,836
武漢越秀商業管理有限公司	6001C	an associate of the Manager	884.39	1 Jan 2021	117,916	133	0	1	1,414,992
Guangzhou Yuexiu Xingye Property Agent Ltd. Wuhan	6101A	an associate of the Manager	339.83	27 Dec 2020	47,576	140	0	3.01	568,316
廣州城建開發工程造價諮詢有限公司	6101B	an associate of the Manager	398.94	27 Dec 2020	55,852	140	0	3.01	667,178
廣州城建開發工程造價諮詢有限公司	6101C	an associate of the Manager	280.88	27 Dec 2020	39,323	140	0	1.01	465,499
廣州城建開發設計院有限公司	6101D	an associate of the Manager	732.17	1 Jan 2021	102,504	140	0	3	1,230,048
Guangzhou Yicheng Xingye Property Agent Ltd. Wuhan ("Yicheng Wuhan") <sup>(1)</sup>	6201A	an associate of the Manager	875.91	1 Jan 2018	120,959	138	0	5	1,464,387
武漢康景實業投資有限公司	6201B, 6301	an associate of the Manager	2,707.10	1 Sep 2017	373,838	138	0	5	4,537,519
武漢越秀商業管理有限公司 <sup>(2)</sup>	6701	an associate of the Manager	917.55	1 Jan 2021	132,182	144	0	0.50	1,586,184
廣州城建開發宏城車場物業管理有限公司 <sup>(3)</sup>	Carpark	an associate of the Manager	47,182.94	1 Jan 2021	625,000	13	0	3	7,500,000
廣州城建開發宏城車場物業管理有限公司 <sup>(3)</sup>	Carpark	an associate of the Manager	15,602.82	1 Jan 2021	290,000	19	0	3	3,480,000
武漢越秀商業管理有限公司	Advertising Space of Carpark	an associate of the Manager	20 Advertising Space	1 Oct 2018	142,860	N/A	0	3	1,285,740
Yi Cheng Wuhan	6001A, 6001B	an associate of the Manager	886.78	1 Jan 2021	124,149	140	0	1	1,489,788
GCCD	Advertising Space	an associate of the Manager	N/A	1 Jan 2021	666,667	N/A	0	1	8,000,000
湖北悅秀薈房地產經紀有限公司	A1022	an associate of the Manager	40.22	1 Apr 2021	3,722	93	0	1	33,652
Sub-total:									38,826,328

- (1) On 1 January 2021, Yi Cheng Wuhan entered into a lease with Wuhan Yuexiu Property Development Limited to renew the lease of Unit 6201A of Wuhan Properties, the tenant of which has been changed into 廣州東秀房地產開發有限公司, for a term of 1.67 year commencing from 1 January 2021, and the unit price of rent adjusted to RMB 160/m<sup>2</sup>/month.
- (2) On 1 July 2021, 武漢越秀商業管理有限公司 entered into a lease with Wuhan Yuexiu Property Development Limited to renew the lease of 6701 of Wuhan Properties, for a term of 0.5 year commencing from 1 July 2021, and other lease conditions remain unchanged.
- (3) On 4 June 2021, 廣州城建開發宏城車場物業管理有限公司 was renamed as 廣州匯城實業發展有限公司.

## CONNECTED PARTY TRANSACTIONS

Tenant	Location of unit	Relationship with Yuexiu REIT	GFA (sq.m.)	Lease commencement/renewal date	Monthly rent	Monthly rent per sq.m.	Rent free period	Term	Rental income during 2021
					(RMB)	(RMB)	(days)	(years)	Reporting Year (RMB)
<b>Hangzhou Victory</b>									
杭州越秀房地產開發有限公司	202-2, 301-1, 302-2, 1703, 1801, 1802, 1803	an associate of the Manager	2,311.55	20 Sep 2018	310,231	134	0	3.03	2,839,939
杭州越秀房地產開發有限公司	302-1	an associate of the Manager	430.31	15 Mar 2019	47,334	110	0	2.55	412,510
Guangzhou Yuexiu Xingye Property Agent Ltd. Hangzhou <sup>(1)</sup>	601-1	an associate of the Manager	188.25	20 Dec 2018	22,590	120	0	3	249,252
杭州盛寅房地產開發有限公司	1201	an associate of the Manager	336.65	1 Oct 2019	40,510	120	0	2	373,455
廣州越秀融資租賃有限公司杭州富陽分公司	1202	an associate of the Manager	579.93	1 Jan 2021	80,257	138	0	3	897,538
杭州盛寅房地產開發有限公司	1701	an associate of the Manager	336.65	1 Oct 2020	54,242	161	0	1	1,420,694
杭州豐騰房地產開發有限公司	1702	an associate of the Manager	579.93	20 Sep 2018	88,149	152	0	3.03	806,943
杭州越秀房地產開發有限公司	Carpark	an associate of the Manager	22,844.06	1 Jan 2021	187,500	8	0	3	2,250,000
廣州城建開發設計院有限公司	403	an associate of the Manager	340.60	25 Dec 2020	36,506	107	0	3	445,235
杭州越秀房地產開發有限公司	1201, 1703, 1801, 1802, 1803	an associate of the Manager	1,934.43	1 Oct 2021	301,551	156	0	3	911,256
杭州越秀房地產開發有限公司	202-2, 1701	an associate of the Manager	743.74	1 Oct 2021	88,878	120	0	3	268,580
杭州越嘉房地產開發有限公司	302-2, 301-1, 302-1, 1702	an associate of the Manager	1,325.92	1 Oct 2021	180,427	136	0	3	545,232
Sub-total:									11,420,634

- (1) On 20 December 2021, Guangzhou Yuexiu Property Agent Ltd. Hangzhou entered into a lease with Hangzhou Yuehui Real Estate Development Co., Ltd., to renew the lease of Unit 601-1 of Hangzhou Victory for a term of 1 year commencing from 20 December 2021, and other lease conditions remain unchanged.

Tenant	Location of unit	Relationship with Yuexiu REIT	GFA (sq.m.)	Lease commencement/renewal date	Monthly rent	Monthly rent per sq.m.	Rent free period	Term	Rental income during 2021
					(RMB)	(RMB)	(days)	(years)	Reporting Year (RMB)
<b>White Horse Building</b>									
廣州白馬電子商務股份有限公司 <sup>(1)</sup>	1309	an associate of the Manager	12.82	1 Mar 2020	13,308	1,038	0	3.83	121,284
廣州白馬電子商務股份有限公司 <sup>(1)</sup>	1315	an associate of the Manager	28.05	1 Mar 2020	30,150	1,075	0	3.83	300,942
廣州白馬電子商務股份有限公司 <sup>(1)</sup>	1316	an associate of the Manager	22.86	1 Mar 2020	24,571	1,075	0	3.83	245,252
Sub-total:									667,478
Total:									251,209,550

- (1) On 1 November 2021, 廣州白馬電子商務股份有限公司 entered into a lease agreement with Partat Investment Limited to renew the lease agreement of Units 1309, 1315, and 1316 of White Horse Building, the tenant of which has been changed into an independent third party.



## APARTMENT SERVICE

Certain connected party (as defined in the REIT Code) of Yuexiu REIT in relation to the Manager provided apartment service to Guangzhou Yue Xiu City Construction International Finance Centre Co., Ltd Four Season Branch. Details are as follows:

Tenant	Location of unit	Relationship with Yuexiu REIT	GFA (sq.m.)	Lease commencement/renewal date	Monthly rent	Monthly rent	Rent free	Lease payment during 2021	
					(RMB)	per sq.m. (RMB)	period (days)	Term (years)	Reporting Year (RMB)
廣州越秀星寓公寓管理有限公司	Guangzhou Tianhe District 邦華名悅 property	an associate of the Manager	7,411.05	1 Dec 2019	859,961	116	0	3	10,768,000

## PROPERTY MANAGEMENT AGREEMENTS

The following table sets forth information for the year in relation to the property management services provided by the connected parties to the properties of Yuexiu REIT:

Property Manager	Relationship with Yuexiu REIT	Property	Date of Agreement	Nature of transaction	Amount paid/payable for 2021 Reporting Year (RMB)
Guangzhou Baima Business Operation Management Co. Ltd ("Baima BM")	an associate of the Manager	White Horse Building	1 Jan 2020	Property Management Agreement	N/A
Yicheng BM	an associate of the Manager	Fortune Plaza	1 Jan 2020	Property Management Agreement	N/A
Yicheng BM	an associate of the Manager	City Development Plaza	19 Jul 2019	Property Management Agreement	N/A
Yicheng BM	an associate of the Manager	Victory Plaza	7 Dec 2005	Property Management Agreement	N/A
GZ JLL	an associate of the Manager	GZIFC	1 Sep 2019	Property Management Agreement	N/A
GZ JLL	an associate of the Manager	Yuexiu Financial Tower	1 Aug 2020	Property Management Agreement	N/A
Yicheng Shanghai	an associate of the Manager	Yue Xiu Tower	1 Jan 2021	Property Management Agreement	N/A
Yicheng Wuhan	an associate of the Manager	Wuhan Properties	1 Jan 2021	Property Management Agreement	N/A
Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd Hangzhou Branch ("Yicheng Hangzhou")	an associate of the Manager	Hangzhou Victory	31 Aug 2017 <sup>(1)</sup>	Property Management Agreement	N/A

(1) Yicheng Hangzhou entered into a supplemental property management agreement with Hangzhou Yuehui Real Estate Development Co., Ltd., extending the service period to 31 August 2023, and other terms remain unchanged.

## CONNECTED PARTY TRANSACTIONS

### TENANCY SERVICES AGREEMENTS

The following table sets forth information for the year in relation to the tenancy services provided by the connected parties to the properties of Yuexiu REIT:

Service provider	Relationship with Yuexiu REIT	Property	Date of Agreement	Nature of transaction	Amount paid/payable for 2021 Reporting Year (RMB)
Baima BM	an associate of the Manager	White Horse Building	1 Jan 2021	Tenancy Services Agreement	7,810,000
Yicheng BM	an associate of the Manager	Fortune Plaza	1 Jan 2021	Tenancy Services Agreement	2,790,000
Yicheng BM	an associate of the Manager	City Development Plaza	1 Jan 2021	Tenancy Services Agreement	2,677,000
Yicheng BM	an associate of the Manager	Victory Plaza	1 Jan 2021	Tenancy Services Agreement	2,714,000
Yicheng BM	an associate of the Manager	Fortune Plaza 1701	1 Jan 2021	Tenancy Services Agreement	64,000
GZAM	an associate of the Manager	GZIFC	1 Jan 2021	Tenancy Services Agreement	15,347,000
Yicheng BM	an associate of the Manager	Yuexiu Financial Tower	24 Oct 2021	Tenancy Services Agreement	239,000
Guangzhou Yuexiu Asset Management Co., Ltd. Shanghai Branch	an associate of the Manager	Yue Xiu Tower	1 Jan 2021	Tenancy Services Agreement	3,548,000
Yicheng Wuhan	an associate of the Manager	Wuhan Properties	1 Jan 2021	Tenancy Services Agreement	7,343,000
Yicheng Hangzhou	an associate of the Manager	Hangzhou Victory	1 Jan 2021	Tenancy Services Agreement	1,329,000

### TRADE MARK LICENCE AGREEMENTS

The following table sets forth information for the period in relation to the trade mark licences granted by the connected parties to Yuexiu REIT:

Grantor	Relationship with Yuexiu REIT	Property	Nature of Transaction	Amount paid/payable for 2021 Reporting Year	Licence maturity date
Baima BM	an associate of the Manager	White Horse Building	Trade Mark Licence Agreement (6)	-	27 November 2026, 6 December 2026, 13 January 2027, 13 December 2026, 20 January 2027
Yue Xiu Enterprises (Holdings) Limited ("Yue Xiu") <sup>(1)</sup>	an associate of the Manager	Fortune Plaza	Trade Mark Licence Agreement	-	Perpetuity (subject to early termination terms)

(1) The Trademarks were assigned from Yue Xiu to GZYX.

## CONSTRUCTION SETTLEMENT AGENCY AGREEMENT

The following table sets forth information for the period in relation to the prepaid construction payable by Yuexiu REIT to the connected parties and the interest charged on the balance of prepaid construction payable:

Engineering Settlement Agent	Relationship with Yuexiu REIT	Date of the Agreement	Balance of Prepaid Construction Payable for 2021 Reporting Year (RMB)	Nature of Transaction	Amount received/receivable for 2021 Reporting Year (RMB)
GCCD	an associate of the Manager	4 May 2012	40,106,000	Interest on the balance of construction payable	3,503,000

## ORDINARY BANKING SERVICES

Name	Nature of transaction	Relationship with Yuexiu REIT	Date of agreement	Principal amount (RMB)	Amount of fees paid/payable within the 2021 Reporting Year	Amount of interest paid/payable within the 2021 Reporting Year (RMB)
Chong Hing Bank Limited ("Chong Hing Bank")	Loan <sup>(1)</sup>	an associate of the Manager	Nov 2016	121,146,000	-	5,375,000

(1) Chong Hing Bank was one of the lending banks.

Name	Nature of transaction	Relationship with Yuexiu REIT	The balance of bank deposits amount as at 31 December 2021 (RMB)	The highest daily aggregate amount of bank deposits within the 2021 Reporting Year (RMB)	Amount of interest received/receivable within the 2021 Reporting Year (RMB)
Chong Hing Bank	Bank deposits	an associate of the Manager	54,041,851	54,041,851	860,000

The Ordinary Banking Waiver from strict compliance with the requirements for announcement or Unitholders' approvals under Chapter 8 of the REIT Code in respect of the ordinary banking and financial services transactions to be entered into between Yuexiu REIT and the Chong Hing Bank Group has been granted by the SFC on 28 May 2019. For detailed terms and conditions of the Ordinary Banking Waiver, please refer to the circular dispatched to Unitholders on 10 May 2019.

## FINANCING OF THE DEFERRED COMPLETION PAYMENT

Name	Relationship with Yuexiu REIT	Date of agreement	Principal amount (RMB)	Amount of fees paid/payable within the 2021 Reporting Year (RMB)	Amount of interest paid/payable within the 2021 Reporting Year (RMB)
Guangzhou Construction & Development Holdings (China) Limited ("GCD (China)") <sup>(1)</sup>	An associate of the Manager	21 Dec 2017	20,000	-	-
Yuexiu Property Company Limited ("YXP")	An associate of the Manager	23 Dec 2021	3,500,000,000	-	1,072,000

(1) On 21 December 2018, Yuexiu REIT repaid the deferred completion payment of approximately RMB803,783,000 to GCD (China), the balance of approximately RMB20,000 will be settled upon payment of tax by the counterparty.



## CONNECTED PARTY TRANSACTIONS

### NAMING RIGHTS AGREEMENT

Name	Relationship with Yuexiu REIT	Property	Nature of Transaction	Amount received/receivable for 2021 Reporting Year (RMB)	Naming Rights Period
GCCD	An associate of the Manager	Wuhan Properties	naming rights	14,000,000	1 January 2021 to 31 December 2021
YXP	An associate of the Manager	Yuexiu Financial Tower	naming rights	20,000,000	23 December 2021 to 31 December 2023

### WAIVER FROM STRICT COMPLIANCE

A waiver from strict compliance with the disclosure and approval requirements under Chapter 8 of the REIT Code in respect of the existing leasing transactions of Yuexiu REIT, the existing property management arrangement and the tenancy services agreement of the existing properties, together with the new leasing transaction, the new property management arrangement and the new tenancy services agreement, as mentioned above, between the Group and persons which are connected with Yuexiu REIT as a result of their connection with the Manager has been extended, subject to annual limitation as to the capped value of such transactions, review by the auditors for each relevant financial period, annual review by the Audit Committee and the independent non-executive directors (“INEDs”) and other terms and conditions. For detailed terms and conditions of the waiver, please refer to the circular dispatched to Unitholders on 24 November 2020 and the announcement dated 9 December 2020.

### HSBC GROUP\*

Set out below is the information in respect of the connected party transactions involving Yuexiu REIT and the HSBC Group.

(\*Note: “HSBC Group” means The Hongkong and Shanghai Banking Corporation Limited (“HSBC”) and its subsidiaries and, unless expressly stated, shall not include the Trustee and its proprietary subsidiaries (being the subsidiaries of the Trustee except those subsidiaries formed in its capacity as the trustee of Yuexiu REIT)).

### CORPORATE FINANCE TRANSACTIONS AND ORDINARY BANKING SERVICES

The following table sets forth information for the period in relation to the corporate finance transactions and ordinary banking services made between the HSBC Group and Yuexiu REIT within the period:

#### ORDINARY BANKING SERVICES

Name	Nature of transaction	Date of agreement	Principal amount	Amount of interest paid/payable within the 2021 Reporting Year
HSBC Group	Loan <sup>(1)</sup>	Nov 2019	HK\$830,000,000	RMB11,781,000

Name	Nature of transaction	Date of agreement	Nominal amount	Payable as at 31 December 2021
HSBC Group	Foreign Exchange Hedging <sup>(2)</sup>	September 2020	HK\$400,000,000	RMB20,906,000

(1) HSBC Group was one of the lending banks.

(2) HSBC Group was one of the participating banks

## CORPORATE FINANCE TRANSACTIONS

Name	Nature of Transaction	Date of agreement	Amount of fees paid/payable/ amortized within the 2021 Reporting Year
HSBC Group	Bond <sup>(3)</sup>	–	RMB2,000

(3) HSBC Group was one of the underwriters.

GZI REIT (Holding) 2005 Company Limited, Partat, Keen Ocean, Full Estates, Moon King, Ever Joint Investment International Limited (“Ever Joint”), Long Grace Holdings Limited (“Long Grace”), Profit Link Investment International Limited (“Profit Link”), San Bright Holdings Limited (“San Bright”) and Yuexiu REIT MTN Company Limited have maintained interest bearing accounts with HSBC at arm’s length and on commercial terms for deposits during the 2021 Reporting Year.

### WAIVER FROM STRICT COMPLIANCE

A waiver from strict compliance with the disclosure requirement and Unitholders’ approval under Chapter 8 of the REIT Code in respect of the transactions with connected persons of the Trustee has been granted by the SFC on 8 December 2005 subject to specific caps on fees payable by Yuexiu REIT for corporate finance services, review by the auditors for each relevant financial period, annual review by the Audit Committee and the INEDs and other terms and conditions. Details of the Waiver and its terms and conditions have been published in the Offering Circular.

### CONFIRMATION FROM TRUSTEE AND MANAGER ON CORPORATE FINANCE TRANSACTION WITH THE HSBC GROUP

The Trustee and the Manager both confirm that, with respect to the corporate finance transaction entered into with the HSBC Group under review,; (i) the general conditions under the Waiver (details of which were disclosed in Yuexiu REIT’s offering circular dated 12 December 2005) were complied with; and (ii) the Trustee was not involved in the making of any decision to enter into such transaction on behalf of Yuexiu REIT (subject to its duties of oversight under the REIT Code and the Trust Deed).

### CONFIRMATION BY THE AUDIT COMMITTEE AND THE INEDS

The INEDs and the Audit Committee of the Manager confirm that they have reviewed the terms of all relevant connected party transactions including those connected party transactions with the Manager Group and the HSBC Group and that they are satisfied that these transactions have been entered into:

- (a) in the ordinary and usual course of business of Yuexiu REIT;
- (b) on normal commercial terms (to the extent that there are comparable transactions) or, where there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to or from Yuexiu REIT than terms available from or to (as appropriate) independent third parties; and
- (c) in accordance with the relevant agreement and the Manager’s internal procedures governing them (if any) on terms that are fair and reasonable and in the interests of the Unitholders as a whole.

## CONNECTED PARTY TRANSACTIONS

### MANAGER'S FEES

During the 2021 Reporting Year, the aggregate amount of fees payable by Yuexiu REIT to the Manager under the Trust Deed was approximately RMB139,733,000, 80% of which was settled by the issuance of new Units, and 20% was settled in cash. For the avoidance of doubt, the services provided by the Manager pursuant to the Trust Deed are not treated as connected party transactions of Yuexiu REIT.

### TRUSTEE'S FEES

During the 2021 Reporting Year, the aggregate amount of fees paid/payable by Yuexiu REIT to the Trustee under the Trust Deed was approximately RMB10,248,000, and the aggregate amount of one-off fees paid/payable to the Trustee for the acquisition of Yuexiu Financial Tower was approximately HKD2,000,000, equivalent to RMB1,632,000. For the avoidance of doubt, the services provided by the Trustee pursuant to the Trust Deed are not treated as connected party transactions of Yuexiu REIT.

### INTERESTS HELD BY THE MANAGER AND ITS DIRECTORS AND CHIEF EXECUTIVE OFFICER

The REIT Code requires that connected persons of Yuexiu REIT shall disclose their interests in Units. In addition, under the provisions of Part XV of the SFO, the Trust Deed is also deemed to be applicable, among other things, to the Manager, the Directors and the Chief Executive Officer of the Manager.

The interests and short positions held by Directors and Chief Executive Officer of the Manager in the Units required to be recorded in the register kept by the Manager under Schedule 3 of the Trust Deed are set out below:

Interests and short positions in the Units:

Name of Director	As at 1 January 2021			As at 31 December 2021		
	Nature of Interest	Beneficial interests in Units	Approximate % of interest	Beneficial interests in Units	Approximate % of interest	% Change in Holdings
Mr. Lin Deliang	-	Nil	-	Nil	-	-
Mr. Cheng Jiuzhou (resigned on 4 March 2021)	Personal	480	0.000015%	Nil	-	(0.000015)
Ms. Ou Haijing	Personal	1,000	0.000030%	1,000	0.000029%	(0.000001)
Mr. Li Feng	Personal	1,825	0.000055%	1,825	0.000053%	(0.000002)
Mr. Zeng Zhizhao (appointed on 4 March 2021)	-	Nil	-	Nil	-	-
Mr. Chan Chi On, Derek	-	Nil	-	Nil	-	-
Mr. Chan Chi Fai, Brian	-	Nil	-	Nil	-	-
Mr. Cheung Yuk Tong	-	Nil	-	Nil	-	-
Mr. Chen Xiaou	-	Nil	-	Nil	-	-

Note:

Mr. Cheng Jiuzhou resigned as an Executive Director and Mr. Zeng Zhizhao was appointed as a Non-executive Director on 4 March 2021.

## HOLDINGS OF SUBSTANTIAL HOLDERS

The following persons have interests or short position in the Units required to be recorded in the register kept by the Manager under Schedule 3 of the Trust Deed:

Long position in the Units:

Name of Substantial Unitholder	Nature of Interest	As at 1 January 2021		As at 31 December 2021		
		Interests in Units	Approximate % of interest	Interests in Units	Approximate % of interest	% Change of interest
GZYZ <sup>(1)</sup>	Deemed	1,727,319,338 <sup>(3)</sup>	52.29% <sup>(5)</sup>	2,994,833,139 <sup>(4)</sup>	64.38% <sup>(6)</sup>	12.09%
	Total	1,727,319,338 <sup>(3)</sup>	52.29% <sup>(5)</sup>			
Yue Xiu Enterprises (Holdings) Limited ("Yue Xiu")	Beneficial	27,320	–	730,859,885 <sup>(4)</sup>	15.71%	15.71%
	Deemed	1,727,292,018 <sup>(3)</sup>	52.29% <sup>(5)</sup>	2,263,973,254 <sup>(4)</sup>	48.67% <sup>(6)</sup>	(3.62%)
	Total	1,727,319,338 <sup>(3)</sup>	52.29% <sup>(5)</sup>	2,994,833,139 <sup>(4)</sup>	64.38% <sup>(6)</sup>	12.09%
YXP <sup>(2)</sup>	Beneficial	–	–	–	–	–
	Deemed	1,656,057,753 <sup>(3)</sup>	52.14% <sup>(5)</sup>	2,166,382,314 <sup>(4)</sup>	46.57% <sup>(6)</sup>	(5.57%)
	Total	1,656,057,753 <sup>(3)</sup>	52.14% <sup>(5)</sup>	2,166,382,314 <sup>(4)</sup>	46.57% <sup>(6)</sup>	(5.57%)
Dragon Yield Holding Limited ("Dragon Yield")	Beneficial	1,570,125,730 <sup>(3)</sup>	47.53% <sup>(5)</sup>	2,003,293,697 <sup>(4)</sup>	43.07% <sup>(6)</sup>	(4.46%)
	Deemed	–	–	–	–	–
	Total	1,570,125,730 <sup>(3)</sup>	47.53% <sup>(5)</sup>	2,003,293,697 <sup>(4)</sup>	43.07% <sup>(6)</sup>	(4.46%)

(1) Further information in relation to interests of corporations controlled by GZYZ as at 31 December 2021:

Name of Controlled Corporation	Name of Controlling Shareholder	% Control	Direct interest (Y/N)	Number of Shares	
				Long Position	Short Position
Yue Xiu	GZYZ	100.00	Y	730,859,885	–
Yue Xiu	GZYZ	100.00	N	2,263,973,254 <sup>(4)</sup>	–
Bosworth International Limited	Yue Xiu	100.00	Y	7,806,646	–
YXP	Yue Xiu	39.78	N	2,166,382,314 <sup>(4)</sup>	–
Dragon Yield	YXP	100.00	Y	2,003,293,697 <sup>(4)</sup>	–
Novena Pacific Limited	Yue Xiu	100.00	Y	1,937,463	–
Morrison Pacific Limited	Yue Xiu	100.00	Y	541,317	–
Greenwood Pacific Limited	Yue Xiu	100.00	Y	464,898	–
Goldstock International Limited	Yue Xiu	100.00	Y	120,672	–
Yuexiu Capital Holdings Limited	Yue Xiu	100.00	Y	84,940,000	–
Yue Xiu Finance Company Limited	Yue Xiu	100.00	Y	1,779,944	–
Yue Xiu International Investment Limited ("YXII")	YXP	100.00	Y	163,088,617	–



## CONNECTED PARTY TRANSACTIONS

- (2) The deemed interest as at 31 December 2021 in 2,166,382,314 Units were held through Dragon Yield and YXII, both are wholly-owned subsidiaries of YXP.
- (3) The number of units includes 399,401,494 deferred units. Yuexiu REIT will, on 31 December of each year, issue a number of deferred units to YXP (or YXP's nominee) at an issue price of HK\$4.00 per Unit. Further details are included in the circular dated 30 June 2012 and announcement dated 27 September 2012 of Yuexiu REIT.
- (4) The number of units includes 329,808,584 deferred units. Yuexiu REIT will, on 31 December of each year, issue a number of deferred units to YXP (or YXP's nominee) at an issue price of HK\$4.00 per Unit. Further details are included in the circular dated 30 June 2012 and announcement dated 27 September 2012 of Yuexiu REIT. Following the Deferred Units Issue Price Adjustment and the Deferred Units Arrangement Modification (as described in the announcement on 31 December 2021), and assuming no other Deferred Units Adjustment Events eventuate, it is expected that the balance of the Assignment consideration will be fully settled by 31 December 2025 by the issue of 329,808,584 Deferred Units in aggregate at HK\$3.861652 per Unit.
- (5) After deducting the unissued deferred units, the approximate interest held by GZYX and Yue Xiu will be approximately 40.202%, while the approximate interest in Yuexiu REIT held by YXP and Dragon Yield will be approximately 38.045% and 35.443% respectively.
- (6) After deducting the unissued deferred units, the approximate interest held by GZYX and Yue Xiu will be approximately 42.199%, while the approximate interest in Yuexiu REIT held by Yuexiu Property and Dragon Yield will be approximately 40.114% and 36.63% respectively.

## HOLDINGS OF SENIOR EXECUTIVES OF THE MANAGER

Interests in the Units held by senior executives of the Manager, being connected persons of Yuexiu REIT, are set out below:

Name of Senior Executive	Nature of interest	As at 1 January 2021		As at 31 December 2021		
		Interests in Units	Approximate % of interest	Interests in Units	Approximate % of interest	% Change of interest
Mr. Liu Bihong	Personal	225	0.000007%	225	0.000007%	-

## HOLDINGS OF OTHER CONNECTED PERSON

Name	Nature of interest	As at 1 January 2021		As at 31 December 2021		
		Interests in Units	Approximate % of interest	Interests in Units	Approximate % of interest	% Change of interest
Trustee	Deemed <sup>(1)</sup>	14,150	0.00043%	Nil	-	(0.00043%)

- (1) Associates of the trustee (as defined in the REIT Code) had no beneficial interest in any units as at 31 December 2021.

Save as disclosed above, the Manager is not aware of any connected persons of Yuexiu REIT, holding any Units as at 31 December 2021.

# INVESTOR RELATIONS REPORT

## COMMUNICATION ACTIVITIES WITH THE UNITHOLDERS AND INVESTORS

In 2021, due to the continued impact of COVID-19 pandemic, the outdoor activities were restricted. As a result, the Manager and investor relations team made timely adjustments to their communication with investors, such as adopting online meetings for results announcements, investor roadshows, etc., and making full use of various means of communication with investors, so that the participation of the Manager and investor relations team in meetings throughout the year was not affected to a lesser extent. For example, the Manager and investor relations team participated in large-scale investment conferences held by investment banks, meetings about result road shows, one-on-one meetings, etc. At the same time, when Yuexiu REIT acquired the Yuexiu Financial Tower, a core landmark property in Guangzhou in 2021, the Manager and investor relations team conducted a roadshow with investors to gain their support for this acquisition. Over the past 16 years since the listing of Yuexiu REIT, the Manager has always focused on investor relations and capital market was increasingly interested in Yuexiu REIT. The Manager and investor relations team will continue to be committed to improving quality and level of effective communication, enhancing and maintaining information communication with investors, deepening investors' understanding of Yuexiu REIT and establishing a benign market profile of Yuexiu REIT.

## 2021 MAJOR INVESTOR RELATIONS ACTIVITIES

Month	Venue	Activity
March	Conference calls	Held the investor meeting and press conference for the 2020 annual results announcement
	Conference calls	Participated in the 2020 annual results road show organized by DBS, Citibank and AMTD
	Shanghai	Participated in the 2020 annual results road show organized by DBS
June	Conference calls	Participated in the 2021 Asia Pacific Property Investment Summit organized by Citibank
August	Conference calls	Held the investor meeting and press conference for the 2021 interim results announcement
	Conference calls	Participated in the 2021 interim results road show organized by DBS, Citibank, AMTD and Mizuho
	Beijing	Participated in the 2021 interim results road show organized by DBS
	Conference calls	Participated in the REIT Day Seminar organized by Daiwa
October	Shanghai	Participated in the 2021 interim results road show organized by DBS

## INVESTOR RELATIONS REPORT

### ANALYSIS COVERAGE

With continuous and steady growth of Yuexiu REIT's business, the capital market was increasingly interested in the performance of Yuexiu REIT in 2021. A number of securities institutions published research reports on Yuexiu REIT during the year. There were 8 securities institutions (including DBS, Citibank, Daiwa Capital, Credit Suisse, UBS, AMTD IDEA Group, Industrial Securities and China Merchants Securities) which covered analysis. Most of the research reports recommended the rating of "Buy in, Outperform the market", indicating that the analysts were optimistic about the future development prospects of Yuexiu REIT.

### AWARDS

Yuexiu REIT is the first Hong Kong listed real estate investment trust with properties located in the PRC. In 2021, by leveraging on good corporate governance, bright development prospects and professional efforts in investor relations, Yuexiu REIT and the Manager, at the fund level, were presented with the "Listed Company Awards of Excellence 2021" by Hong Kong Economic Journal and "Top 10 Commercial Real Estate Investment Managers 2021" by Guandian in November 2021.

### PROSPECT

The Manager will continue to increase enhancement efforts in investor relations, reinforce communication and liaison with investors for more transparency so as to achieve effective mutual interactive communication between the Manager and the investors and continuously create value for the Shareholders.

# PROPERTY VALUATION REPORT

## 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

## HSBC Institutional Trust Services (Asia) Limited

as the “Trustee” of “Yuexiu Real Estate Investment Trust”

17th Floor, Towers 2 & 3, HSBC Centre,  
No. 1 Sham Mong Road,  
Kowloon, Hong Kong

7 March 2022

Dear Sir or Madam,

### Valuation of:

- (1) **Guangzhou International Finance Centre, No. 5 Zhu Jiang West Road, Tianhe District, Guangzhou, Guangdong Province, the PRC**
- (2) **Various Units in White Horse Building, Nos. 14, 16 & 18 Zhan Nan Road, Yuexiu District, Guangzhou, Guangdong Province, the PRC**
- (3) **Various Units and 110 Car Spaces at Basement Levels 1 & 2 in Fortune Plaza, Nos. 114, 116 & 118 Ti Yu East Road, Tianhe District, Guangzhou, Guangdong Province, the PRC**
- (4) **Various Units and 179 Car Spaces at Basement Levels 1 & 2 in City Development Plaza, Nos. 185, 187 & 189 Ti Yu West Road, Tianhe District, Guangzhou, Guangdong Province, the PRC**
- (5) **Various Units in Victory Plaza, No. 101 Ti Yu West Road, Tianhe District, Guangzhou, Guangdong Province, the PRC**
- (6) **Tower 2 & 315 Car Spaces at Basement Levels 1 & 2, Hangzhou Victory Business Center, No. 9 Jiangxiu Street, Qianjiang New Town, Shangcheng District, Hangzhou, Zhejiang Province, the PRC**
- (7) **Yuexiu Tower, No. 388 Fushan Road, Lot No. Qiu 2/9 Jiefang 302, Weifang Xincun Sub-district, Pudong New Area, Shanghai, the PRC**
- (8) **Wuhan Yuexiu Fortune Centre, Starry Victoria Shopping Centre and Various Car Spaces, No. 1 Zhongshan Avenue, Qiaokou District, Wuhan, Hubei Province, the PRC**
- (9) **Yuexiu Financial Tower, No. 28 Zhu Jiang East Road, Tianhe District, Guangzhou, Guangdong Province, the PRC**

(Together known as the “Properties” and individually the “Property”)



**Colliers International (Hong Kong) Limited**

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# PROPERTY VALUATION REPORT

## INSTRUCTIONS

We refer to the instructions received from the Manager and the Trustee of “Yuexiu Real Estate Investment Trust” (“Yuexiu REIT”) (the “Client”) for us to assess the market value of the captured properties interest located in the People’s Republic of China (the “PRC”), we confirm that we have carried out inspections, made relevant enquires and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Value of the Properties as at 31 December 2021 (the “Valuation Date”), for Accounting Purposes.

## BASIS OF VALUATIONS

Our valuations are provided on the basis of Market Value, which we would define as “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”.

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.

This estimate specifically excludes an estimated price inflated or deflated by special considerations or concessions granted by anyone associated with the sale, or any element of special value.

## VALUATION STANDARDS

These valuations have been carried out in accordance with the latest edition of Royal Institution of Chartered Surveyors (the “RICS”) Valuation – Global Standards, the HKIS Valuation Standards of The Hong Kong Institute of Surveyors (“HKIS”), incorporating the International Valuation Standards of the International Valuation Standards Council (“IVSC”). We have also complied with the requirements set out in Chapter 6.8 of the Code on Real Estate Investment Trusts (the “REIT Code”).

## QUALIFICATIONS OF THE VALUER

These valuations have been prepared by Ms. Zhirong He (Flora He) (RICS Registration No.: 1259301) and Mr. Eric Tsang (RICS Registration No.: 1265711, MCIREA Registration No.: 00147731).

Ms. Flora He a Fellow of the Royal Institution of Chartered Surveyors. Flora is the Executive Director and Head of China Valuation and Advisory services team at Colliers. She is suitably qualified to carry out the valuation and has over 18 years’ experience in the valuation of properties of this magnitude and nature in China. Flora is a Fellow Member of the Royal Institution of Chartered Surveyors.

Mr. Eric Tsang, Senior Director of the Valuation and Advisory Services, Asia at Colliers is an experienced competent valuer and has over 20 years’ experience in undertaking valuations of this type in Hong Kong and China. He is a Member of the Royal Institution of Chartered Surveyors and the Hong Kong Institute of Surveyors and a Registered Professional Surveyor under the Surveyors Registration Ordinance (Cap.417) in the Hong Kong Special Administrative Region, and also a Registered Real Estate Appraiser in the PRC.

We confirm that neither the valuers nor Colliers are aware of any pecuniary interest or conflict that could reasonably be regarded as being capable of affecting the ability to give an unbiased and objective, opinion of the value of the Properties interest.

## VALUATION APPROACHES

In arriving at our opinion of values, 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 valuations, we have principally adopted the Income Capitalisation Method or Discounted Cash Flow Method (“DCF” Method) and cross-checked by the Market Approach.

**Income Capitalisation Method** estimates the value of properties or assets on a market basis by capitalizing net rental income on a fully leased basis. This method is used when a property or asset is leased out for a specific term(s). This technique considers both the current passing rental income from existing tenancies and the potential future reversionary income at market level, by capitalising both at appropriate rates. In calculating the net rental income for this purpose, deduction is made for outgoings such as property management fees, capital expenditure, vacancy loss, and other necessary expenses.

**DCF Method** is the process of valuing an investment property or asset by undertaking an estimation of future cash flows and taking into account the time value of money. During the DCF technique, the income is projected over the investment cycle and the net income is calculated after the deduction of capital, operating, and other necessary expenses.

**Market Approach** provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. By analysing such sales, which qualify as ‘arms-length’ transactions, between willing buyers and sellers, adjustments are made for size, location, time, amenities and other relevant factors when comparing such sales prices to assess the value of the subject asset. This approach is commonly used to value assets where reliable sales evidence of assets of a similar nature is available.

## SOURCES OF INFORMATION

Although we have made independent enquires as much as possible, we have relied to a very considerable extent on the information provided by the Client and its legal advisor in respect of the titles of the Properties interest in the PRC. We also have accepted such information given to us as being true and correct for valuation purposes. This has included such matters as ownership title, site and floor areas, statutory notices, easements, tenure, joint venture agreements, the identification of the property interests and all other relevant matters.

We have also been advised by the Client that no material factors or information have been omitted or withheld from the information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of the information provided to us by the Client which is material to the valuation.

## PROPERTY VALUATION REPORT

### TITLE DOCUMENTS

We have been provided with copies or extracts of the title documents relating to the property interests and have made relevant enquires where possible. Due to the nature of the land registration system in the PRC, however, we have not examined the original documents to verify the existing titles to the property interests in the PRC or any material encumbrances that might be attached to the property interests or any lease amendments. We have made assumptions that the full and proper ownership title of the Properties has been obtained and all payable land premium or land-use rights fees have been fully settled.

We advise that PRC legal opinion should be obtained in order to verify the title ownership of the Properties interests. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal adviser.

All title documents disclosed in this letter, the summary of values and the summary reports are for reference only. No responsibility is assumed for any legal matters concerning the legal title to the property interests set out in this letter, the summary of values and the valuation summary reports.

### ASSUMPTIONS AND CAVEATS

Our valuations have been made on the assumption that the owners can sell the Properties on the open market without the benefit of deferred terms contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of the Properties.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the Properties valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that all Properties are free of any encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

We have conducted the valuations assuming:

- the information about the Properties provided are true and correct;
- the Properties are free from contamination and the ground conditions are satisfactory;
- the full and proper ownership title of the Properties have been obtained, and all payable land premium or land-use rights fees have been fully settled;
- all required approvals and certificates necessary for the development and occupation and use of the Properties have been duly obtained and are in full force and effect;
- the Properties can be freely transferred, mortgaged, sublet or otherwise disposed of in the market;
- The tenanted properties will continue to be occupied and maintained in good order.
- Where applicable no structural survey or testing of the services within or connected to the Properties has been carried out. As appropriate we have assumed the Properties are structurally sound, maintained in a condition fit for purpose, with all provided services in working order.

- We have valued the portfolio assuming no reduction in value to reflect any possible diminution in value resulting from a placing of the portfolio on the market together as one at the same time for sale.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has impacted global financial markets.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes to inform opinions of value.

Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuations are therefore reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the Property under frequent review.

This valuation report is also subject to our standard Caveats and Assumptions attached at the appendix.

## **SITE MEASUREMENT**

We have not carried out on-site measurements to verify the correctness of the site areas in respect of the Properties but have assumed that the areas shown on the documents and plans provided to us are true and correct in all respects. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

## **SITE INSPECTION**

We have inspected the exterior and, where possible, the interior of the Properties upon the instruction received. No structural surveys or environmental assessments have been made, but in the course of our inspections, we did not note any serious defects. We are not, however, able to report whether the Properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services. We have assumed such are in good order for the purpose of valuation.

Please be advised we have not carried out investigations to determine the suitability of the ground conditions and the services etc. for any future development. Our valuations have been prepared on the assumption that these aspects are satisfactory.

Site inspections of the Properties were carried out by Flora He, Bill Zhou, Jesphin Lin, Kirsten Geng and Nana Wang from 31 December 2021 to 6 January 2022.



## PROPERTY VALUATION REPORT

### MARKET COMMENTARY

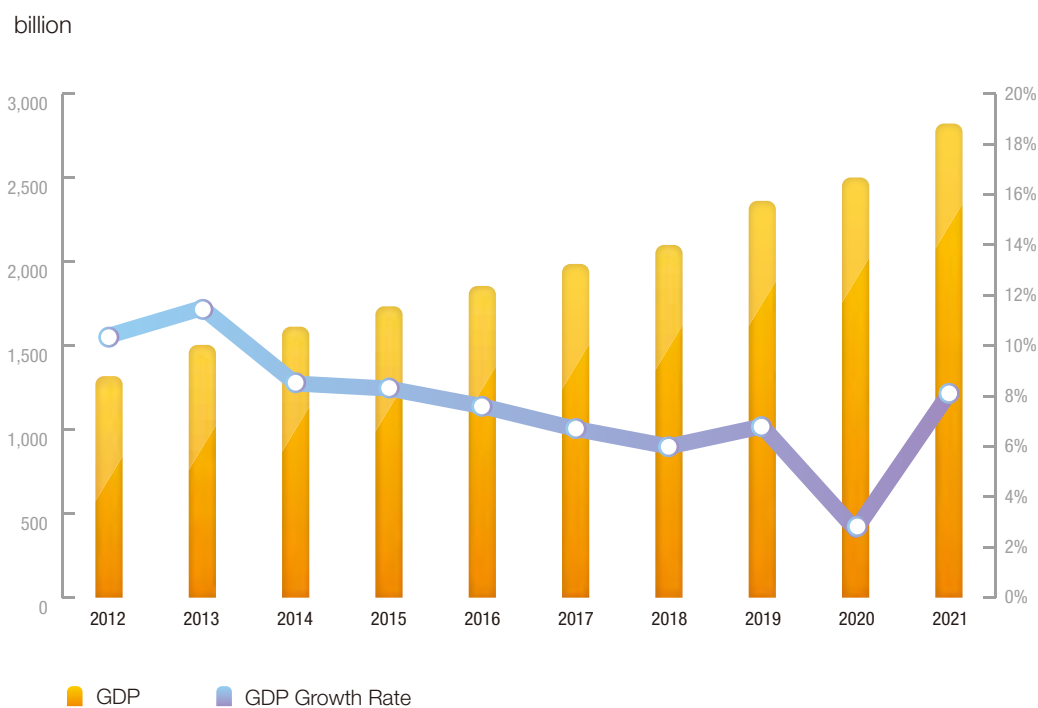
#### GUANGZHOU

#### OVERVIEW

Guangzhou is the capital of Guangdong Province, acting as the political, economic, scientific, technological, educational, and cultural centre. It is also an international trade centre and a comprehensive transportation hub in South China. By 2020, Guangzhou has a total area of 7,434.4 square kilometres and a total permanent population of about 18.7 million.

As end of 2021, Guangzhou recorded GDP of RMB2,823.2 billion, with a year-on-year (YOY) increase of 8.1%. The secondary industry contributed to RMB772.3 billion with 8.5% YOY growth. The output value of the strategic new industries increased by 7.8% YOY. The tertiary industry contributed to RMB2,020.3 billion with 8.0% YOY growth. The recovery of commodity sales had accelerated. In the first three quarters, the city's total retail sales of consumer goods was recorded at RMB1,012.3 billion, achieving a YOY increase of 9.8%. The city's fixed asset investment grew by 11.7% YOY.

#### GDP AND GDP GROWTH RATE OF GUANGZHOU, 2012–2021

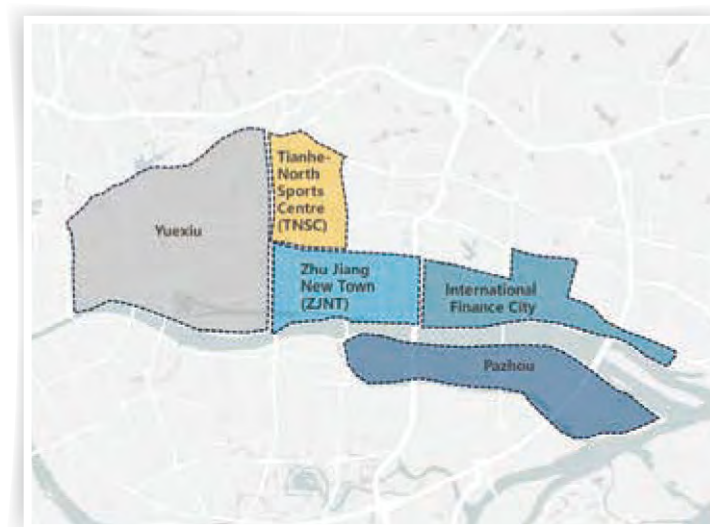


Source: Guangzhou Statistics Bureau

## GUANGZHOU OFFICE PROPERTY MARKET

Grade A offices in Guangzhou are mainly clustered in five areas: Tianhe North – Sports Centre (TNSC), Zhu Jiang New Town (ZJNT), Yuexiu, International Finance City (IFC), and Pazhou. Tianhe North – Sports Centre is the traditional CBD and second largest business area in terms of office space, hosting many state-owned enterprises, governmental agencies, and institutes. ZJNT is the current CBD of Guangzhou, hosting 13 MNC China headquarters and 140 Fortune 500 enterprises among many other domestic private business entities. Yuexiu Submarket is the traditional business trade centre with companies mainly in cultural, educational, domestic & international trade, and tourism industries. Pazhou and International Finance City are the two emerging markets. Pazhou is positioned as the regional headquarter base, aiming to attract domestic and international companies to allocate their regional headquarters in the area. International Finance City is a newly planned financial CBD specialised in building comprehensive financial industry chain in Guangzhou.

### MAP OF GUANGZHOU OFFICE SUBMARKETS



Source: Colliers (for identification purposes only)

In Q4 2021, about 252,000 square metres (sq m) supply entered the market. There was no new supply in Tianhe North – Sports Centre and Yuexiu Submarket in Q4 2021. The vacancy rate of Tianhe North – Sports Centre and Yuexiu Submarket dropped down slightly to 9.3% and 7.5% respectively. While the rental remained stable at RMB164.0 per sq m per month and RMB129.0 per sq m per month respectively. As an emerging submarket, Pazhou has relatively low rental level. As the new supply, GMC Plaza, entering the market, the vacancy rate increased slightly to 11.0% and the rent was around RMB146.5 per sq m per month. The vacancy rate in ZJNT decreased a little to 6.0%, remaining the lowest vacancy rate in Guangzhou. The rent of ZJNT remained flat at approximately RMB180.0 per sq m per month.

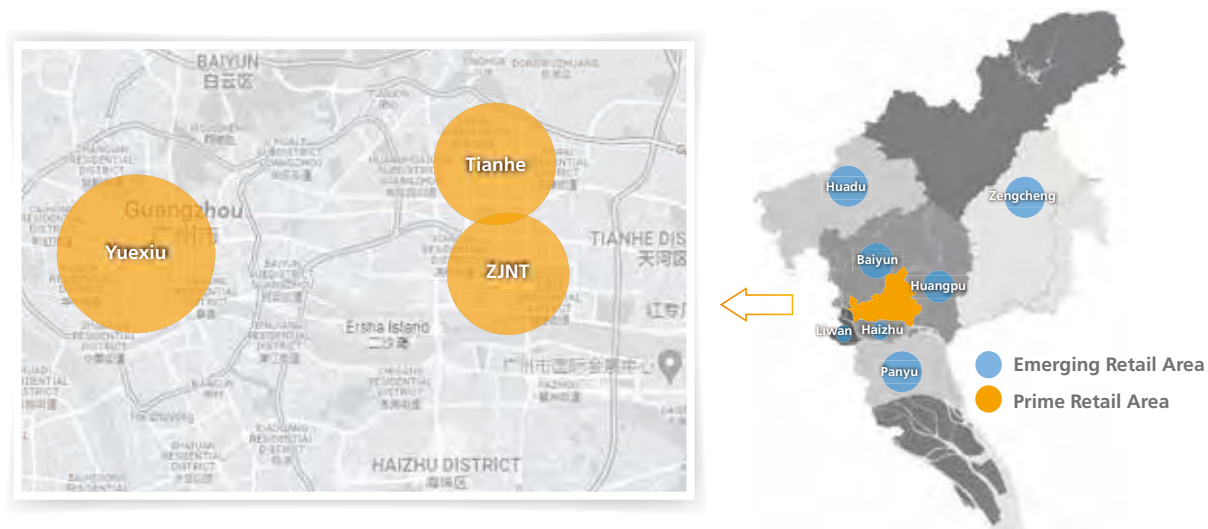
## PROPERTY VALUATION REPORT

Looking forward, the accumulative future supply to enter Guangzhou Grade A office market between 2022 and 2025 might reach 1.8 million sq m, approximately 61% of which would be concentrated in Pazhou. ZJNT is also expected to receive about 300,000 sq m future supply. Meanwhile, the overall leasing demand of Guangzhou Grade A office market shall also remain active in the near future. As Guangzhou government has been promoting the development of Guangzhou toward digital industrialization, it is expected that the enterprises in digital industries shall experience strong growing momentum over the next few years. With the firm demand, it is expected that the rental level of Guangzhou Grade A office market shall increase steadily.

### GUANGZHOU RETAIL PROPERTY MARKET

Guangzhou retail market has evolved from large department stores to multi-purpose, modern service shopping centres today, forming three prime retail catchments: Tianhe, ZJNT, and Yuexiu. Benefiting from the sophisticated commercial environment and established infrastructure, Tianhe owns the highest rental price in the city. The tenants in the area are some of the most sought-after retail brands in the world with a rich trade mix, including but not limited to high-end fashion and accessories, luxury jewellery, premier restaurants, niche and boutique stores, as well as some other fashionable F&B chains. ZJNT has the top-notch business atmosphere and serves mainly the retail customer base of mid- to high-end white-collar work force within the catchment. Yuexiu retail catchment has been a traditional point of interest with central location and convenient accessibility. However, due to the aged facilities and dated management styles, Yuexiu retail operators are facing the difficulties to attract and retain tenants. Apart from the three prime retail catchments, the development of emerging retail areas starts to speed up. Currently, there are seven emerging retail areas: Haizhu, Li'wan, Baiyun, Panyu, Huangpu, Zengcheng, and Huadu.

### MAP OF GUANGZHOU MAJOR RETAIL SUBMARKETS



Source: Colliers (for identification purposes only)

By end 2021, the total prime retail stock in Guangzhou topped 6.9 million sq m, including 694,000 sq m new supply of 8 projects, most of which locating in the emerging areas. Tianhe and Yuexiu remain to be the two biggest submarkets. Tianhe, particularly, is the only submarket with more than one million retail space. Emerging areas are experiencing rapid development. By 2021, about 60% of the retail stock in Guangzhou is located in the emerging submarkets.

## RETAIL NEW SUPPLY IN GUANGZHOU, 2021

Project	Submarket	GFA (sq m)	Opening Date
MO City (萬民城)	Panyu	70,000	Dec 2021
ICC Mall (ICC 環貿天地)	Tianhe	45,000	Sep 2021
Huatong Square (華通廣場)	Baiyun	60,000	Aug 2021
Tongbanhui Commercial Square (童伴薈商業廣場)	Zengcheng	60,000	July 2021
M.LIVE Phase II (美林M.LIVE天地(二期))	Tianhe	120,000	July 2021
Huadu Yale City (花都雅樂城)	Huadu	69,000	May 2021
AEON Mall (廣州新塘永旺夢樂城)	Zengcheng	230,000	May 2021
Jadingmao Square (拉丁茂廣場)	Huadu	40,000	May 2021

Source: Colliers

In Q4 2021, the local consumption market experienced a rapid recovery from a small COVID-19 outbreak in June. F&B brands continued to search for new opportunities for business expansions, and a series of leasing transactions, such as M Stand and Wagas in OneLink Walk (萬菱匯), machi machi in K11 and Xie Xie Pot (謝謝鍋) in Teemall, were recorded in Q4 2021. Meanwhile, the new energy vehicle (NEV) (新能源汽車) sector remained active in setting up new stores in both prime and emerging retail areas. In Q4 2021, NIO (蔚來) took up the street-front space at La Perle (麗柏廣場) in Yuexiu, and Tesla opened a new store in Luogang Wanda Plaza (蘿崗萬達廣場) in Huangpu. It is worth noting that mid- to high-end skincare retail category has been expanding aggressively in opening new stores in prime retail areas, especially in Tianhe. Valmont opened its first store in South China in TAIKOO HUI (太古匯), Clarins also chose TAIKOO HUI (太古匯) as retail destination. Pola, together with two perfume brands Narciso Rodriguez and Issey Miyake, took up space at Parc Central (天環) for their new stores. By Q4 2021, the average vacancy rate of the Guangzhou retail property market decreased 0.1 percentage point QOQ to 12.9%, whereas the city's average ground floor rent was recorded at RMB692.0 psm per month.

Looking ahead, it is expected that a total of about 10 new shopping malls with aggregate GFA of 8,125,000 sq m will be scheduled for completion in 2022. Considering the surge of new supply and the vicinity of the pipeline projects, competition among these new shopping centres might further intensify, driving the vacancy rate to increase and the rental level to drop in the short term. The retail ambience in the emerging area such as Panyu, Huangpu and Zengcheng is expected to improve with the openings of new shopping centres and the development of transport infrastructure. Retail sector wise, the domestic brands in the FMCG and mass fashion industry shall continuously experience strong growth. Home and lifestyle, F&B, and luxury sectors shall also see strong growth momentum. The outlook for retail market in Guangzhou should remain positive in mid- to long-term.



## PROPERTY VALUATION REPORT

### GUANGZHOU HOTEL MARKET

Guangzhou is the capital of Guangdong Province with a long history and rich cultural resources. The tourism and business sectors are the major demand driver for the hotel industry in the city. According to the Statistics Bureau of Guangzhou, the city realised a total income in tourism industry of RMB445.5 billion in 2019, indicating a year-on-year (YOY) increase of 11.1%. In the same year, Guangzhou hosted 67.7 million tourists who stayed overnight, the number of which grew by 3.7% YOY. Impacted by the COVID-19, both the total tourism income and overnight tourism arrivals declined by more than 30% YOY in 2020. The number of officially registered star-rated hotels also dropped slightly from 160 to 152 in 2020, according to Guangzhou Statistics Yearbook. However, the result most reflected the red tape than the supply of the market. In fact, high-quality hotels started to take bigger market share over past few years. Most five-star hotels are located in Tianhe District, Huangpu District, Baiyun District, Huadu District and Nansha District.

### STATISTICS ON TOURISM AND HOTEL: GUANGZHOU, 2014–2021

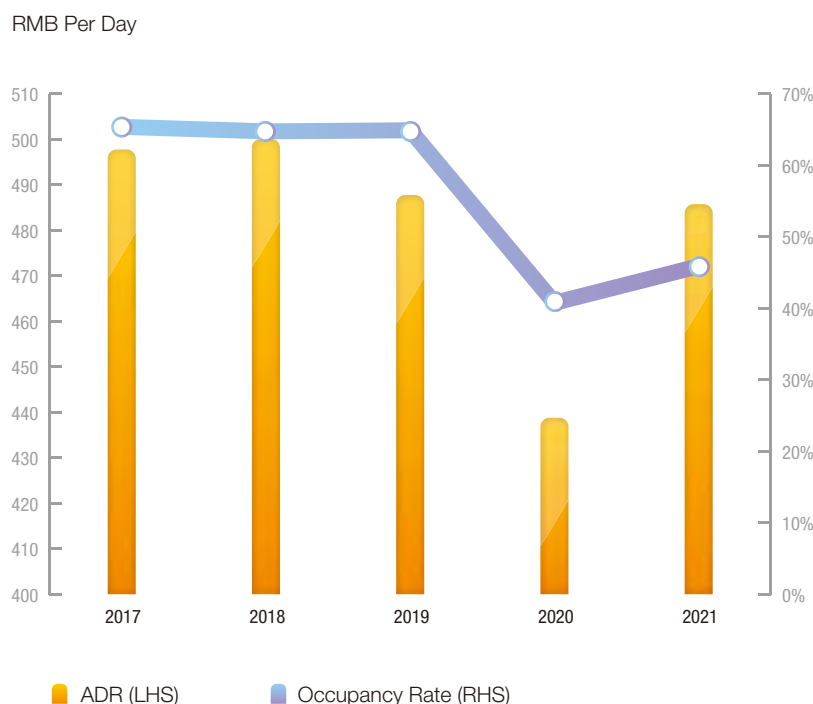
Item	Unit	2014	2015	2016	2017	2018	2019	2020	2021
Total Income from Tourism	RMB billion	252.2	287.2	321.7	361.4	400.8	445.5	267.9	288.6
Overnight Tourism Arrivals	million	53.3	56.6	59.4	62.8	65.3	67.7	41.8	43.1
Number of Star-rated Hotels	#	216	204	188	180	170	160	152	n/a

Source: Statistics Bureau of Guangzhou

There has been a shift of demand for Guangzhou hotel market. Back to 2010s, state owned enterprises and government related institutes were the main income contributors. Later, as the anti-corruption policy came into effect, the major revenue stream shifted to business guests. Corporate and business travellers became the major demand force. To fill in the guest rooms, four and five-star hotels decreased the room rates in order to retain the revenue source. Leisure demand also started to pick up. From 2014 to 2019, the ADR of star-rated hotels stayed between RMB480 to RMB500 per night.

Further affected by the COVID-19 outbreak in 2020, the number of both tourists and business travellers dropped significantly. By Q4 2020, the ADR had decreased by 10.0% to RMB439 per night. The occupancy rate of star-rated hotels, on the other hand, has been relatively stable, falling in between 61% and 66% from 2014 to 2019. As of Q4 2020, the average occupancy rate has dropped to about 40.8%. In 2021, thanks to the recovery of the economy, the occupancy rate bounced back to 45.9% and ADR was about RMB485 per night.

## AVERAGE ADR AND OCCUPANCY RATE OF STAR-RATED HOTELS: GUANGZHOU, 2017–2021



Source: Ministry of Culture and Tourism of the PRC

## GUANGZHOU SERVICED APARTMENT MARKET

Guangzhou has been an internationally renowned gateway city that attracts foreign investment and expat workers. Under the context of Greater Bay Area, the increasingly seamless integration of capital and resource in between the key cities, such as Hong Kong, Macau, and Shenzhen, has been boosting Guangzhou's economic development. The business dynamic has drawn more and more expat executives and high-income Chinese individuals to settle down, therefore enlarging the tenant base of serviced apartments.

The major serviced apartment submarkets in Guangzhou are centred around the traditional business and office centres as well as the higher-income housing areas, such as Tianhe North, Zhu Jiang New Town, and Yuexiu. There are mainly two types of serviced apartments: Mid- to high-end serviced apartment projects mainly operated by leading hospitality operators such as Ascott, Fraser, Hyatt, Four Seasons, Ritz Carlton, and high-end housing projects run by local property developers such as the Canton Residence (廣粵公館) and Gold Arch Residence (金亞花園). Situated in prime commercial and business centres adjacent to premium office buildings, luxury shopping malls and tourism attractions, these serviced apartments are well equipped to accommodate to the demands and needs from both corporate and individual tenants.

In 2020, citywide occupancy rate decreased dramatically due to the pandemic. Fortunately, as the market gradually recovered, the occupancy rate started to pick up and stabilized at about 80.5% by end 2021. The rental level of Guangzhou serviced apartment market was recorded at RMB140 per sq m per month.

## PROPERTY VALUATION REPORT

### SHANGHAI

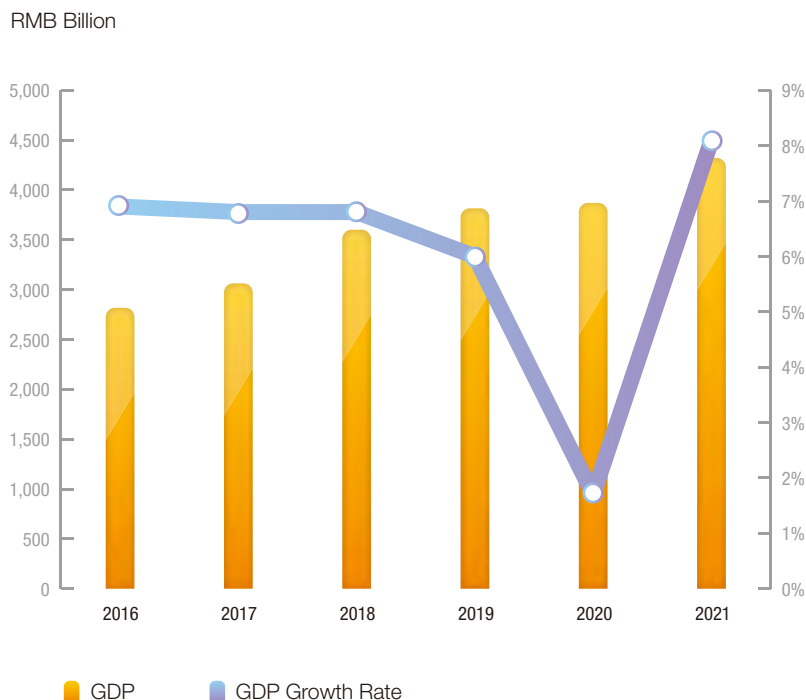
#### OVERVIEW

Shanghai is one of the largest and most important metropolises in the world with permanent residential population of approximately 24.9 million as of 2020. Shanghai has 16 districts under its jurisdiction and its city proper is geographically divided into two parts by the Huangpu River (黃浦江): Puxi (浦西) and Pudong (浦東). Puxi encompasses the historical centre of the city and is composed of seven central districts on the western bank of the river. Pudong New Area, located east of the river, is a modern and more developed financial district full of high-rise developments, and is home to several special economic zones. The other eight districts are commonly considered as the suburban areas of the city.

Shanghai is well positioned as one of the global financial centres and a national commercial and transportation hub. Over the past two decades, Shanghai has been one of the cities that experienced fast economic growth. Since 2010, the city-level GDP annual growth rate has stabilised between 6.5% and 8.0%.

Influenced by the COVID-19 pandemic, Shanghai GDP growth experienced downward pressure, which was recorded at of 1.7% at the end of 2020 with the total GDP reaching RMB3,870 billion. The economy further rebounded in 2021, reaching RMB4,321.5 billion with significant year-on-year (YOY) growth of 8.1% as of 2021, reflecting the strong resilience of Shanghai's economy. The economic growth of Shanghai is primarily driven by the tertiary service sector, which makes up approximately 73.34% of Shanghai's total GDP. The three largest service sectors are financial services, retail, and IT industries.

#### GDP AND GDP GROWTH RATE OF SHANGHAI, 2016–2021



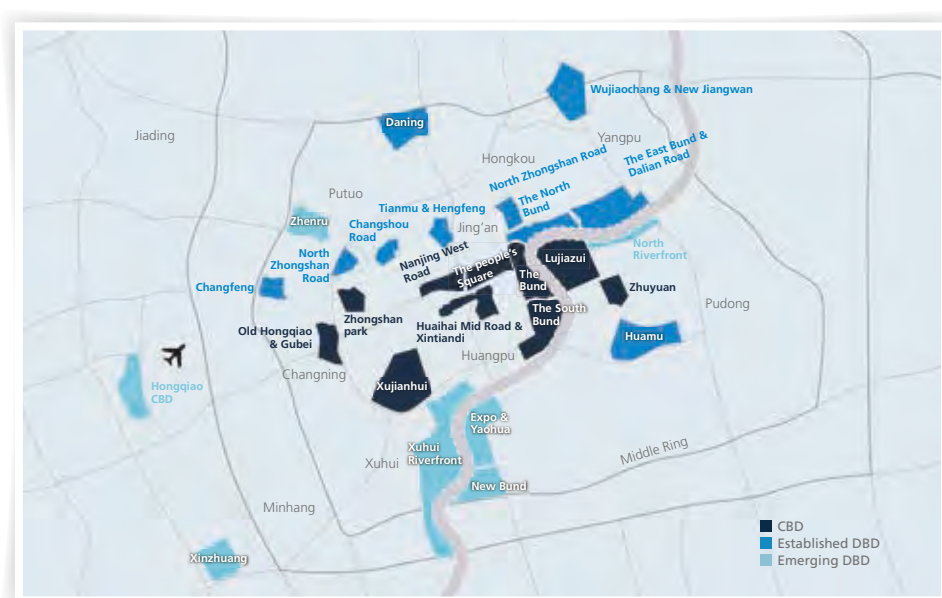
Source: Shanghai Statistics Bureau

## SHANGHAI OFFICE PROPERTY MARKET

As a global financial and commercial centre, Shanghai has attracted a large number of multinational corporations (MNCs) and renowned domestic companies to set up national, regional or global headquarters in the city. According to Shanghai's Statistics Bureau, as of end of 2021, the city housed 818 MNCs, an increase of 47 corporations compared to 2020. Utilised foreign investment in Shanghai increased 15%YOY to USD17.8 billion, allowing the city to be one of the most popular destinations for foreign investment nationwide. These robust figures indicate that Shanghai remains highly attractive to international enterprises who look for business expansion in China.

The rapidly growing economy and the influx of corporations, capital and working population have all led to extensive development in Grade A office market in Shanghai. As seen on the map below, the Grade A office market can be generally divided into two segments: Central Business District (CBD) and Decentralised Business District (DBD) areas.

### MAP OF SHANGHAI MAJOR OFFICE SUBMARKETS



Source: Colliers (for identification purposes only)

Shanghai has developed ten CBD submarkets, namely The People's Square (人民廣場), Nanjing West Road (南京西路), Huaihai Mid Road & Xintiandi (淮海中路&新天地), The Bund (外灘), The South Bund (南外灘), Zhongshan Park (中山公園), Old Hongqiao & Gubei (虹橋開發區&古北) and Xujiahui (徐家匯) in Puxi, and Lujiazui (陸家嘴) and Zhuyuan (竹園) areas in Pudong. These areas are the most developed submarkets in the city, featuring mature business ambiance. High-profile international and domestic corporations in the finance and professional service sectors are often clustered in these areas. As of Q4 2021, the total stock of Shanghai offices amounted to approximately 14.7 million sq m, up by 5.2% YOY, whereas the market stock of Grade A offices in the CBD submarkets totalled 7.93 million sq m, accounting for 26.0% of the citywide stock.



## PROPERTY VALUATION REPORT

Shanghai is also the first city in China to witness the widespread development of DBD office markets. Thanks to the gradually improving public transport system, more and more new buildings with high-quality specifications begin to emerge outside the CBD areas. As of today, there are 10 established DBD submarkets and 7 emerging DBD submarkets in Shanghai, with a total stock of Grade A offices in these submarkets reaching 6.8 million sq m as of Q4 2021.

In Q4 2021, the Shanghai Grade A office market witnessed one new completion, namely Shui On Rainbow New City Sun Palace T1 & T2 (瑞虹新城太陽宮辦公樓T1&T2) in the North Sichuan Road Submarket, adding approximately 136,000 sq m of new supply to the market. Meanwhile, as leasing demand rebounds, the Grade A office market in Shanghai CBD recorded a healthy net absorption of 95,300 sq m, driving the average vacancy rate down to 12.8%. Tenants from the finance, professional services and TMT sectors remained the primary demand drivers.

Average rent of Grade A office in Shanghai CBD continued to increase, achieving positive growth for two consecutive quarters, reaching RMB8.99 per square metre (psm) per day as of Q4 2021. Particularly, Nanjing West Road commanded the highest rental among all submarkets with average rent reaching RMB11.63 psm per day. In comparison, Hongqiao & Gubei submarket recorded the lowest average rent of RMB6.48 psm per day.

The total future supply of Shanghai Grade A office market from 2022 to 2024 is estimated at 1.54 million sq m for the CBD market and 1.06 million sq m for the DBD market. The future supply is expected to peak in 2022. Accordingly, the vacancy rate shall peak in 2022 and decline to stable level after.

### HANGZHOU

#### OVERVIEW

Hangzhou is located at the southern branch of the Yangtze River Delta. Covering a land area of over 16,000 square kilometres, Hangzhou is one of the six largest metropolitan areas in China and has a population of almost 11.9 million by 2020.

Over the past decade, growth rate of GDP in Hangzhou has been consistently above the average level nationwide, growing from RMB594.9 billion in 2010 to RMB1,610.6 billion in 2020 with the compounded annual growth rate of 11.0%. In 2021, Hangzhou ranked first in terms of GDP among all cities in Zhejiang Province and eighth nationwide, achieving GDP RMB1,810.1 billion with strong YOY growth momentum of 8.5%.

According to the 14th Five-year Plan of Hangzhou, the city is aiming to build a world-class digital industry cluster to accelerate the construction of the Hangzhou National AI Innovation Development Pilot Zone and promote the development of Hangzhou as a national city of cloud computing and blockchain as well as an international hub for digital security and fintech.

## HANGZHOU OFFICE PROPERTY MARKET

In H2 2021, two new projects entered the Hangzhou Grade A office market, namely AUX Centre (奧克斯未來中心) and China Life Insurance Building (中國人壽大廈), bringing new supply of 249,000 sq m, to push the total Grade A office stock to approximately 3.5 million sq m. Financial service, retail, e-commerce, and IT/tech continued to be the demand drivers with net take-up of approximately 117,000 sq m. Correspondingly, the rental level of Grade A office market in Hangzhou recorded a moderate increase of 0.3% YOY to RMB4.26 psm per day. By submarket, Wulin and Huanglong submarkets remained to be the higher submarkets with RMB5.17 psm per day and RMB4.56 psm per day, and the vacancy rate of these two areas were recorded at 20.0% and 12.6% respectively.

### MAP OF HANGZHOU MAJOR OFFICE SUBMARKETS



Source: Colliers (for identification purposes only)

Looking forward, three Grade A office projects, namely Hangzhou MixC Centre (杭州萬象世界中心), One Century (杭州望朝中心) and Winland International Finance Centre (英藍國際金融中心) with combined GFA of approximately 470,200 sq m are scheduled to enter the market in 2022. In the short term, the new supply might push up the vacancy rate slightly. However, considering the growing demand, the rental level shall remain firm in the foreseeable future.

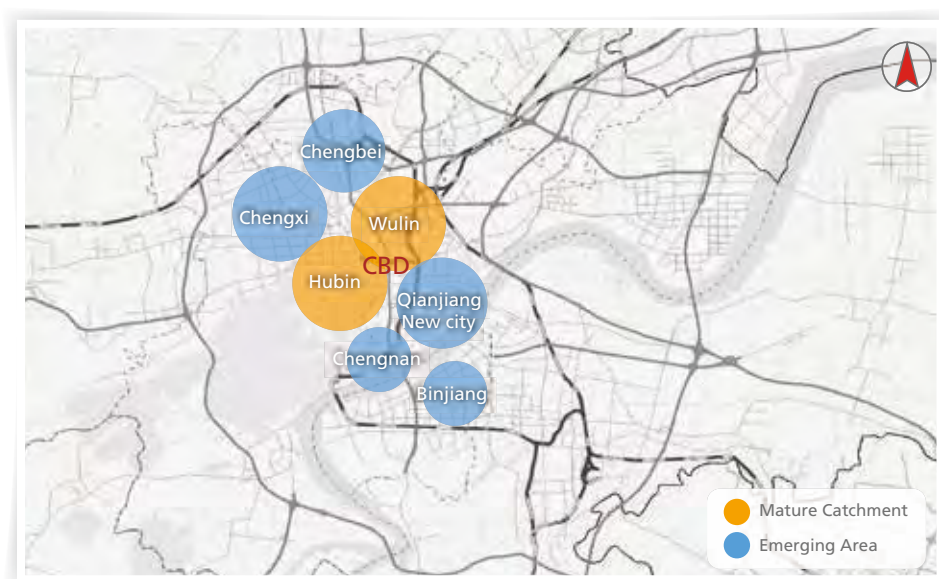
## PROPERTY VALUATION REPORT

### HANGZHOU RETAIL PROPERTY MARKET

In H2 2021, four new prime retail properties entered the market of Hangzhou, including SCPG Olympic InCity (印力奧體印象城), Longfor Jiangdong Paradise Walk (龍湖江東天街), Qibao Garden City (七堡花園城) and Denxin F World (空港德信之翼). As a result, the total stock of prime retail in Hangzhou reached 4.5 million sq m in H2 2021, and the overall vacancy rate remained stable at around 3.2%.

The market performance of prime retail properties in Hangzhou remained stable in H2 2021. The average ground floor rent of prime retail properties remained flat at RMB14.90 psm per day in H2 2021. Hubin submarket achieved the highest rent of RMB29.4 psm per day with a vacancy rate as low as 2%.

### MAP OF HANGZHOU MAJOR RETAIL SUBMARKETS



Source: Colliers (for identification purposes only)

New supply of prime retail properties in 2022 is forecasted to reach 529,000 sq m, of which the most notable ones include Zhonghao Lehui City (中豪樂慧城) and Hangzhou Binjiang Yintai Shopping Centre (杭州濱江銀泰), etc. Looking forward, the pet economy is becoming the new growth driver for retail sector, and more pet related service and leisure business will be introduced in shopping malls.

As the leasing demand gradually recovers after the pandemic, the rental performance of high-quality retail properties in major districts in Hangzhou is expected to remain stable.

## WUHAN

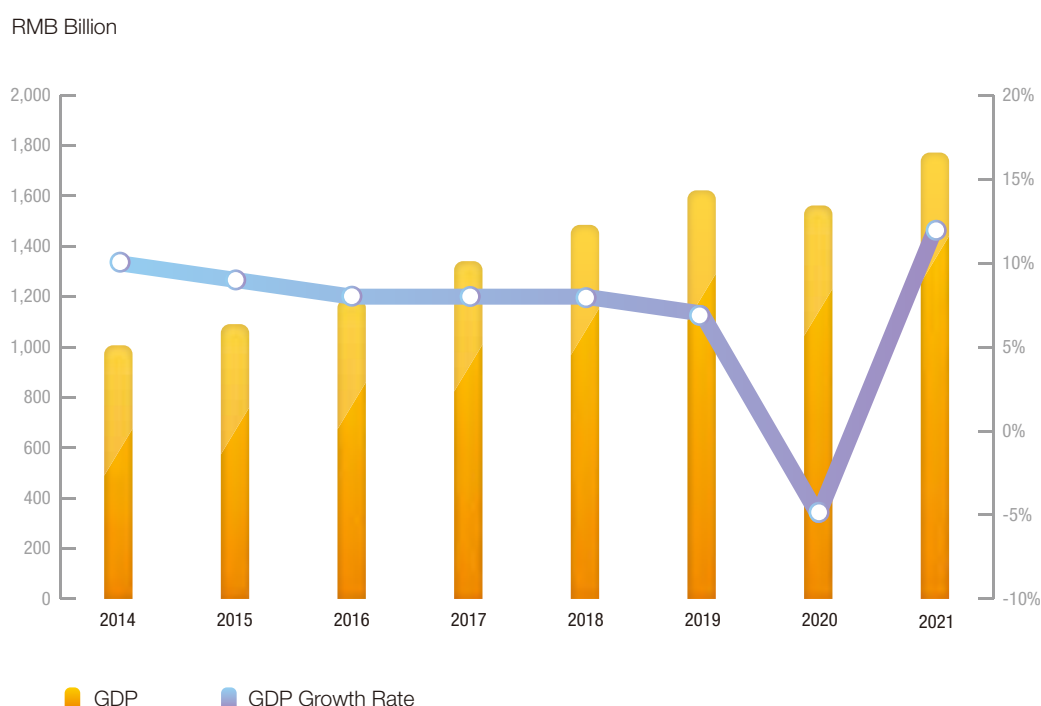
### OVERVIEW

Wuhan is the capital and most populous city of Hubei Province, and one of the cities with the largest urban areas in China covering a total of 8,569.2 sq kilometres. According to the Statistics Bureau of Wuhan, the city's resident population was recorded at approximately 12.33 million as of the end of 2020. Not only a provincial capital city, Wuhan is also recognised as a political, economic, financial, cultural centre, and a key transport hub in Central China.

Situated on the eastern Jiangnan Plain, which is at the intersection of the middle reaches of the Yangtze and Han Rivers, Wuhan is divided into three parts: Hankou (漢口), Hanyang (漢陽) and Wuchang (武昌). Hankou forms part of the urban core area, which is recognised as the traditional city centre of Wuhan. Wuchang, situated east of the Han River, is commonly known as the political, cultural and information centre. It is also home to the Hubei Provincial Committee and Hubei Provincial Government. More than 200 Multinational Corporations (MNCs), financial institutions, business enterprises and company headquarters are in Wuchang. Hanyang is known as the origin point of modern industrialisation in China and has remained to be an important industrial hub in Wuhan.

Wuhan's economy was growing rapidly from 2014 to 2019. Over the six years, the annual GDP growth rates fell between 7% and 10%. As of end-2020, the city realised a GDP of RMB1.56161 trillion, down by 4.7% YOY due to the COVID-19. However, as the pandemic eased, the economy has been recovering rapidly. As of 2021, the GDP increased by 12.2% YOY to RMB1,771.7 billion, and the proportion of the primary, secondary, and tertiary industries was 2.5:35.0:62.5, with the tertiary industry being the fastest growing sector. The retail industry, an important driver of economic growth, increased by 10.5% YOY to RMB679.5 billion as of 2021.

### GDP AND GDP GROWTH RATE: WUHAN, 2014–2021



Source: Statistics Bureau of Wuhan



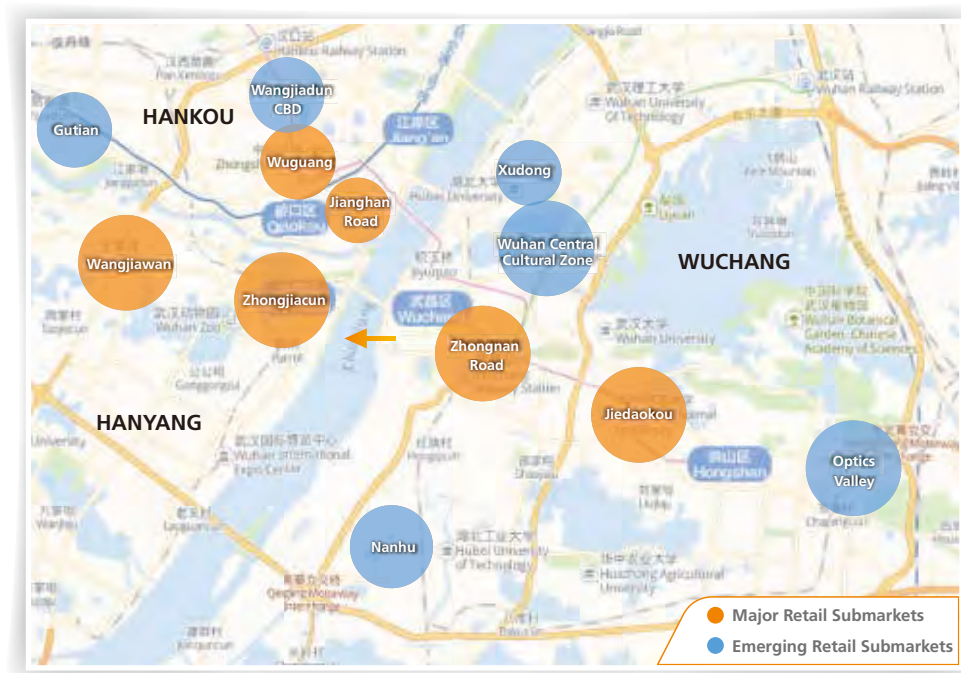
## PROPERTY VALUATION REPORT

### WUHAN'S RETAIL PROPERTY MARKET

Currently, there are six major retail areas and six emerging retail areas scattered in Hankou, Wuchang and Hanyang catchments. Hankou Catchment is the traditional downtown area hosting two well-established retail areas: Wuguang Area (武廣商圈) and Jiangnan Road Area (江漢路商圈). Wuchang Catchment, situated along the eastern bank of the Yangtze River, is home to the Hubei Provincial Government (湖北省政府) and two major retail areas – Zhongnan Road Area (中南路商圈) and Jiedaokou Area (街道口商圈). Hanyang Catchment has two major retail areas, namely Zhongjiacun Area (鍾家村商圈) and Wangjiawan Area (王家灣商圈). As Wuhan's Metro system extends, retail areas including Gutian (古田), Nanhu (南湖), Wangjiadun CBD (王家墩中央商務區), Xudong (徐東), Wuhan Central Culture Zone (武漢中央文化區) and Optics Valley (光谷) have witnessed more modern shopping facilities entering the market.

As of 2021, the total retail stock of the city remained at around 2.63 million sq m. Consumption demand continued to recover, and retailers from the F&B and life service sectors saw active taking-up in Q4 2021. Backed by the rising leasing demand, the average vacancy rate decreased by 0.2 ppt QOQ to around 14.0%. Meanwhile, the average ground floor rental rate of high-end shopping malls based on net lettable area (NLA) increased by 1.2% QOQ to around RMB18.4 psm per day.

### MAJOR RETAIL AREAS IN WUHAN



Source: Colliers (for identification purposes only)

## WUHAN'S OFFICE PROPERTY MARKET

Wuhan's Grade A offices mainly cluster in seven submarkets, including Jianshe Avenue (建設大道), Wuguang (武廣), Jiefang Avenue (解放大道), Hankou Riverside (漢口沿江), Wuchang Riverside (武昌沿江), Zhongnan & Zhongbei Road (中南中北路) and Optics Valley (光谷).

The Grade A office market in Wuhan is recovering steadily. As of 2021, the total market stock stayed at around 2.45 million sq m. It is observed that landlords of newly completed office buildings were adopting more flexible leasing strategies or introducing rental rebates to attract tenants. Correspondingly, many tenants chose to relocate or expand the office spaces. Finance, education, and manufacturing are among the most active sectors. As at Q3 2021, citywide average vacancy rate decreased by 1.9 ppts QOQ to around 32.7%, while the average rent decreased slightly to RMB3.5 psm per day.

## MAJOR OFFICE CATCHMENTS IN WUHAN



Source: Colliers (for identification purposes only)

## LIMITING CONDITIONS

Neither the whole or any part of this valuation report nor any reference thereto may be included in any document, circular or statement without our prior written approval of the form and context in which it will appear.

In accordance with our standard practice, we must state that this valuation report is for the use only of the party to whom it is addressed for the stated purpose and shall be relied upon by each of the Trustee, the Manager and the Unitholders of the Yuexiu REIT, and no responsibility is accepted to any third party for the whole or any part of its content.

## PROPERTY VALUATION REPORT

### REMARKS

We hereby confirmed that:

- We have no present or prospective interest in Yuexiu REIT Properties and are not related corporation of nor have relationship with the Manager, the Trustee or any other party or parties which Yuexiu REIT is contracting with;
- We are authorised to practice as valuer and have the necessary expertise and experience in valuing similar types of properties;
- Our opinions have been given on fair and unbiased basis; and
- We are acting as an independent valuer as defined in the latest edition of “RICS Global Valuation Standards”, the “HKIS Valuation Standards” published by the RICS and the HKIS, which incorporates with the IVSC.

### CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our summary of values and valuation summary report are attached hereto.

Yours faithfully,  
For and on behalf of

**Colliers International (Hong Kong) Limited**

**Zhirong He (Flora He)**

*Registered Valuer (RICS)*

*FRICS MCOMFIN*

*Executive Director, Valuation and Advisory Services, China*

**Eric Tsang**

*Registered Valuer (RICS)*

*BSc (Hons), MRICS, MHKIS, RPS (GP), MCIREA*

*Senior Director, Valuation & Advisory Services, Asia*

Note: Ms. Zhirong He is a Registered Valuer with over 18 years' experience in valuation of properties in PRC.

Mr. Eric Tsang is a professional surveyor who has over 20 years' experience in valuation of properties in Hong Kong and PRC.

## SUMMARY OF VALUES CONTAINED IN VALUATION SUMMARIES

<b>PROPERTY NO.</b>	<b>PROPERTY</b>	<b>MARKET VALUE IN EXISTING STATE AS AT 31 DECEMBER 2021</b>
1.	Guangzhou International Finance Centre No. 5 Zhu Jiang West Road, Tianhe District, Guangzhou, Guangdong Province, The PRC	RMB18,786,000,000
2.	Various Units in White Horse Building, Nos. 14, 16 & 18 Zhan Nan Road, Yuxiu District, Guangzhou, Guangdong Province, The PRC	RMB5,007,000,000
3.	Various Units and 110 Car Spaces at Basement Levels 1 & 2 in Fortune Plaza, Nos. 114, 116 & 118 Ti Yu East Road, Tianhe District, Guangzhou, Guangdong Province, The PRC	RMB1,253,000,000
4.	Various Units and 179 Car Spaces at Basement Levels 1 & 2 in City Development Plaza, Nos. 185, 187 & 189 Ti Yu West Road, Tianhe District, Guangzhou, Guangdong Province, The PRC	RMB1,056,000,000
5.	Various Units in Victory Plaza, No. 101 Ti Yu West Road, Tianhe District, Guangzhou, Guangdong Province, The PRC	RMB955,000,000
6.	Tower 2 & 315 Car Spaces at Basement Levels 1 & 2, Hangzhou Victory Business Center, No. 9 Jiangxiu Street, Qianjiang New Town, Shangcheng District, Hangzhou, Zhejiang Province, The PRC	RMB619,000,000



## PROPERTY VALUATION REPORT

<b>PROPERTY NO.</b>	<b>PROPERTY</b>	<b>MARKET VALUE IN EXISTING STATE AS AT 31 DECEMBER 2021</b>
7.	Yuexiu Tower, No. 388 Fushan Road, Lot No. Qiu 2/9 Jiefang 302, Weifang Xincun Sub-district, Pudong New Area, Shanghai, The PRC	RMB3,060,000,000
8.	Wuhan Yuexiu Fortune Centre, Starry Victoria Shopping Centre and Various Car Spaces, No. 1 Zhongshan Avenue, Qiaokou District, Wuhan, Hubei Province, The PRC	RMB3,629,000,000
9.	Yuexiu Financial Tower, No. 28 Zhu Jiang East Road, Tianhe District, Guangzhou, Guangdong Province, The PRC	RMB8,030,000,000
<b>Grand Total:</b>		<b><u>RMB42,395,000,000</u></b>

## VALUATION SUMMARY – PROPERTY 1

NO.	PROPERTY	DESCRIPTION AND TENURE	PARTICULARS OF OCCUPANCY	MARKET VALUE IN EXISTING STATE AS AT 31 DECEMBER 2021
1	Guangzhou International Finance Centre, No.5 Zhu Jiang West Road, Tianhe District, Guangzhou, Guangdong Province, the PRC	<p>The Property, known as Guangzhou International Finance Centre (“GZ-IFC”), was completed in 2010 and 2011 in stages and it comprises a mixed-use development with a 103-storey above ground (“main building”), a 28-storey annex building and a 4-storey basement erected on a site with a site area of 27,508.06 square metres (sq m). The Property consists of retail, office, hotel, serviced apartment and 1,703 underground car spaces with a total gross floor area (GFA) of 457,356.68 sq m.</p> <p>Retail Podium</p> <p>The retail podium is located in the annex building of the Property from Basement 1 to Level 5 with a total GFA of 46,989.16 sq m, including a staff canteen with a GFA of 2,698.93 sq m on Level 4.</p> <p>Office</p> <p>The office portion is provided on Levels 4 to 65 in the main building and Levels 27 and 28 in the annex building of the Property having a total GFA of 183,539.65 sq m.</p> <p>Hotel</p> <p>The hotel portion of the Property is currently operated as a luxury hotel under the tradename of “Four Seasons Hotel Guangzhou” providing 344 hotel guestrooms at Levels 68 to 100 of the main building of the Property with ancillary facilities such as food and beverage, conference rooms, fitness center, SPA, swimming pool and so on having a total GFA of 89,198.83 sq m.</p>	<p>At the Valuation Date, retail, office and carpark portions of the Property having occupancy rates of 97.3%, 94.5% and 100% were let to various tenants at an aggregate monthly rent of approximately RMB46,400,000 (exclusive of value-added tax, management fees and utility charges) with the latest expiry date of 31 July 2027; whilst the hotel and serviced apartment portion of the Property were operated by third parties under respective consultancy agreement(s) and management agreement(s).</p>	RMB18,786,000,000 (RENMINBI EIGHTEEN BILLION SEVEN HUNDRED EIGHTY SIX MILLION)

## PROPERTY VALUATION REPORT

NO.	PROPERTY	DESCRIPTION AND TENURE	PARTICULARS OF OCCUPANCY	MARKET VALUE IN EXISTING STATE AS AT 31 DECEMBER 2021
		<p>Serviced Apartment</p> <p>The serviced apartment portion of the Property is currently operated as a serviced apartment under the tradename of "Ascott IFC Guangzhou" at Levels 6 to 28 of the annex building of the Property with 314 units having a total GFA of about 51,102.26 sq m including a clubhouse on Level 6 having a GFA of 2,866.96 sq m.</p>		
		<p>Carpark &amp; Ancillary Areas</p> <p>The Property includes 1,703 underground car spaces as well as ancillary areas for refuge floor, machine and facilities' room having a GFA of 71,082.79 sq m and 15,443.99 sq m respectively.</p> <p>Pursuant to the real estate ownership certificates provided, the land-use rights of the Property have been granted for office use for a term of 50 years from 23 June 2008; for tourism and retail uses for a term of 40 years from 23 June 2008.</p>		

### Notes:

- i) Pursuant to Yue (2017) Guangzhou Shi Bu Dong Chan Quan Di 00216281 Hao and three hundred and eighty copy of real estate ownership certificates, the ownership of the Property is vested in 廣州越秀城建國際金融中心有限公司 (Guangzhou Yue Xiu City Construction International Finance Center Co., Ltd.).
- ii) Pursuant to a set of copy of various real estate ownership certificates, Unit 620, Unit 720, Unit 730, Unit 820, Unit 830, Unit 920, Unit 930, Unit 1020, Unit 1030, Unit 1120, Unit 1130, Unit 1220, Unit 1230, Unit 1320, Unit 1330, Unit 1420, Unit 1430, Unit 1520, Unit 1530, Unit 1620, Unit 1630, Unit 1720, Unit 1730, Unit 1820, Unit 1830, Unit 1920, Unit 1930, Unit 2020, Unit 2030, Unit 2120, Unit 2130, Unit 2220, Unit 2230, Unit 2320, Unit 2330, Unit 2420, Unit 2430, Unit 2520, Unit 2530, Unit 2620, Unit 2630, Unit 2720, Unit 2820, Unit 4501, Unit 4502, Unit 4503, Unit 4504, Unit 4505, Unit 4506, Unit 4601, Unit 4602, Unit 4603, Unit 4604, Unit 4605, Unit 4606, Unit 4701, Unit 4702, Unit 4703, Unit 4704, Unit 4705, Unit 4706, Unit 5001, Unit 5002, Unit 5003, Unit 5004, Unit 5005, Unit 5006, Unit 5101, Unit 5102, Unit 5103, Unit 5104, Unit 5105, Unit 5106, Unit 5201, Unit 5202, Unit 5203, Unit 5204, Unit 5205, Unit 5206, Unit 5301, Unit 5302, Unit 5303, Unit 5304, Unit 5305, Unit 5306, Unit 5307, Unit 5401, Unit 5402, Unit 5403, Unit 5404, Unit 5405, Unit 5406, Unit 5407, Unit 5501, Unit 5502, Unit 5503, Unit 5504, Unit 5505, Unit 5506, Unit 5507, Unit 5601, Unit 5602, Unit 5603, Unit 5604, Unit 5605, Unit 5606, Unit 5607, Unit 5701, Unit 5702, Unit 5703, Unit 5704, Unit 5705, Unit 5706, Unit 5707, Unit 5801, Unit 5802, Unit 5803, Unit 5804, Unit 5805, Unit 5806, Unit 5807, Unit 6101, Unit 6201, Unit 6301, Unit 6401, Unit 6501, Unit 6801, Unit 6901, Units 7001 to 7201, Units 7401 to 8001, Units 8201 to 10001, Unit 2730 and Unit 2830 with an aggregate GFA of 184,003.34 sq m are subject to mortgages.
- iii) The hotel portion of the Property is subject to and carries the benefits to a hotel operating agreement and a hotel consultancy agreement for an initial term of 15 years renewable for a further term of 10 years from the date of opening at a consultancy fee of 1.75% on total revenue, a basic management fee of 0.25% on total revenue and an incentive management fee varied from 2.0% to 8.0% on Gross Operating Profit in each financial year depends on operating performance.

- iv) The serviced apartment portion of the Property is subject to and carries the benefits to an operation contract for an initial term of 10 years renewable for a further term of 10 years from the date of opening at a basic management fee of 2.0% on total revenue and an incentive management fee varied from 3.0% to 6.0% on adjusted Gross Operating Profits in each financial year.
- v) Annual rental income exclusive of value-added tax as at the Valuation Date and lettable area breakdown of the Property are tabulated as follows:

<b>Use</b>	<b>Lettable Area (sq m)</b>	<b>Contracted Lettable Area (sq m)</b>	<b>Annual Rental Income (approx.)</b>
Retail	46,727.28	45,454.59	77,900,000
Office	183,539.65	173,460.35	462,600,000
Carpark	71,082.79	71,082.79	16,700,000
<b>Total</b>	<b>301,349.72</b>	<b>289,997.73</b>	<b>557,200,000</b>

- vi) Annual net property income exclusive of value-added tax as at the Valuation Date and GFA breakdown of the hotel portion and serviced apartment of the Property are tabulated as follows:

<b>Use</b>	<b>Gross Floor Area (sq m)</b>	<b>No. of Unit/ Guestroom</b>	<b>Annual Net Property Income (approx.)</b>
Hotel	89,198.83	344	68,000,000
Serviced Apartment	51,102.26	314	57,000,000
<b>Total</b>	<b>140,301.09</b>	<b>658</b>	<b>125,000,000</b>

- vii) Based on the tenancy information provided by the Manager, our analysis of the tenancy duration profile for the retail portion 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 Lettable Area</b>
0	1	5.9%
1	2	0.8%
2	3	3.3%
3	4	1.0%
4	5	12.6%
5	6	5.5%
6	7	12.0%
7	8	0.6%
8	9	58.3%
9	10 or more	0.0%
<b>Total</b>		<b>100.0%</b>



## PROPERTY VALUATION REPORT

- viii) Based on the tenancy information provided by the Manager, our analysis of the tenancy profile for the retail portion of the Property is set out below:

<b>Year of Expiry</b>	<b>Proportion by Lettable Area</b>
In 2022	17.3%
In 2023	6.1%
In 2024	2.9%
In 2025	68.5%
In 2026 and afterward	5.2%
<b>Total</b>	<b>100.0%</b>

- ix) Based on the tenancy information provided by the Manager, our analysis of the tenancy duration profile for the office portion 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 Lettable Area</b>
0	1	6.5%
1	2	6.4%
2	3	48.4%
3	4	6.1%
4	5	24.6%
5	6	6.9%
6	7	1.1%
7	8	0.0%
8	9	0.0%
9	10 or more	0.0%
<b>Total</b>		<b>100.0%</b>

- x) Based on the tenancy information provided by the Manager, our analysis of the tenancy profile for the office portion of the Property is set out below:

<b>Year of Expiry</b>	<b>Proportion by Lettable Area</b>
In 2022	26.2%
In 2023	19.5%
In 2024	32.8%
In 2025	5.2%
In 2026 and afterward	16.3%
<b>Total</b>	<b>100.0%</b>

- xi) 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(s) of the Property.
- xii) As advised of 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.

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

Portion	Valuation Approach	Parameter	Assumption
Retail	Income Capitalisation Method	Term Yield	3.85% per annum
		Reversion Yield	4.35% per annum
Office	Income Capitalisation Method	Term Yield	3.60% per annum
		Reversion Yield	4.10% per annum
Hotel	DCF Method	Average Daily Rate	1,981
		Occupancy Rate	70% in Year-1 of Projection
		Discount Rate	7.25% per annum
Serviced Apartment	DCF Method	Average Daily Rate	1,057
		Occupancy Rate	85% in Year-1 of Projection
		Discount Rate	7.00% per annum
Carpark	Income Capitalisation Method	Term Yield	3.85% per annum
		Reversion Yield	4.35% per annum

xiv) Breakdown market values of the Property as at the Valuation Date area listed as follows:

Portion	Income Capitalisation Method	DCF Method	Market Value
Retail	2,801,000,000	NAP	2,801,000,000
Office	10,649,000,000	NAP	10,649,000,000
Hotel	NAP	2,527,000,000	2,527,000,000
Serviced Apartment	NAP	2,211,000,000	2,211,000,000
Carpark	598,000,000	NAP	598,000,000
<b>Total</b>			<b>18,786,000,000</b>

xv) The estimated net yield of the Property is 3.63% which is derived from the estimated rental received for the retail, office, and carpark portion as well as annual net property income from the hotel and serviced apartment portions in Year-2021 excluding the value-added tax divided by the market value as at the Valuation Date.

xvi) We have been requested to provide the notional apportionment of land and building elements of the hotel portion of the Property based on market value of the hotel portion of the Property as at the Valuation Date. Our opinion of the building element of the hotel portion of the Property represents our estimate of the new replacement cost of such portion including professional fees and finance charges, from which deductions are made to allow for physical deterioration and all relevant forms of obsolescence and optimization. The land element of the hotel portion of the Property is arrived by deducting the building element of the hotel portion of the Property from its market value. We are of the opinion that the notional apportionment the land and building elements of the hotel portion of the Property base on the market value as at the Valuation Date are RMB1,097,000,000 (RENMINBI ONE BILLION AND NINETY SEVEN MILLION) and RMB1,430,000,000 (RENMINBI ONE BILLION FOUR HUNDRED THIRTY MILLION) respectively. Kindly note that the said apportioned values should not be used other than financial reporting purpose.

xvii) We have been requested to provide the notional apportionment of land and building elements of the serviced apartment portion of the Property based on market value of the serviced apartment portion of the Property as at the Valuation Date. Our opinion of the building element of the serviced apartment portion of the Property represents our estimate of the new replacement cost of such portion including professional fees and finance charges, from which deductions are made to allow for physical deterioration and all relevant forms of obsolescence and optimization. The land element of the serviced apartment portion of the Property is arrived by deducting the building element of the serviced apartment portion of the Property from its market value. We are of the opinion that the notional apportionment the land and building elements of the hotel portion of the Property base on the market value as at the Valuation Date are RMB1,483,000,000 (RENMINBI ONE BILLION FOUR HUNDRED EIGHTY THREE MILLION) and RMB728,000,000 (RENMINBI SEVEN HUNDRED TWENTY EIGHT MILLION) respectively. Kindly note that the said apportioned values should not be used other than financial reporting purpose.

## PROPERTY VALUATION REPORT

### VALUATION SUMMARY – PROPERTY 2

NO.	PROPERTY	DESCRIPTION AND TENURE	PARTICULARS OF OCCUPANCY	MARKET VALUE IN EXISTING STATE AS AT 31 DECEMBER 2021																						
2	Various Units in White Horse Building, Nos. 14, 16 & 18 Zhan Nan Road, Yuexiu District, Guangzhou, Guangdong Province, The PRC	<p>The Property comprises Level LG (Lower Ground) to Level 8 of White Horse Building, which is a 10-storey (including a lower ground floor mainly for management office and storage uses and a basement carpark) wholesale market completed in about 1990 with two extensions furnished between 1995 to 1997 and 1998 to 2000 respectively.</p> <p>The Property has a total GFA of 50,199.35 sq m, with details as below:</p> <table border="1"> <thead> <tr> <th>Level (Use)</th> <th>Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>LG (Storage)</td> <td>1,121.68</td> </tr> <tr> <td>Level 1 (Commercial)</td> <td>7,667.04</td> </tr> <tr> <td>Level 2 (Commercial)</td> <td>7,199.80</td> </tr> <tr> <td>Level 3 (Commercial)</td> <td>7,684.91</td> </tr> <tr> <td>Level 4 (Commercial)</td> <td>7,695.56</td> </tr> <tr> <td>Level 5 (Commercial)</td> <td>7,466.39</td> </tr> <tr> <td>Level 6 (Commercial)</td> <td>7,443.90</td> </tr> <tr> <td>Level 7 (Commercial)</td> <td>2,003.54</td> </tr> <tr> <td>Level 8 (Commercial)</td> <td>1,916.53</td> </tr> <tr> <td><b>Total</b></td> <td><b>50,199.35</b></td> </tr> </tbody> </table>	Level (Use)	Gross Floor Area (sq m)	LG (Storage)	1,121.68	Level 1 (Commercial)	7,667.04	Level 2 (Commercial)	7,199.80	Level 3 (Commercial)	7,684.91	Level 4 (Commercial)	7,695.56	Level 5 (Commercial)	7,466.39	Level 6 (Commercial)	7,443.90	Level 7 (Commercial)	2,003.54	Level 8 (Commercial)	1,916.53	<b>Total</b>	<b>50,199.35</b>	<p>At the Valuation Date, the Property having an occupancy rate of 90.7% was let to various tenants at an aggregate monthly rent of approximately RMB24,000,000 (exclusive of value-added tax, management fees and utility charges) with the latest expiry date on 31 December 2026.</p>	RMB5,007,000,000 (RENMINBI FIVE BILLION AND SEVEN MILLION)
Level (Use)	Gross Floor Area (sq m)																									
LG (Storage)	1,121.68																									
Level 1 (Commercial)	7,667.04																									
Level 2 (Commercial)	7,199.80																									
Level 3 (Commercial)	7,684.91																									
Level 4 (Commercial)	7,695.56																									
Level 5 (Commercial)	7,466.39																									
Level 6 (Commercial)	7,443.90																									
Level 7 (Commercial)	2,003.54																									
Level 8 (Commercial)	1,916.53																									
<b>Total</b>	<b>50,199.35</b>																									
		<p>Pursuant to the real estate ownership certificates provided, the land-use rights of Level LG, portion of Level 4, and Level 5 to Level 8 with a GFA of 20,483.40 sq m of the Property have been granted for a term of 50 years commenced from 7 June 2005 zoned for storage and office uses; the land-use rights of Level 1 to Level 3 and the remaining portion of Level 4 with a GFA of 29,715.95 sq m of the Property have been granted for a term of 40 years commenced from 7 June 2005 zoned for commercial use.</p>																								

Notes:

- i) Pursuant to Yue Fang Di Quan Zheng Sui Zi Di 0140018848 Hao and nine copy of real estate ownership certificates, the ownership of the Property is vested in 柏達投資有限公司 (Partat Investment Limited).
- ii) Annual rental income exclusive of value-added tax as at the Valuation Date and lettable area breakdown of the Property are tabulated as follows:

<b>Use</b>	<b>Lettable Area (sq m)</b>	<b>Contracted Lettable Area (sq m)</b>	<b>Annual Rental Income (approx.)</b>
Commercial	50,128.90	39,943.64	290,600,000
<b>Total</b>	<b>50,128.90</b>	<b>39,943.64</b>	<b>290,600,000</b>

- iii) Based on the tenancy information provided by the Manager, our analysis of the tenancy duration profile for 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 Lettable Area</b>
0	1	6.7%
1	2	46.3%
2	3	46.5%
3	4	0.5%
4	5	0.0%
<b>Total</b>		<b>100.0%</b>

- iv) Based on the tenancy information provided by the Manager, our analysis of the tenancy profile for the Property is set out below:

<b>Year of Expiry</b>	<b>Proportion by Lettable Area</b>
In 2022	35.0%
In 2023	41.1%
In 2024	19.6%
In 2025	0.0%
In 2026 and afterward	4.3%
<b>Total</b>	<b>100.0%</b>

- v) 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.
- vi) As advised of 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.
- vii) In the course of our valuation, we have adopted the following key assumptions:

<b>Portion</b>	<b>Valuation Approach</b>	<b>Parameter</b>	<b>Assumption</b>
Commercial	Income Capitalisation Method	Term Yield	6.75% per annum
		Reversion Yield	7.25% per annum

- viii) The estimated net yield of the Property is 5.80% which is derived from the estimated rental received in Year-2021 excluding the value-added tax divided by the market value as at the Valuation Date.



## PROPERTY VALUATION REPORT

### VALUATION SUMMARY – PROPERTY 3

NO.	PROPERTY	DESCRIPTION AND TENURE	PARTICULARS OF OCCUPANCY	MARKET VALUE IN EXISTING STATE AS AT 31 DECEMBER 2021										
3	Various Units and 110 Car Spaces at Basement Levels 1 & 2 in Fortune Plaza, Nos. 114, 116 & 118 Ti Yu East Road, Tianhe District, Guangzhou, Guangdong Province, The PRC	<p>The Property is large majority portion in Fortune Plaza which comprises a 30-storey office (“Tower East”) and a 20-storey office tower (“Tower West”) erected on a 6-storey retail podium and a 2-storey basement car park, which is completed in 2003.</p> <p>The Property has a total GFA of 42,763.49 sq m, including 110 car spaces of approximately 1,408.29 sq m at Basement Levels 1 and 2 with details as below:</p> <table border="1" data-bbox="430 948 813 1218"> <thead> <tr> <th>Certificated Use</th> <th>Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td>17,316.42</td> </tr> <tr> <td>Office</td> <td>24,038.78</td> </tr> <tr> <td>Carpark</td> <td>1,408.29</td> </tr> <tr> <td><b>Total</b></td> <td><b>42,763.49</b></td> </tr> </tbody> </table> <p>Pursuant to the Real Estate Ownership Certificates provided, the land-use rights of the Property with a total GFA of 17,316.42 sq m have been granted for a term of 40 years commenced from 26 November 2002 zoned for commercial uses; the land-use rights of the property with a total GFA of 24,038.78 sq m have been granted for a term of 50 years commenced from 26 November 2002 zoned for office use; the land-use rights of the property with a total GFA of 1,408.29 sq m have been granted for a term of 50 years commenced from 26 November 2002 zoned for car park use.</p>	Certificated Use	Gross Floor Area (sq m)	Commercial	17,316.42	Office	24,038.78	Carpark	1,408.29	<b>Total</b>	<b>42,763.49</b>	<p>At the Valuation Date, majority retail and office portion of the Property having an occupancy rate of 93.2% was let to various tenants at an aggregate monthly rent of approximately RMB5,800,000 (exclusive of value-added tax, management fees and utility charges) with the latest expiry date on 31 October 2027.</p> <p>The car park spaces were subject to a master lease agreement expiring on 18 November 2022 at a monthly rent approximately RMB203,000.</p>	RMB1,253,000,000 (RENMINBI ONE BILLION TWO HUNDRED FIFTY THREE MILLION)
Certificated Use	Gross Floor Area (sq m)													
Commercial	17,316.42													
Office	24,038.78													
Carpark	1,408.29													
<b>Total</b>	<b>42,763.49</b>													

## Notes:

- i) Pursuant to the copy of real estate ownership certificates, the ownership of the Property with a total GFA of 41,764.48 sq m is vested in 金峰有限公司 (Moon King Limited).
- ii) Pursuant to the copy of real estate ownership certificates, the ownership of Unit 1701 of Tower East of the Property, having a total GFA of 999.01 sq m is vested in 廣州越秀城建國際金融中心有限公司 (Guangzhou Yue Xiu City Construction International Finance Center Co., Ltd.).
- iii) Yuexiu REIT holds the following units in Fortune Plaza as of the Valuation Date.

Portion	Use	Level/Unit
Basement	Carpark	Basement Level 1 and Level 2
Retail Podium	Commercial	Unit 109, Level 2, Level 3, Level 4 and Level 5
Tower East	Office	Units 801, 802, 803, 805, 806, 808, 903, 905, 906, 908, 1101, 1102, 1108, 1201, 1202, 1203, 1205, 1206, 1208, 1301, 1302, 1303, 1305, 1306, 1308, 1401, 1402, 1403, 1405, 1406, 1408, 1701, 1901, 1902, 1903, 1905, 1906, 1908, 2501 & 2601, 2705, 2801, 3401 and 3501 & 3601
Tower East	Commercial	Level 37
Tower West	Office	Level 8, Level 9, Level 10, Units 1101, 1102, 1103, 1105, 1106, 1108, 1201, 1202, 1203, 1205, 1206, 1208, 1301, 1302, 1303, 1305, 1306, 1308, 1401, 1402, 1403, Level 15, Level 16, Level 17, Level 18, Units 1902, 1903, 1905, 1906, 2401 & 2501 and Level 26
Tower West	Commercial	Level 27

- iv) Annual rental income exclusive of value-added tax as at the Valuation Date and lettable area breakdown of the Property are tabulated as follows:

Use	Lettable Area (sq m)	Contracted Lettable Area (sq m)	Annual Rental Income (approx.)
Commercial	3,853.07	3,706.37	31,200,000
Office	37,502.14	34,839.51	38,400,000
Carpark	1,408.29	1,408.29	2,400,000
<b>Total</b>	<b>42,763.50</b>	<b>39,954.17</b>	<b>72,000,000</b>

## PROPERTY VALUATION REPORT

- v) Based on the tenancy information provided by the Manager, our analysis of the tenancy duration profile for 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 Lettable Area</b>
0	1	0.0%
1	2	1.0%
2	3	5.8%
3	4	19.0%
4	5	4.1%
5	6	53.1%
6	7	17.0%
<b>Total</b>		<b>100.0%</b>

- vi) Based on the tenancy information provided by the Manager, our analysis of the tenancy profile for the Property is set out below:

<b>Year of Expiry</b>	<b>Proportion by Lettable Area</b>
In 2022	30.4%
In 2023	14.0%
In 2024	28.8%
In 2025	12.8%
In 2026 and afterward	14.0%
<b>Total</b>	<b>100.0%</b>

- vii) 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.
- viii) As advised of 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.
- ix) In the course of our valuation, we have adopted the following key assumptions:

<b>Portion</b>	<b>Valuation Approach</b>	<b>Parameter</b>	<b>Assumption</b>
Commercial	Income Capitalisation Method	Term Yield	6.50% per annum
		Reversion Yield	7.00% per annum
Office	Income Capitalisation Method	Term Yield	5.50% per annum
		Reversion Yield	6.00% per annum
Carpark	Income Capitalisation Method	Term Yield	3.85% per annum
		Reversion Yield	4.35% per annum

- x) The estimated net yield of the Property is 5.75% which is derived from the estimated rental received in Year-2021 excluding the value-added tax divided by the market value as at the Valuation Date.

## VALUATION SUMMARY – PROPERTY 4

NO.	PROPERTY	DESCRIPTION AND TENURE	PARTICULARS OF OCCUPANCY	MARKET VALUE IN EXISTING STATE AS AT 31 DECEMBER 2021										
4	Various Units and 179 Car Spaces at Basement Levels 1 & 2 in City Development Plaza, Nos. 185, 187 & 189 Ti Yu West Road, Tianhe District, Guangzhou, Guangdong Province, The PRC	<p>The Property is large majority portion of City Development Plaza comprising a 28-storey office and commercial building erected on a 2-storey car park, which is completed in 1997.</p> <p>The Property has a total GFA of 44,501.61 sq m, including 179 car spaces of approximately 2,104.25 sq m at Basement Levels 1 and 2 with details as below:</p> <table border="1"> <thead> <tr> <th>Certificated Use</th> <th>Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td>11,757.54</td> </tr> <tr> <td>Office</td> <td>30,639.82</td> </tr> <tr> <td>Carpark</td> <td>2,104.25</td> </tr> <tr> <td><b>Total</b></td> <td><b>44,501.61</b></td> </tr> </tbody> </table> <p>Pursuant to the Real Estate Ownership Certificates provided, the land-use rights of the Property with a total GFA of 11,757.54 sq m have been granted for a term of 40 years commenced from 27 January 1997 zoned for commercial uses; the land-use rights of the Property with a GFA of 30,639.82 sq m have been granted for a term of 50 years commenced from 27 January 1997 zoned for office use; the land-use rights of the property with a total GFA of 2,104.25 sq m have been granted for a term of 50 years commenced from 27 January 1997 zoned for car park use.</p>	Certificated Use	Gross Floor Area (sq m)	Commercial	11,757.54	Office	30,639.82	Carpark	2,104.25	<b>Total</b>	<b>44,501.61</b>	<p>At the Valuation Date, majority retail and office portion of the Property having an occupancy rate of 92.5% was let to various tenants at an aggregate monthly rent of approximately RMB4,700,000 (exclusive of value-added tax, management fees and utility charges) with the latest expiry date on 31 October 2026.</p> <p>The car park spaces were subject to a master lease agreement expiring on 18 November 2022 at a monthly rent approximately RMB320,000.</p>	RMB1,056,000,000 (RENMINBI ONE BILLION AND FIFTY SIX MILLION)
Certificated Use	Gross Floor Area (sq m)													
Commercial	11,757.54													
Office	30,639.82													
Carpark	2,104.25													
<b>Total</b>	<b>44,501.61</b>													



## PROPERTY VALUATION REPORT

Notes:

- i) Pursuant to copy of real estate ownership certificates, the ownership of the Property with a total GFA of 44,501.61 sq m is vested in 福達地產投資有限公司 (Full Estate Investment Limited).
- ii) Yuexiu REIT holds the following units in City Development Plaza as of the Valuation Date.

Portion	Use	Level/Unit
Basement	Carpark	Basement Level 1 and Level 2
Commercial	Commercial	Units 101, 102, 103, 201, 202 and Level 3
Office	Office	Units 6A, 6C, 6D, 6E, 6F, 6G, 6I, 6J, 7A, 7H, 7I, 7J, 8C, 8D, 8E, 8F, 8G, 8H, 9D, 9E, 9F, 9G, 9H, 10A, 10C, 10D, 10E, 10F, 10G, 10H, 10I, 11A, 11B, 11C, 11D, 11E, 11F, 11G, 11H, 11I, 11J, Level 16, Units 17A, 17B, 17C, 17D, 17E, 17F, 17G, 17I, 17J, 18A, 18B, 18C, 18D, 18E, 18F, 18G, 18H, 18I, 18J, 19A, 19B, 19C, 19D, 19E, 19F, 19G, 19H, 19I, 19J, 20A, 20B, 20C, 20D, 20E, 20F, 20G, 20H, 20J, 21A, 21B, 21C, 21D, 21E, 21F, 21G, 21H, 21I, 21J, 22A, 22B, 22C, 22D, 22E, 22F, 22G, 22H, 22I, 22J, 23A, 23B, 23C, 23D, 23E, 23F, 23G, 23H, 23I, 23J, 24A, 24B, 24C, 24D, 24E, 24F, 24G, 24H, 24I, 24J, 25A, 25B, 25C, 25D, 25E, 25F, 25G, 25H, 25I, 25J, 26A, 26B, 26C, 26D, 26E, 26F, 26G, 26H, 26I, 26J, 27A, 27B, 27C, 27D, 27E, 27F, 27G, 27H, 27I, 27J, 28A, 28B, 28C, 28D, 28E, 28F, 28G, 28H, 28I, 28J

- iii) Annual rental income exclusive of value-added tax as at the Valuation Date and lettable area breakdown of the Property are tabulated as follows:

Use	Lettable Area (sq m)	Contracted Lettable Area (sq m)	Annual Rental Income (approx.)
Commercial	11,757.54	10,482.42	19,200,000
Office	30,639.82	28,713.74	37,200,000
Carpark	2,104.25	2,104.25	3,800,000
<b>Total</b>	<b>44,501.61</b>	<b>41,003.41</b>	<b>60,200,000</b>

- iv) Based on the tenancy information provided by the Manager, our analysis of the tenancy duration profile for the Property is set out below:

Lease Term Greater Than (Year)	Lease Term Less Than or Equal To (Year)	Proportion by Lettable Area
0	1	1.9%
1	2	6.4%
2	3	21.3%
3	4	10.0%
4	5	49.1%
5	6	11.3%
<b>Total</b>		<b>100.0%</b>

- v) Based on the tenancy information provided by the Manager, our analysis of the tenancy profile for the Property is set out below:

<b>Year of Expiry</b>	<b>Proportion by Lettable Area</b>
In 2022	33.3%
In 2023	17.6%
In 2024	6.8%
In 2025	8.5%
In 2026 and afterward	33.8%
<b>Total</b>	<b>100.0%</b>

- vi) 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.
- vii) As advised of 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.
- viii) In the course of our valuation, we have adopted the following key assumptions:

<b>Portion</b>	<b>Valuation Approach</b>	<b>Parameter</b>	<b>Assumption</b>
Commercial	Income Capitalisation Method	Term Yield	6.50% per annum
		Reversion Yield	7.00% per annum
Office	Income Capitalisation Method	Term Yield	6.00% per annum
		Reversion Yield	6.50% per annum
Carpark	Income Capitalisation Method	Term Yield	3.85% per annum
		Reversion Yield	4.35% per annum

- ix) The estimated net yield of the Property is 5.70% which is derived from the estimated rental received in Year-2021 excluding the value-added tax divided by the market value as at the Valuation Date.

## PROPERTY VALUATION REPORT

### VALUATION SUMMARY – PROPERTY 5

NO.	PROPERTY	DESCRIPTION AND TENURE	PARTICULARS OF OCCUPANCY	MARKET VALUE IN EXISTING STATE AS AT 31 DECEMBER 2021																						
5	Various Units in Victory Plaza, No. 101 Ti Yu West Road, Tianhe District, Guangzhou, Guangdong Province, The PRC	<p>The Property is a retail podium portion from Basement Level 1 to Level 6 of Victory Plaza, which was completed in 2003.</p> <p>The Property has a total GFA of 27,698.14 sq m, with details as below:</p> <table border="1"> <thead> <tr> <th>Level (Use)</th> <th>Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Basement (101)</td> <td>1,809.21</td> </tr> <tr> <td>Level 1 (101)</td> <td>473.71</td> </tr> <tr> <td>Level 1 (102)</td> <td>1,553.52</td> </tr> <tr> <td>Level 1 (Others)</td> <td>1,006.22</td> </tr> <tr> <td>Level 2</td> <td>3,968.92</td> </tr> <tr> <td>Level 3</td> <td>4,756.74</td> </tr> <tr> <td>Level 4</td> <td>4,756.74</td> </tr> <tr> <td>Level 5</td> <td>4,769.85</td> </tr> <tr> <td>Level 6</td> <td>4,603.23</td> </tr> <tr> <td><b>Total</b></td> <td><b>27,698.14</b></td> </tr> </tbody> </table> <p>Pursuant to the real estate ownership certificates provided, the land-use rights of Basement Level 1 to Level 6 with a total GFA of 27,698.14 sq m of the Property have been granted for a term of 40 years commenced from 8 March 2004 zoned for commercial uses.</p>	Level (Use)	Gross Floor Area (sq m)	Basement (101)	1,809.21	Level 1 (101)	473.71	Level 1 (102)	1,553.52	Level 1 (Others)	1,006.22	Level 2	3,968.92	Level 3	4,756.74	Level 4	4,756.74	Level 5	4,769.85	Level 6	4,603.23	<b>Total</b>	<b>27,698.14</b>	At the Valuation Date, the Property having an occupancy rate of 99.3% was let to various tenants at an aggregate monthly rent of approximately RMB5,800,000 (exclusive of value-added tax, management fees and utility charges) with the latest expiry date on 31 October 2028.	RMB955,000,000 (RENMINBI NINE HUNDRED AND FIFTY FIVE MILLION)
Level (Use)	Gross Floor Area (sq m)																									
Basement (101)	1,809.21																									
Level 1 (101)	473.71																									
Level 1 (102)	1,553.52																									
Level 1 (Others)	1,006.22																									
Level 2	3,968.92																									
Level 3	4,756.74																									
Level 4	4,756.74																									
Level 5	4,769.85																									
Level 6	4,603.23																									
<b>Total</b>	<b>27,698.14</b>																									

Notes:

- Pursuant to copy of real estate ownership certificates, the ownership of the Property with a total GFA of 27,698.14 sq m is vested in 京澳有限公司 (Keen Ocean Limited).
- Annual rental income exclusive of value-added tax as at the Valuation Date and lettable area breakdown of the Property are tabulated as follows:

Use	Lettable Area (sq m)	Contracted Lettable Area (sq m)	Annual Rental Income (approx.)
Commercial	27,262.27	27,059.79	69,600,000
<b>Total</b>	<b>27,262.27</b>	<b>27,059.79</b>	<b>69,600,000</b>

- iii) Based on the tenancy information provided by the Manager, our analysis of the tenancy duration profile for 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 Lettable Area</b>
0	1	0.8%
1	2	42.2%
2	3	11.8%
3	4	8.1%
4	5	12.0%
5	6	8.2%
6	7	16.9%
7	8	0.0%
8	9	0.0%
<b>Total</b>		<b>100.0%</b>

- iv) Based on the tenancy information provided by the Manager, our analysis of the tenancy profile for the Property is set out below:

<b>Year of Expiry</b>	<b>Proportion by Lettable Area</b>
In 2022	0.80%
In 2023	42.20%
In 2024	11.80%
In 2025	8.10%
In 2026 and afterward	37.10%
<b>Total</b>	<b>100.0%</b>

- v) 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.
- vi) As advised of 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.
- vii) In the course of our valuation, we have adopted the following key assumptions:

<b>Portion</b>	<b>Valuation Approach</b>	<b>Parameter</b>	<b>Assumption</b>
Commercial	Income Capitalisation Method	Term Yield	6.50% per annum
		Reversion Yield	7.00% per annum

- viii) The estimated net yield of the Property is 7.29% which is derived from the estimated rental received in Year-2021 excluding the value-added tax divided by the market value as at the Valuation Date.



## PROPERTY VALUATION REPORT

### VALUATION SUMMARY – PROPERTY 6

NO.	PROPERTY	DESCRIPTION AND TENURE	PARTICULARS OF OCCUPANCY	MARKET VALUE IN EXISTING STATE AS AT 31 DECEMBER 2021										
6	Tower 2 & 315 Car Spaces at Basement Levels 1 & 2, Hangzhou Victory Business Center, No. 9 Jiangxiu Street, Qianjiang New Town, Shangcheng District, Hangzhou, Zhejiang Province, The PRC	<p>Completed in 2017, the Property comprises the Tower 2 of Hangzhou Victory Business Center which consists of an 18-storey office building (including retail units on both Levels 1 and 2) over-mounting a 2-storey Basement car park.</p> <p>The Property has a total GFA of approximately 40,148.41 sq m including 315 car spaces (including 80 mechanical car spaces and 23 public car spaces) at Basement Levels 1 and 2 with breakdown as follows:</p> <table border="1"> <thead> <tr> <th>Level (Use)</th> <th>Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Retail</td> <td>2,353.21</td> </tr> <tr> <td>Office</td> <td>20,131.62</td> </tr> <tr> <td>Car Park</td> <td>17,663.58</td> </tr> <tr> <td><b>Total</b></td> <td><b>40,148.41</b></td> </tr> </tbody> </table>	Level (Use)	Gross Floor Area (sq m)	Retail	2,353.21	Office	20,131.62	Car Park	17,663.58	<b>Total</b>	<b>40,148.41</b>	At the Valuation Date, the retail and office portion of the Property having an occupancy rate of 97.4% was let to various tenants at an aggregate monthly rent of approximately RMB2,640,000 (exclusive of value-added tax, management fees and utility charges) with the latest expiry date on 31 October 2025. Whilst the car park spaces were subject to a master lease agreement expiring on 31 December 2023 at a monthly rent approximately RMB190,000.	RMB619,000,000 (RENMINBI SIX HUNDRED NINETEEN MILLION)
Level (Use)	Gross Floor Area (sq m)													
Retail	2,353.21													
Office	20,131.62													
Car Park	17,663.58													
<b>Total</b>	<b>40,148.41</b>													
		Pursuant to the real estate ownership certificates provided, the land use rights of the Property have been granted for a term due to expire on 3 July 2054 for commercial services use.												

#### Notes:

- Pursuant to ten copies of real estate ownership certificates, the ownership of the Property is vested in 杭州越輝房地產開發有限公司 for a term due to expire on 3 July 2054 for commercial services use.
- Annual rental income exclusive of value-added tax as at the Valuation Date and lettable area breakdown of the Property are tabulated as follows:

Use	Lettable Area (sq m)	Contracted Lettable Area (sq m)	Annual Rental Income (approx.)
Office	20,131.62	19,551.69	28,600,000
Retail	2,353.21	2,353.21	3,100,000
Car Parks	17,663.58	17,663.58	2,300,000
<b>Total</b>	<b>40,148.41</b>	<b>39,568.48</b>	<b>34,000,000</b>

- iii) Based on the tenancy information provided by the Manager, our analysis of the tenancy duration profile for 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 Lettable Area</b>
0	1	1.4%
1	2	0.1%
2	3	54.2%
3	4	3.2%
4	5	21.3%
5	6	19.8%
<b>Total</b>		<b>100.0%</b>

- iv) Based on the tenancy information provided by the Manager, our analysis of the tenancy profile for the Property is set out below:

<b>Year of Expiry</b>	<b>Proportion by Lettable Area</b>
In 2022	15.6%
In 2023	24.4%
In 2024	46.5%
In 2025	13.5%
In 2026 and afterward	0.0%
<b>Total</b>	<b>100.0%</b>

- v) 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.
- vi) As advised of 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.
- vii) In the course of our valuation, we have adopted the following key assumptions:

<b>Portion</b>	<b>Valuation Approach</b>	<b>Parameter</b>	<b>Assumption</b>
Retail	Income Capitalisation Method	Term Yield	4.50% per annum
		Reversion Yield	5.00% per annum
Office	Income Capitalisation Method	Term Yield	4.50% per annum
		Reversion Yield	5.00% per annum
Car Park	Income Capitalisation Method	Term Yield	4.50% per annum
		Reversion Yield	5.00% per annum

- viii) The estimated net yield of the Property is approximately 5.49% which is derived from the estimated rental received in Year-2021 excluding the value-added tax divided by the market value as at the Valuation Date.

## PROPERTY VALUATION REPORT

### VALUATION SUMMARY – PROPERTY 7

NO.	PROPERTY	DESCRIPTION AND TENURE	PARTICULAR OF OCCUPANCY	MARKET VALUE IN EXISTING STATE AS AT 31 DECEMBER 2021																						
7	Yuexiu Tower, No. 388 Fushan Road, Lot No. Qiu 2/9 Jiefang 302, Weifang Xincun Sub-district, Pudong New Area, Shanghai, The PRC	<p>Completed in 2010, the Property is a 25-storey commercial building with a 2-storey basement. According to the information provided by the Client, Levels 1 and 2 and part of Basement Level 1 are for retail use, other parts of basement are for car parking purpose, and Levels 3-25 except for the refuge floor on 14th floor are used for office.</p> <p>The Property has a site area of approximately 10,641.00 sq m and a total GFA of 62,139.35 sq m, with details as below:</p> <table border="1"> <thead> <tr> <th>Level (Use)</th> <th>Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Basement</td> <td></td> </tr> <tr> <td>Level 1 (Partially),</td> <td></td> </tr> <tr> <td>Levels 1 &amp; 2 (Retail)</td> <td>6,256.70</td> </tr> <tr> <td>Levels 3-25 (Office)</td> <td>39,769.63</td> </tr> <tr> <td>Basement Levels 1 &amp; 2</td> <td></td> </tr> <tr> <td>(Car Park)</td> <td>13,502.58</td> </tr> <tr> <td>Bicycle Car Parks</td> <td>1,296.18</td> </tr> <tr> <td>Management Office</td> <td>276.53</td> </tr> <tr> <td>Refuge Floor</td> <td>1,037.73</td> </tr> <tr> <td><b>Total</b></td> <td><b>62,139.35</b></td> </tr> </tbody> </table>	Level (Use)	Gross Floor Area (sq m)	Basement		Level 1 (Partially),		Levels 1 & 2 (Retail)	6,256.70	Levels 3-25 (Office)	39,769.63	Basement Levels 1 & 2		(Car Park)	13,502.58	Bicycle Car Parks	1,296.18	Management Office	276.53	Refuge Floor	1,037.73	<b>Total</b>	<b>62,139.35</b>	<p>At the Valuation Date, the retail and office portions of the Property having an occupancy rate of 89.5% was let to various tenants at an aggregate monthly rent of approximately RMB9,137,000 (exclusive of value-added tax, management fees and utility charges) with the latest expiry date on 31 July 2026.</p> <p>The Car Spaces were leased out and expired at 31 December 2023, with a monthly rent of approximately RMB143,000.</p>	RMB3,060,000,000 (RENMINBI THREE BILLION AND SIXTY MILLION)
Level (Use)	Gross Floor Area (sq m)																									
Basement																										
Level 1 (Partially),																										
Levels 1 & 2 (Retail)	6,256.70																									
Levels 3-25 (Office)	39,769.63																									
Basement Levels 1 & 2																										
(Car Park)	13,502.58																									
Bicycle Car Parks	1,296.18																									
Management Office	276.53																									
Refuge Floor	1,037.73																									
<b>Total</b>	<b>62,139.35</b>																									
		<p>Pursuant to the real estate ownership certificates provided, the land-use rights of the Property have been granted for a term of 50 years commenced from 7 January 2005 to 6 January 2055 zoned for retail and office uses.</p>																								

Notes:

- i) Pursuant to the copy of Shanghai Certificate of Real Estate Ownership (Hu (2019) Pu Zi Bu Dong Chan Quan Di 129581 Hao), the ownership of the Property is vested in 上海宏嘉房地產開發有限公司 (Shanghai Hong Jia Real Estate Development Co., Ltd.)
- ii) Annual rental income exclusive of value-added tax as at the Valuation Date and lettable area breakdown of the Property are tabulated as follows:

<b>Use</b>	<b>Lettable Area (sq m)</b>	<b>Contracted Lettable Area (sq m)</b>	<b>Annual Rental Income (approx.)</b>
Retail	6,256.70	6,256.70	15,900,000
Office	39,769.63	34,951.67	93,800,000
Car Parks	13,502.58	13,502.58	1,700,000
<b>Total</b>	<b>59,528.91</b>	<b>54,710.95</b>	<b>111,400,000</b>

- iii) Based on the tenancy information provided by the Manager, our analysis of the tenancy duration profile for 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 Lettable Area</b>
0	1	2.1%
1	2	9.0%
2	3	52.0%
3	4	16.9%
4	5	17.8%
5	6	1.4%
6	7	0.8%
<b>Total</b>		<b>100.0%</b>

- iv) Based on the tenancy information provided by the Manager, our analysis of the tenancy profile for the Property is set out below:

<b>Year of Expiry</b>	<b>Proportion by Lettable Area</b>
In 2022	33.6%
In 2023	30.7%
In 2024	24.9%
In 2025	8.5%
In 2026 and afterward	2.3%
<b>Total</b>	<b>100.0%</b>

- v) 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.



## PROPERTY VALUATION REPORT

vi) As advised of 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.

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

Portion	Valuation Approach	Parameter	Assumption
Retail	Income Capitalisation Method	Term Yield	3.75% per annum
		Reversion Yield	4.00% per annum
Office	Income Capitalisation Method	Term Yield	3.75% per annum
		Reversion Yield	4.00% per annum
Car Parks	Income Capitalisation Method	Term Yield	3.75% per annum
		Reversion Yield	4.00% per annum

viii) The estimated net yield of the Property is approximately 3.64% which is derived from the estimated rental received in Year-2021 excluding the value-added tax divided by the market value as at the Valuation Date.

## VALUATION SUMMARY – PROPERTY 8

NO.	PROPERTY	DESCRIPTION AND TENURE	PARTICULARS OF OCCUPANCY	MARKET VALUE IN EXISTING STATE AS AT 31 DECEMBER 2021												
8	Wuhan Yuexiu Fortune Centre, Starry Victoria Shopping Centre and various car spaces, No. 1 Zhongshan Avenue, Qiaokou District, Wuhan, Hubei Province, the PRC	<p>The Property is a commercial development, which comprises one 68-storey office tower, known as Wuhan Yuexiu Fortune Centre; a 5-storey shopping centre (inclusive of 1 storey of Basement), known as Starry Victoria Shopping Centre; 1,134 car park lots for office and retail portions and 375 car park lots for residential portion. The Property was completed between 2015 to 2016.</p> <p>As advised, the Property has a total GFA of approximately 248,194.22 sq m. The details are listed below:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Portions</th> <th style="text-align: right;">Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Office</td> <td style="text-align: right;">129,446.74</td> </tr> <tr> <td>Retail</td> <td style="text-align: right;">43,546.60</td> </tr> <tr> <td>Carpark</td> <td style="text-align: right;">62,785.76</td> </tr> <tr> <td>Ancillary facilities</td> <td style="text-align: right;">12,415.12</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>248,194.22</b></td> </tr> </tbody> </table> <p>Pursuant to a total of 456 Real Estate Ownership Certificates provided, the land-use rights of the Property with a total site area of 41,428.11 sq m have been granted for a term expiring on 26 May 2051 zoned for commercial and financial uses.</p>	Portions	Gross Floor Area (sq m)	Office	129,446.74	Retail	43,546.60	Carpark	62,785.76	Ancillary facilities	12,415.12	<b>Total</b>	<b>248,194.22</b>	<p>As at the valuation date of our inspection, the office portion of the Property having an occupancy rate of 75.2% was let to various tenants at an aggregate monthly rent of approximately RMB8,900,000 (exclusive of value-added tax, management fees and utility charges) with the latest expiry date on 30 November 2026.</p> <p>Retail portion of the Property having an occupancy rate of 98.2% was let to various tenants at an aggregate monthly rent of approximately RMB2,000,000 (exclusive of value-added tax, management fees and utility charges) with the latest expiry date on 11 November 2035.</p> <p>Carpark portion of the Property was subject to two master lease agreements at a total monthly rent of approximately RMB920,000 (exclusive of value-added tax) with the expiry date on 31 December 2023.</p>	<p>RMB3,629,000,000 (RENMINBI THREE BILLION SIX HUNDRED TWENTY NINE MILLION)</p>
Portions	Gross Floor Area (sq m)															
Office	129,446.74															
Retail	43,546.60															
Carpark	62,785.76															
Ancillary facilities	12,415.12															
<b>Total</b>	<b>248,194.22</b>															

## PROPERTY VALUATION REPORT

Notes:

- i) Pursuant to the copies of 456 Real Estate Ownership Certificates, the ownership of the Property is vested in 武漢越秀地產開發有限公司.
- ii) Annual rental income exclusive of value-added tax as at the Valuation Date and lettable area breakdown of the Property are tabulated as follows:

Use	Lettable Area (sq m)	Contracted Lettable Area (sq m)	Annual Rental Income (approx.)
Office	129,446.74	97,290.84	106,800,000
Retail	43,546.60	26,978.02	24,000,000
Carpark	62,785.76	62,785.76	11,000,000
<b>Total</b>	<b>235,779.10</b>	<b>187,054.62</b>	<b>141,600,000</b>

- iii) Based on the tenancy information provided by the Manager, our analysis of the tenancy duration profile for office portion of the Property is set out below:

Lease Term Greater Than (Year)	Lease Term Less Than or Equal To (Year)	Proportion by Lettable Area
0	1	11.1%
1	2	13.4%
2	3	28.3%
3	4	15.3%
4	5	31.1%
5	6	0.8%
<b>Total</b>		<b>100.0%</b>

- iv) Based on the tenancy information provided by the Manager, our analysis of the tenancy profile for office portion of the Property is set out below:

Year of Expiry	Proportion by Lettable Area
In 2022	28.20%
In 2023	34.90%
In 2024	27.40%
In 2025	5.70%
In 2026 and afterward	3.80%
<b>Total</b>	<b>100.0%</b>

- v) Based on the tenancy information provided by the Manager, our analysis of the tenancy duration profile for retail portion 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 Lettable Area</b>
0	1	28.1%
1	2	18.8%
2	3	11.5%
3	4	11.0%
4	5	7.6%
5	6	4.7%
6	7	0.7%
7	8	0.0%
8	9	6.6%
9	10 and more	11.0%
<b>Total</b>		<b>100.0%</b>

- vi) Based on the tenancy information provided by the Manager, our analysis of the tenancy profile for retail portion of the Property is set out below:

<b>Year of Expiry</b>	<b>Proportion by Lettable Area</b>
In 2022	26.4%
In 2023	19.2%
In 2024	11.8%
In 2025	11.3%
In 2026 and afterward	31.3%
<b>Total</b>	<b>100.0%</b>

- vii) 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.

- viii) As advised of 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.

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

<b>Portion</b>	<b>Valuation Approach</b>	<b>Parameter</b>	<b>Assumption</b>
Office	Income Capitalisation Method	Term Yield	4.50% per annum
		Reversion Yield	5.00% per annum
Commercial	Income Capitalisation Method	Term Yield	5.00% per annum
		Reversion Yield	5.50% per annum
Carpark	Income Capitalisation Method	Term Yield	5.50% per annum
		Reversion Yield	6.00% per annum

- x) The estimated net yield of the Property is 3.90% which is derived from the estimated rental received in Year-2021 excluding the value-added tax divided by the market value as at the Valuation Date.



## PROPERTY VALUATION REPORT

### VALUATION SUMMARY – PROPERTY 9

NO.	THE PROPERTY	DESCRIPTION AND TENURE	PARTICULARS OF OCCUPANCY	MARKET VALUE IN EXISTING STATE AS AT 31 DECEMBER 2021												
9	Yuexiu Financial Tower, No.28 Zhu Jiang East Road, Tianhe District, Guangzhou, Guangdong Province, the PRC	<p>The Property, known as Yuexiu Financial Tower, was completed in August 2015 and it comprises a mixed-use development with a 68-storey above ground and a 4-storey basement erected on a site with a site area of 9,831.00 square metres (sq m).</p> <p>The Property consists of retail, office and 827 underground car spaces with a total gross floor area (GFA) of 210,282.94 sq m with details as below:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Retail</td> <td>3,818.19</td> </tr> <tr> <td>Office</td> <td>166,378.62</td> </tr> <tr> <td>Carpark</td> <td>10,289.05</td> </tr> <tr> <td>Others*</td> <td>29,797.08</td> </tr> <tr> <td><b>Total</b></td> <td><b>210,282.94</b></td> </tr> </tbody> </table>	Use	Gross Floor Area (sq m)	Retail	3,818.19	Office	166,378.62	Carpark	10,289.05	Others*	29,797.08	<b>Total</b>	<b>210,282.94</b>	<p>As at the Valuation Date, retail and office portions of the Property having occupancy rates of 100% and 92.7% respectively, were let to various tenants at an aggregate monthly rent of approximately RMB28,224,000 (exclusive of outgoings or disbursement from the rent, being value-added tax, management fees and utility charges) with the latest expiry date of 30 November 2028. Whilst the car park spaces were subject to a master lease agreement expiring on 31 December 2024 at a monthly rent approximately RMB1,159,000.</p>	RMB8,030,000,000 (RENMINBI EIGHT BILLION AND THIRTY MILLION)
Use	Gross Floor Area (sq m)															
Retail	3,818.19															
Office	166,378.62															
Carpark	10,289.05															
Others*	29,797.08															
<b>Total</b>	<b>210,282.94</b>															
		<p>* Others refer to the public common area and facility room etc. of the Property which has not obtained real estate ownership certificates.</p> <p>Pursuant to the real estate ownership certificates provided, the land-use rights of the Property have been granted for office and carpark uses for a term of 50 years from 16 April 2007; for retail use for a term of 40 years from 16 April 2007.</p>														

Notes:

- i) 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 Yuexiu Financial Tower Project Companies with details as below:

Owner	Gross Floor Area (sq m)			Net Lettable Area (sq m)		
	Retail	Office	Carpark	Retail	Office	Carpark
廣州佳耀置業有限公司	3,818.19	40,002.01	2,850.98	2,859.51	29,855.08	2,850.98
廣州譽耀置業有限公司	–	38,197.68	2,835.48	–	27,918.98	2,835.48
廣州景耀置業有限公司	–	43,840.57	2,934.87	–	30,865.24	2,934.87
廣州晉耀置業有限公司	–	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>119,598.67</b>	<b>10,289.05</b>

- ii) Rentable area breakdown and annual rental income exclusive of value-added tax, property management fee as well as other income as at the Valuation Date of the Property are tabulated as follows:

Use	Lettable Area (sq m)	Contracted Lettable Area (sq m)	Annual Rental Income (approx.)
Retail	3,818.19	3,818.19	9,700,000
Office	166,378.62	154,159.52	329,000,000
Carpark	10,289.05	10,289.05	13,900,000
<b>Total</b>	<b>170,196.81</b>	<b>168,266.76</b>	<b>352,600,000</b>

- iii) Based on the tenancy information provided by Yuexiu Financial Tower Project Companies, our analysis of the tenancy duration profile of the Property is set out below:

Lease Term Greater Than (Year)	Lease Term Less Than or Equal To (Year)	Proportion by Rentable Area
0	1	7.0%
1	2	4.4%
2	3	37.6%
3	4	3.9%
4	5	27.9%
5	6	11.0%
6	7	0.8%
7	8	1.7%
8	9	0.0%
9	10 or more	5.7%
<b>Total</b>		<b>100.0%</b>

## PROPERTY VALUATION REPORT

- iv) Based on the tenancy information provided by the Manager, our analysis of the tenancy profile of the Property is set out below:

<b>Year of Expiry</b>	<b>Proportion by Lettable Area</b>
In 2022	13.1%
In 2023	25.0%
In 2024	25.0%
In 2025	17.9%
In 2026 and afterward	19.0%
<b>Total</b>	<b>100.0%</b>

- v) 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(s) of the Property.
- vi) 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.
- vii) In the course of our valuation, we have adopted the following key assumptions:

<b>Portion</b>	<b>Valuation Approach</b>	<b>Parameter</b>	<b>Assumption</b>
Retail	Income Capitalisation Method	Term Yield	3.85% per annum
		Reversion Yield	4.35% per annum
Office	Income Capitalisation Method	Term Yield	3.60% per annum
		Reversion Yield	4.10% per annum
Carpark	Income Capitalisation Method	Term Yield	3.85% per annum
		Reversion Yield	4.35% per annum

- viii) Breakdown market values of the Property as at the Valuation Date area listed as follows:

<b>Portion</b>	<b>Income Capitalisation Method</b>	<b>Market Value</b>
Retail	184,000,000	184,000,000
Office	7,577,000,000	7,577,000,000
Carpark	269,000,000	269,000,000
<b>Total</b>	<b>8,030,000,000</b>	<b>8,030,000,000</b>

- ix) The estimated net yield of the Property is 4.40% per annum which is derived from the estimated rental received in Year-2021 excluding the value-added tax divided by the market value as at the Valuation Date.

# INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

## To the Unitholders of 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))

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

#### What we have audited

The consolidated financial statements of Yuexiu Real Estate Investment Trust ("Yuexiu REIT") and its subsidiaries (together the "Group"), which are set out on pages 183 to 252, comprise:

- the consolidated balance sheet as at 31 December 2021;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated distribution statement for the year then ended;
- the consolidated statement of net assets attributable to unitholders and changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

#### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

#### Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.



## INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

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

### Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter identified in our audit is valuation of investment properties and the building portions of hotel and serviced apartments included in property, plant and equipment.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Valuation of investment properties and the building portions of hotel and serviced apartments included in property, plant and equipment</b></p> <p>Refer to notes 2(e)(i), 2(f), 4(a), 13 and 15 to the consolidated financial statements.</p> <p>The Group's investment properties amounting to approximately RMB37,657 million and the building portions of hotel and serviced apartments included in property, plant and equipment (together the "Subject Properties") amounting to approximately RMB2,158 million were carried at fair value at 31 December 2021. Changes in the fair values of the investment properties and hotel and serviced apartments during the year ended 31 December 2021 were recorded in profit or loss and other comprehensive income of approximately RMB79 million and approximately RMB66 million respectively.</p> <p>The valuations were carried out by an independent professional valuer (the "Valuer") engaged by Yuexiu REIT Asset Management Limited, the Manager of Yuexiu REIT (the "Manager").</p>	<p><b>Experience of the Valuer and relevance of their work</b></p> <p>We read the Valuer's report prepared in accordance with the latest edition of Royal Institution of Chartered Surveyors (the "RICS") Valuation – Global Standards, the HKIS Valuation Standards of The Hong Kong Institute of Surveyors ("HKIS"), incorporating the International Valuation Standards of the International Valuation Standards Council ("IVSC") and the requirement set out in Chapter 6.8 of the Code on Real Estate Investment Trusts (the "REIT Code"), and assessed the Valuer's qualifications and experience in the markets where the Subject Properties are located. We also assessed the Valuer's independence and objectivity by reading their terms of engagement with the Group and considering their fee arrangements and any other services provided to the Group.</p> <p><b>Data provided by the Manager to the Valuer</b></p> <p>We performed testing on a sample basis on the input data used by the Valuer in the valuations of the Subject Properties. These data included key terms of lease agreements, rental income schedules, gross floor area information and the year of completion which we agreed to the appropriate supporting documentation.</p>



羅兵咸永道

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Valuation of investment properties and the building portions of hotel and serviced apartments included in property, plant and equipment (Continued)</b></p> <p>In determining the valuation of the Group's investment properties, the Valuer principally adopted the income capitalisation method and cross checked by the market approach. Key valuation assumptions included estimated prevailing market rents and capitalisation rates.</p> <p>In determining the valuation of the building portions of the Group's hotel and serviced apartments, the Valuer adopted the depreciated replacement cost method with key assumptions of estimated building costs, finance costs and professional fee.</p> <p>We focused on this area because the valuations of the Subject Properties involved significant judgements and estimates, and the carrying amounts of the Subject Properties and the changes in fair value were material to the Group's consolidated financial statements.</p>	<p><b>Methodologies and key assumptions used by the Valuer</b></p> <p>We involved our in-house valuation experts in discussing and assessing the valuation methodologies and key assumptions with the Valuer and the Manager.</p> <p>We considered the appropriateness and consistency of the use of the valuation methodologies based on our industry knowledge.</p> <p>We assessed the reasonableness of the key assumptions applied in the valuations of the Subject Properties by comparing them to published industry reports, comparable market transactions, and those used in the prior period, and with reference to the age, nature and location of each property.</p> <p>Overall, the methodology and the key assumptions used in the valuations were supportable in light of available evidence and the current market environment.</p>

### Other Information

The Manager of Yuexiu REIT is responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

### Responsibilities of the Manager and Those Charged with Governance for the Consolidated Financial Statements

The Manager is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Manager determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

In addition, the Manager is required to ensure that the consolidated financial statements have been properly prepared in accordance with the relevant provisions of the Trust Deed dated 7 December 2005, as amended by first supplemental deed on 25 March 2008, second supplemental deed on 23 July 2010, third supplemental deed on 25 July 2012, fourth supplemental deed on 3 April 2020 and fifth supplemental deed on 28 May 2021 (the "Trust Deed") and the relevant disclosure provisions of Appendix C of the Code on Real Estate Investment Trusts issued by the Hong Kong Securities and Futures Commission (the "REIT Code")

Those charged with governance are responsible for overseeing the Group's financial reporting process.



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### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. In addition, we are required to assess whether the consolidated financial statements of the Group have been properly prepared, in all material respects, in accordance with the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix C of the REIT Code.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on matters under the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix C of the REIT Code

In our opinion, the consolidated financial statements have been properly prepared, in all material respects, in accordance with the relevant provisions of the Trust Deed and the relevant disclosure provisions of Appendix C of the REIT Code.

The engagement partner on the audit resulting in this independent auditor's report is Au Chi Ho.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 7 March 2022



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Note	2021 RMB'000	2020 RMB'000
Revenue	5	<b>1,796,686</b>	1,758,732
Operating expenses, net	6	<b>(847,386)</b>	(794,068)
Fair value gains/(losses) on investment properties	15	<b>78,668</b>	(297,633)
Changes in fair value of			
– support arrangement asset	19	–	625
– derivative financial instruments	20	<b>(65,680)</b>	(405,118)
Write back of construction payable	26	–	174,882
Finance income	9	<b>366,703</b>	842,885
Finance expenses	10	<b>(390,821)</b>	(489,217)
Profit before income tax and transactions with unitholders		<b>938,170</b>	791,088
Income tax expense	11	<b>(263,608)</b>	(203,967)
Profit after income tax before transactions with unitholders		<b>674,562</b>	587,121
Transactions with unitholders	28	<b>(692,023)</b>	(521,364)
(Loss)/profit after income tax after transactions with unitholders		<b>(17,461)</b>	65,757
Other comprehensive income/(loss) for the year:			
Items that will not be reclassified to profit or loss			
Change in fair value of property, plant and equipment			
– Gross	13	<b>66,002</b>	(61,944)
– Tax		<b>(18,485)</b>	17,349
Other comprehensive income/(loss) for the year, net of tax		<b>47,517</b>	(44,595)
Total comprehensive income for the year		<b>30,056</b>	21,162

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Attributable to				Total RMB'000
	Unitholders before transactions with unitholders RMB'000	Transactions with unitholders (note 28) RMB'000	Unitholders after transactions with unitholders RMB'000	Non- controlling interests RMB'000	
Profit/(loss) for the year ended 31 December 2020	565,495	(521,364)	44,131	21,626	65,757
Other comprehensive loss: <u>Items that will not be reclassified to profit or loss</u>					
Change in fair value of property, plant and equipment, net of tax	(44,131)	—	(44,131)	(464)	(44,595)
Total comprehensive income/(loss) for the year ended 31 December 2020	521,364	(521,364)	—	21,162	21,162
<b>Profit/(loss) for the year ended 31 December 2021</b>	<b>645,003</b>	<b>(692,023)</b>	<b>(47,020)</b>	<b>29,559</b>	<b>(17,461)</b>
<b>Other comprehensive income: <u>Items that will not be reclassified to profit or loss</u></b>					
<b>Change in fair value of property, plant and equipment, net of tax</b>	<b>47,020</b>	<b>—</b>	<b>47,020</b>	<b>497</b>	<b>47,517</b>
<b>Total comprehensive income/(loss) for the year ended 31 December 2021</b>	<b>692,023</b>	<b>(692,023)</b>	<b>—</b>	<b>30,056</b>	<b>30,056</b>

Notes:

- (i) In accordance with the Trust Deed dated 7 December 2005, as amended by first supplemental deed on 25 March 2008, second supplemental deed on 23 July 2010, third supplemental deed on 25 July 2012, fourth supplemental deed dated 3 April 2020 and fifth supplemental deed dated 28 May 2021 (the "Trust Deed"), Yuexiu REIT is required to distribute to the unitholders not less than 90% of its total distributable income for each financial year. Yuexiu REIT has a limited life of 80 years from the date of establishment. Accordingly, the units contain contractual obligations to pay cash distributions and also upon termination of the trust, a share of all net cash proceeds derived from the sale or realisation of the assets of Yuexiu REIT less any liabilities, in accordance with unitholders' proportionate interests in Yuexiu REIT at the date of the termination of Yuexiu REIT. The unitholders' funds are therefore classified as a financial liability rather than equity in accordance with HKAS 32, Financial Instruments: Disclosure and Presentation. Consistent with unitholders' funds being classified as a financial liability, the distributions to unitholders are part of finance costs which are recognised in the consolidated statement of comprehensive income. The classification does not have an impact on the net assets attributable to unitholders. It only affects how unitholders' funds are disclosed in the consolidated balance sheet and how distributions are disclosed in the consolidated statement of comprehensive income. Total distributable income is determined in the consolidated distribution statement on page 187.
- (ii) Earnings per unit, based upon profit after income tax before transactions with unitholders attributable to unitholders and the average number of units in issue, are presented in Note 12.

The notes on page 191 to 252 are an integral part of these consolidated financial statements.

# CONSOLIDATED BALANCE SHEET

As at 31 December 2021

	Note	2021 RMB'000	2020 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	13	2,158,714	2,157,795
Right-of-use assets	14	1,241,260	1,300,522
Investment properties	15	37,657,000	29,700,000
Deferred assets, prepayments, deposits and other receivables	17	259,740	261,566
Goodwill	18	859,868	859,868
		<b>42,176,582</b>	34,279,751
<b>Current assets</b>			
Inventories	22	3,254	4,280
Trade and lease receivables	21	26,147	16,065
Amounts due from related parties	31	62,089	49,574
Deferred assets, prepayments, deposits and other receivables	17	113,224	70,979
Tax recoverable		4,072	4,072
Support arrangement asset	19	—	9,786
Short-term bank deposits	23	23,524	23,135
Cash and cash equivalents	23	1,453,356	1,802,495
		<b>1,685,666</b>	1,980,386
<b>Total assets</b>		<b>43,862,248</b>	36,260,137
<b>Equity</b>			
Revaluation reserve		422,544	375,524
Retained earnings		(422,544)	(375,524)
Non-controlling interests		<b>1,206,026</b>	1,188,103
<b>Total equity</b>		<b>1,206,026</b>	1,188,103
<b>Current liabilities</b>			
Trade payables	25	27,561	19,244
Rental deposits, current portion	26	181,124	149,654
Receipts in advance	26	118,064	92,935
Accruals and other payables	26	530,637	431,360
Amounts due to related parties	31	3,643,438	108,523
Derivative financial instruments	20	174,942	174,826
Borrowings	27	2,893,984	3,307,488
Lease liabilities	14	9,993	10,033
Tax payable		142,910	111,792
		<b>7,722,653</b>	4,405,855

## CONSOLIDATED BALANCE SHEET

As at 31 December 2021

	Note	2021 RMB'000	2020 RMB'000
<b>Non-current liabilities, other than net assets attributable to unitholders</b>			
Rental deposits, non-current portion	26	246,756	202,956
Borrowings	27	14,728,455	10,693,312
Deferred tax liabilities	24	5,201,515	4,996,679
Derivative financial instruments	20	38,991	178,676
Lease liabilities	14	—	9,993
		<b>20,215,717</b>	16,081,616
<b>Total liabilities, other than net assets attributable to unitholders</b>			
		<b>27,938,370</b>	20,487,471
<b>Net assets attributable to unitholders</b>	28	<b>14,717,852</b>	14,584,563
<b>Total equity and liabilities</b>			
		<b>43,862,248</b>	36,260,137
<b>Net current liabilities</b>			
		<b>(6,036,987)</b>	(2,425,469)
Units in issue ('000)	28	<b>3,417,224</b>	3,303,113
Net assets attributable to unitholders per unit (RMB)		<b>RMB4.31</b>	RMB4.42

On behalf of the Board of Directors of Yuexiu REIT Asset Management Limited, as the Manger of Yuexiu REIT

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

The notes on page 191 to 252 are an integral part of these consolidated financial statements.

# CONSOLIDATED DISTRIBUTION STATEMENT

For the year ended 31 December 2021

	Note	2021 RMB'000	2020 RMB'000
Profit after income tax before transactions with unitholders attributable to unitholders		645,003	565,495
Adjustments for the total distributable income (i)			
– Fair value (gains)/losses on investment properties		(94,769)	268,048
– Deferred taxation in respect of fair value (gains)/losses on investment properties charged/(credited) to profit or loss		59,624	(53,594)
– Different depreciation and amortisation charge on investment properties, property, plant and equipment and land use rights under China Accounting Standards (“CAS”)		(377,870)	(378,189)
– Foreign exchange gains on financing activities		(340,561)	(810,900)
– Fair value gain on support arrangement asset		–	(625)
– Write-back of construction payable, net of tax		–	(124,631)
		<b>(108,573)</b>	(534,396)
<b>Additional items (ii)</b>			
– Different depreciation and amortisation charge on investment properties, property, plant and equipment and land use rights under CAS		377,870	378,189
– Depreciation and amortisation of property, plant and equipment and land use rights under Hong Kong Financial Reporting Standards (“HKFRS”)		133,325	130,997
– Deferred taxation in respect of the depreciation and amortisation of investment properties, property, plant and equipment and land use rights		98,123	100,116
– Manager’s fee paid and payable in units in lieu of cash		111,787	113,726
– Fair value losses on derivative financial instruments		65,680	405,118
– Support arrangement asset receivable		–	22,947
– Surplus cash		120,000	32,000
<b>Distributable income after additional items</b>		<b>798,212</b>	648,697
Distributable amount at 1 January		329,990	336,948
Distributions paid during the year (iii)	28	(670,212)	(655,655)
<b>Final distribution declared</b>		<b>457,990</b>	329,990
<b>Distribution per unit, declared (iv)</b>		<b>RMB0.0985</b>	RMB0.0999



## CONSOLIDATED DISTRIBUTION STATEMENT

For the year ended 31 December 2021

Note:

- (i) Under the terms of the Trust Deed, the total distributable income is the consolidated profit after income tax before transactions with unitholders attributable to unitholders adjusted to eliminate the effects of certain non-cash adjustments which have been recorded in the consolidated statement of comprehensive income for the relevant year.
- (ii) Pursuant to the circular dated 30 June 2012, Yuexiu REIT Asset Management Limited, as the manager of Yuexiu REIT (the "Manager") intends to distribute certain additional items on top of the total distributable income under the Trust Deed.
- (iii) A final distribution for the period from 1 July 2020 to 31 December 2020 of RMB0.0994 (equivalent to HK\$0.1192) per unit and interim distribution for the period from 1 January 2021 to 30 June 2021 of RMB0.1020 (equivalent to HK\$0.1227) per unit, totaling RMB670,212,000 (2020: RMB655,655,000), were paid to unitholders on 26 May 2021 and 22 October 2021 respectively.
- (iv) A final distribution for the period from 1 July 2021 to 31 December 2021 of RMB0.0985 (equivalent to HK\$0.1218) per unit, totaling RMB457,990,000 (equivalent to HK\$566,490,000) was declared by the Board of the Manager on 7 March 2022.

The notes on page 191 to 252 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AND CHANGES IN EQUITY

For the year ended 31 December 2021

	Net assets attributable to unitholders RMB'000	Equity			Total RMB'000
		Retained earnings RMB'000	Revaluation reserve RMB'000	Non- controlling interests RMB'000	
At 1 January 2020	14,599,360	(419,655)	419,655	1,205,395	15,804,755
Issuance of units (Note 28)	119,494	—	—	—	119,494
Profit for the year ended 31 December 2020 attributable to:					
– Unitholders	521,364	—	—	—	521,364
– Equity holders	—	44,131	—	21,626	65,757
Distributions paid to					
– Unitholders	(655,655)	—	—	—	(655,655)
– Equity holders	—	—	—	(38,454)	(38,454)
Change in fair value of property, plant and equipment, net of tax	—	—	(44,131)	(464)	(44,595)
At 31 December 2020	14,584,563	(375,524)	375,524	1,188,103	15,772,666
At 1 January 2021	<b>14,584,563</b>	<b>(375,524)</b>	<b>375,524</b>	<b>1,188,103</b>	<b>15,772,666</b>
Issuance of units (Note 28)	<b>111,478</b>	—	—	—	<b>111,478</b>
Profit for the year ended 31 December 2021 attributable to:					
– Unitholders	<b>692,023</b>	—	—	—	<b>692,023</b>
– Equity holders	—	<b>(47,020)</b>	—	<b>29,559</b>	<b>(17,461)</b>
Distributions paid to					
– Unitholders	<b>(670,212)</b>	—	—	—	<b>(670,212)</b>
– Equity holders	—	—	—	<b>(12,133)</b>	<b>(12,133)</b>
Change in fair value of property, plant and equipment, net of tax	—	—	<b>47,020</b>	<b>497</b>	<b>47,517</b>
At 31 December 2021	<b>14,717,852</b>	<b>(422,544)</b>	<b>422,544</b>	<b>1,206,026</b>	<b>15,923,878</b>

The notes on page 191 to 252 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Note	2021 RMB'000	2020 RMB'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	29	1,178,481	1,224,955
Interest paid		(326,478)	(444,077)
Income tax paid		(87,252)	(102,053)
Support arrangement asset received		9,786	16,002
Net cash generated from operating activities		774,537	694,827
<b>Cash flows from investing activities</b>			
Additions of investment properties		(52,548)	(15,633)
Additions of property, plant and equipment		(17,742)	(28,715)
Acquisition of subsidiaries, net of cash acquired	30	(4,117,221)	—
Disposal of property, plant and equipment		34	8
Interest received		26,142	31,985
Increase in short-term bank deposits with original maturity of more than three months		(389)	(385)
Net cash used in investing activities		(4,161,724)	(12,740)
<b>Cash flows from financing activities</b>			
Distributions paid		(682,345)	(694,109)
Proceeds from borrowings, net of transaction costs		7,708,228	4,085,623
Repayment of borrowings		(3,774,199)	(3,555,371)
Settlement of derivative financial instruments		(205,249)	(24,392)
Principal elements of lease payments		(10,768)	(10,353)
Net cash generate from/(used in) financing activities		3,035,667	(198,602)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(351,520)</b>	<b>483,485</b>
Cash and cash equivalents at beginning of the year		1,802,495	1,319,010
Effects of exchange rate changes on cash and cash equivalents		2,381	—
<b>Cash and cash equivalents at end of the year</b>	23	<b>1,453,356</b>	<b>1,802,495</b>

The notes on page 191 to 252 are an integral part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

Yuexiu Real Estate Investment Trust (“Yuexiu REIT”) and its subsidiaries (together, the “Group”) are mainly engaged in the leasing of commercial properties in Mainland China (“China”).

Yuexiu REIT is a Hong Kong collective investment scheme constituted as a unit trust by the Trust Deed entered into between the Manager and HSBC Institutional Trust Services (Asia) Limited, as the Trustee of Yuexiu REIT (the “Trustee”) on 7 December 2005 (as amended by First Supplemental Deed dated 25 March 2008, Second Supplemental Deed dated 23 July 2010, Third supplemental deed dated 25 July 2012, Fourth supplemental deed dated 3 April 2020 and Fifth supplemental deed dated 28 May 2021) (the “Trust Deed”) and authorised under section 104 of the Securities and Futures Ordinance subject to the applicable conditions imposed by Securities and Futures Commission from time to time.

The address of its registered office is 17B, Yue Xiu Building, 160-174 Lockhart Road, Wanchai, Hong Kong.

Yuexiu REIT is listed on The Stock Exchange of Hong Kong Limited. These consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated.

The outbreak of the coronavirus disease 2019 (“COVID-19”) had brought unprecedented challenges and added uncertainties to the economy. COVID-19 may affect the financial performance and position of the Group including the rental revenue and fair value of investment properties and hotel and serviced apartments, allowance for expected credit losses on trade and other receivables and so on. Due to the outbreak of COVID-19, the Group kept continuous attention on the situation of the COVID-19 outbreak and reacted actively to its impact on the financial position and operating results of the Group. As at the date that the consolidated financial statements are authorised for issue, COVID-19 does not have any material adverse impact on the financial position and operating result of the Group.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Basis of preparation

The consolidated financial statements of Yuexiu REIT have been prepared in accordance with all applicable HKFRS, the relevant provisions of the Trust Deed and the relevant disclosure requirements set out in Appendix C of the Code on Real Estate Investment Trusts (the “REIT Code”). The consolidated financial statements have been prepared under the historical cost basis, as modified by the revaluation of the investment properties and hotel, serviced apartment, support arrangement asset and derivative financial instruments which are carried at fair value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (a) Basis of preparation (continued)

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

As at 31 December 2021, the Group's current liabilities exceeded its current assets by RMB6,036,987,000 (31 December 2020: RMB2,425,469,000) mainly due to the borrowings of RMB2,893,984,000 (31 December 2020: RMB3,307,488,000) fall due within twelve months from the balance sheet date and an amount due to Yuexiu Property Company Limited ("YXP") of approximately RMB3,500,000,000 arising from the acquisition of Gain Force Investment Limited (the "Target Company") (the "Deferred Payment"). The Deferred Payment is due for repayment within 10 business days after the completion of Yuexiu REIT's proposed rights issue as announced on 16 December 2021 (the "Rights Issue"). Subsequent to the year end on 26 January 2022, the Rights Issue was completed; the net proceeds received of RMB3,216,000,000, together with other cash resources, were applied to repay the amount due to YXP in full on 27 January 2022.

In respect of the borrowings fall due with twelve months, the Manager is in the process of discussing with the Group's principal bankers and believes the Group will be able to refinance the bank borrowings based on the Group's past experience, its assets quality and low gearing ratio. Taking into account other financial resources available including internally generated funds and undrawn bank facilities, the Manager considers the Group has adequate resources to meet its liabilities as and when they fall due as well as its working capital and operating requirements for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the consolidated financial statements.

#### (i) New and amended standards effective for the year ended 31 December 2021

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest rate benchmark reform phase 2
Amendments to HKFRS 16	COVID-19-related rent concessions

The adoption of these new and amended standards did not result in any significant impact on the results and financial position of the Group.



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (a) Basis of preparation (continued)

#### (ii) New and amended standards have been issued but are not yet effective for the year ended 31 December 2021 and have not been early adopted by the Group:

		<b>Effective for accounting periods beginning on or after</b>
Amendments to HKFRS 3	Update reference to the conceptual framework	1 January 2022
Amendments to HKAS 16	Proceeds before intended use	1 January 2022
Amendments to HKAS 37	Onerous contracts – cost of fulfilling a contract	1 January 2022
Annual improvements	Annual improvements to HKFRS standards 2018-2020 cycle	1 January 2022
Amendments to Accounting Guideline 5	Merger accounting for common control combinations	1 January 2022
Amendments to HKAS 1	Classification of liabilities as current or non-current	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of accounting policies	1 January 2023
Amendments to HKFRS 4	Extension of the temporary exemption from applying HKFRS 9 and HKFRS 4	1 January 2023
HK Interpretation 5	Classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2023
Amendments to HKAS 8	Definition of accounting estimates	1 January 2023
Amendment to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
HKFRS 17	Insurance contract	1 January 2023
Amendments to HKFRS 17	Amendments to HKFRS 17	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The directors of the Manager anticipate that the adoption of these new and amended standards would not result in any significant impact on the results and financial position of the Group. The Group plans to adopt these new and amended standards when they become effective.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (b) Consolidation

##### (i) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of net assets attributable to unitholders and changes in equity and balance sheet respectively.

##### (ii) Business Combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the profit or loss.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (b) Consolidation (continued)

#### (ii) Business Combinations (continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

### (c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Manager that makes strategic decisions.

### (d) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is Yuexiu REIT's functional currency and the Group's presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income within "finance income" or "finance expenses". All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within "operating expenses, net".

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (e) Property, plant and equipment

- (i) Hotel and serviced apartments comprise mainly buildings, leasehold improvements and fixtures and furniture of hotel and serviced apartment, and is stated at fair value less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluation is performed with sufficient regularity by independent professional qualified valuers. Changes arising on the revaluation are dealt with in other comprehensive income and are accumulated in the revaluation reserve, except that, when a deficit arises on revaluation, it will be charged to the profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to revaluation. When a surplus arises on revaluation, it will be credited to the profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to the profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

When a revalued asset is sold, the amount included in the revaluation reserve is transferred to net assets attributable to unitholders.

- (ii) All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliable.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Building portion of hotel and serviced apartment are depreciated over the shorter of the unexpired term of the legal titles and their estimated useful lives, being no more than 40 years after the date of completion.

Leasehold improvements, furniture and fixtures and office supplies	3-20 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains/losses" in the consolidated statement of comprehensive income.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (f) Investment properties

Investment property, principally comprising leasehold land, office buildings and shopping mall, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases.

Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition at cost, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flows projections. These valuations are performed in accordance with the guidance issued by the International Valuation Standards Committee. These valuations are reviewed annually by external valuers. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value. Changes in fair values are recorded in the profit or loss.

### (g) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets of the acquired subsidiaries.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

### (h) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The full fair value of the derivative financial instruments is classified as a non-current asset or liability when the remaining maturity is more than 12 months; it is classified as a current asset or liability when the remaining maturity is less than 12 months.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised immediately in profit or loss.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Impairment of non-financial assets

Intangible assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### (j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

#### (k) Inventories

Inventories comprise primarily food, beverages and operating supplies and are stated at the lower of cost and net realisable value. Cost is calculated on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### (l) Financial assets

##### (i) Classification

The Group classifies its financial assets in either those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), or those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in the profit or loss. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

A financial asset is initially measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (l) Financial assets (continued)

#### (i) Classification (continued)

Debt instruments are subsequently measured depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of the profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income ("FVOCI"). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/losses, net in the period in which it arise.

Equity investments are subsequently measured at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other operating expenses, net in profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (l) Financial assets (continued)

##### (ii) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and lease receivables, the Group applies the HKFRS 9 simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The identified impairment loss was immaterial. While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9 the identified impairment loss was immaterial.

#### (m) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (m) Leases (continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Short-term leases of less than twelve months and leases of low-value assets are recognised on a straight-line basis as an expense in consolidated statement of comprehensive income.

Lease income from operating leases where the Group as a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (n) Rental deposits

Rental deposits are financial liabilities with fixed or determinable repayments. They arise when the Group enters into lease agreement directly with tenants. They are included in current liabilities, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current liabilities.

Rental deposits are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. At initial recognition, the difference between the carrying amount of the financial liability and the actual consideration received is treated as initial premiums and recognised as rental income over the lease term, on a straight-line basis.

#### (o) Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

#### (p) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### (q) Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (r) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

### (s) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

### (t) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

### (i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in China where Yuexiu REIT and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (t) Current and deferred income tax (continued)

##### (ii) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill and the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

##### (iii) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### (u) Revenue recognition

##### (i) Rental income

Operating lease rental income is recognised on a straight-line basis over the period of the lease. When the Group provides incentives to its tenants, the cost of incentives will be recognised over the lease term, on a straight-line basis, as a reduction of rental income. The difference between the gross receipt of rental and operating lease rental recognised over the lease term is recognised as deferred assets.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (u) Revenue recognition (continued)

#### (ii) Hotel and serviced apartment income

Hotel and serviced apartment income are recognised in the accounting period in which the services are rendered.

#### (iii) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

#### (iv) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

### (v) Distributions to unitholders

In accordance with the Trust Deed, Yuexiu REIT is required to distribute to unitholders not less than 90% of the Group's profit for each financial year subject to adjustments allowed under the REIT Code and the Trust Deed. These units are therefore classified as financial liabilities and presented under "net assets attributable to unitholders" in accordance with HKAS 32 and, accordingly, the distributions paid to unitholders represent finance costs and are therefore presented as "transaction with unitholders" in the profit or loss. Consequently, Yuexiu REIT has recognised distributions as finance costs in the profit or loss.

### (w) Employee benefit

#### (i) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (w) Employee benefit (continued)

##### (ii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

### 3 FINANCIAL RISK MANAGEMENT

#### (a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Manager of Yuexiu REIT identifies and evaluates financial risks. The Manager provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest-rate risk, credit risk, non-derivative financial instruments, and investing of excess liquidity.

##### (i) Market risk

###### (a) Foreign exchange risk

The Group operates in China with most of the transactions denominated in RMB. The Group's exposure to foreign exchange risk relates principally to its cash and cash equivalents, short-term bank deposits and bank borrowings denominated primarily in Hong Kong dollar ("HK\$") and United States dollar ("USD").

At 31 December 2021 and 2020, if RMB had weakened/strengthened by 1% against HK\$ and USD with all other variables held constant, post-tax profit for the year ended 31 December 2021 would have been approximately RMB162,580,000 (2020: RMB124,666,000) lower/higher, mainly as a result of foreign exchange losses/gains on translation of HK\$ and USD denominated cash and cash equivalents and short-term bank deposits, derivative financial instruments, borrowings and amount due to the Manager.

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### (a) Financial risk factors (continued)

##### (i) Market risk (continued)

##### (b) Cash flow interest rate risk

The Group's cash flow interest rate risk mainly arises from borrowings and derivatives obtained at variable rates which expose the Group to cash flow interest rate risk.

With regard to cash flow interest rate risk of borrowings and derivatives financial instruments, when opportunities arise, the Group considers the use of interest rate swaps to fix the interest costs for the long term. During the year, the Group has entered into one floating-to-fixed interest rate swap contract. At 31 December 2021 and 2020, if interest rates on borrowings and derivative financial instruments had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been approximately RMB128,790,000 (2020: RMB81,162,000) lower/higher respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

The exposure of the Group's borrowings to interest rate changes are as follows:

	2021 RMB'000	% of total borrowings	2020 RMB'000	% of total borrowings
Variable rate borrowings	12,878,957	73%	8,898,688	64%
Fixed rate borrowings	4,743,482	27%	5,102,112	36%
Total	17,622,439	100%	14,000,800	100%

The percentage of total borrowings shows the proportion of borrowings that are currently at variable rates in relation to the total amount of borrowings.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### (a) Financial risk factors (continued)

##### (ii) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, trade receivables, amounts due from related parties, other receivables and deposits with banks and financial institutions, as well as credit exposures to tenants.

The table below shows the bank deposits balance of the major banks at the balance sheet date. Management does not expect any losses from non-performance by these banks.

	2021 RMB'000	2020 RMB'000
DBS Bank Ltd. Hong Kong Branch	412,275	321,745
China Construction Bank	377,629	720,796
Bank of China	348,117	571,911
Chong Hing Bank	54,042	52,437
Industrial and Commercial Bank of China	520	524
BNP Paribas	140	58,446
Other banks	283,661	99,274
Short-term bank deposits and cash and cash equivalent	<b>1,476,384</b>	1,825,133

The Group has no policy to limit the amount of credit exposure to any financial institution.

The Group has policies in place to ensure that leasing out made to lessees with an appropriate financial strength and appropriate percentage of down payment. It also has other monitoring procedures to ensure that follow up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentration of credit risks, with exposure spread over a number of counterparties and customers.

The carrying amount of the receivables included in the consolidated balance sheet represents the Group's maximum exposure to credit risk in relation to these financial assets. The credit risk for bank deposits and bank balances is considered by the Group to be minimal as such amounts are generally placed with state-owned banks or banks with good ratings.

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### (a) Financial risk factors (continued)

##### (iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding from an adequate amount of committed credit facilities and operating cash flow. The Group has short-term bank deposits and cash and cash equivalents of RMB1,476,880,000 as at 31 December 2021 (2020: RMB1,825,630,000). Due to the nature of the underlying business, the Manager maintains flexibility by adjusting the amount of distributions to be paid for the percentage in excess of 90% of the distributable income. The Group also maintains flexibility in funding by maintaining availability under committed credit lines.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within one year RMB'000	Between one and two years RMB'000	Between two and five years RMB'000	Over five years RMB'000	Total RMB'000
<b>As at 31 December 2021</b>					
Rental deposits	181,124	121,992	146,324	10,709	460,149
Trade payables	27,561	—	—	—	27,561
Accruals and other payables	423,214	—	—	—	423,214
Amounts due to related parties	3,643,438	—	—	—	3,643,438
Bank borrowings					
– Principal to be repaid	2,893,984	4,173,791	6,924,582	171,000	14,163,357
– Interest payables	244,928	188,250	165,297	9,747	608,222
Other borrowings					
– Principal to be repaid	—	—	3,459,082	—	3,459,082
– Interest payables	100,548	100,548	155,095	—	356,191
Derivative financial instruments	174,942	38,991	—	—	213,933
Lease liabilities	9,993	—	—	—	9,993

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### (a) Financial risk factors (continued)

##### (iii) Liquidity risk (continued)

	Within one year RMB'000	Between one and two years RMB'000	Between two and five years RMB'000	Over five years RMB'000	Total RMB'000
<b>As at 31 December 2020</b>					
Rental deposits	149,654	87,501	132,736	12,037	381,928
Trade payables	19,244	—	—	—	19,244
Accruals and other payables	374,092	—	—	—	374,092
Amounts due to related parties	108,523	—	—	—	108,523
Bank borrowings					
– Principal to be repaid	699,587	2,959,971	6,540,970	251,000	10,451,528
– Interest payables	207,729	184,140	204,083	19,748	615,700
Other borrowings					
– Principal to be repaid	2,607,901	—	941,371	—	3,549,272
– Interest payables	95,922	33,935	50,902	—	180,759
Derivative financial instruments	174,826	178,676	—	—	353,502
Lease liabilities	10,768	10,231	—	—	20,999

#### (b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders.

Consistent with others in the industry, the Manager monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings (including current and non-current borrowings) divided by total asset value as shown in the consolidated balance sheet.

During 2021, the Group's strategy was to maintain a gearing ratio not exceeding 50% (2020: 50%). The gearing ratios at 31 December 2021 and 2020 were as follows:

	2021 RMB'000	2020 RMB'000
Total borrowings (note 26)	17,622,439	14,000,800
Total asset value	43,862,248	36,260,137
Gearing ratio	40%	39%

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### (c) Fair value estimation

The carrying amounts of the Group's current financial assets and current financial liabilities approximate their fair values due to their short maturities.

The fair value of non-current financial assets and financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

See Note 13 for disclosures of property, plant and equipment, Note 15 for investment properties, and Note 20 for derivative financial instruments.

### 4 CRITICAL ACCOUNTING ESTIMATES

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Manager makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### (a) Estimate of fair value of property, plant and equipment and investment properties

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the directors of the Manager determine the amount within a range of reasonable fair value estimates. In making its judgement, the directors of the Manager consider information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition. These valuations are reviewed annually by external valuers.

The fair value of property, plant and equipment and investment properties is determined by using valuation technique. Details of the judgement and assumptions have been disclosed in Notes 13 and 15 respectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4 CRITICAL ACCOUNTING ESTIMATES (continued)

#### (b) Estimate of impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2(g). The assessment of recoverable amounts calculations requires the use of estimates.

### 5 REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Manager. Management determines the operating segments based on the Group's internal reports, which are then submitted to the executive directors for performance assessment and resources allocation.

The executive directors consider the business by nature of business activities and assess the performance of hotel and service apartments, office rental and wholesale and shopping mall.

The executive directors assess the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of non-recurring expenditure from the operating segments and other unallocated operating costs. Other information provided, except as noted below, to the executive directors are measured in a manner consistent with that in the consolidated financial statements.

Total assets excluded corporate assets which are not directly attributable to segments.

The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the consolidated statement of comprehensive income.

	Hotel and serviced apartments RMB'000	Office rental RMB'000	Wholesale and shopping mall RMB'000	Group RMB'000
<b>Year ended 31 December 2021</b>				
Revenue from external customers	403,111	973,345	420,230	1,796,686
Segment results	(19,685)	978,951	283,836	1,243,102
Depreciation	144,631	47	—	144,678
Fair value gains/(losses) on investment properties	—	149,469	(70,801)	78,668
<b>Year ended 31 December 2020</b>				
Revenue from external customers	363,578	934,975	460,179	1,758,732
Segment results	(39,216)	637,141	284,756	882,681
Depreciation	142,273	57	—	142,330
Fair value losses on investment properties	—	(180,337)	(117,296)	(297,633)



## 5 REVENUE AND SEGMENT INFORMATION (continued)

	Hotel and serviced apartments RMB'000	Office rental RMB'000	Wholesale and shopping mall RMB'000	Group RMB'000
<b>As at 31 December 2021</b>				
Total reportable segments' assets	<b>3,660,669</b>	<b>28,923,658</b>	<b>10,377,958</b>	<b>42,962,285</b>
<b>As at 31 December 2020</b>				
Total reportable segments' assets	3,891,898	21,009,887	10,423,191	35,324,976

A reconciliation of total segment results to total profit before income tax and transactions with unitholders is provided as follows:

	Year ended 31 December	
	2021 RMB'000	2020 RMB'000
Segment results	<b>1,243,102</b>	882,681
Changes in fair value of derivatives financial instruments	<b>(65,680)</b>	(405,118)
Unallocated operating costs (Note)	<b>(215,134)</b>	(215,650)
Operating profit	<b>962,288</b>	261,913
Write back of construction payable	—	174,882
Finance income	<b>366,703</b>	842,885
Finance expenses	<b>(390,821)</b>	(489,217)
Change in fair value of support arrangement asset	—	625
Profit before income tax and transactions with unitholders	<b>938,170</b>	791,088

Note: Unallocated operating costs include mainly manager's fee, legal and professional expenses and other operating expenses.

A reconciliation of reportable segments' assets to total assets is provided as follows:

	As at 31 December	
	2021 RMB'000	2020 RMB'000
Total reportable segments' assets	<b>42,962,285</b>	35,324,976
Corporate assets	<b>899,963</b>	935,161
Total assets	<b>43,862,248</b>	36,260,137

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 5 REVENUE AND SEGMENT INFORMATION (continued)

	Revenue		Total assets	
	Year ended 31 December		As at 31 December	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
China	<b>1,796,686</b>	1,758,732	<b>42,962,285</b>	35,324,976
Unallocated assets			<b>899,963</b>	935,161
			<b>43,862,248</b>	36,260,137

Note: Unallocated assets include mainly cash and cash equivalents of a holding company and goodwill.

The Group's revenue by nature is as follows:

	2021	2020
	RMB'000	RMB'000
Hotel and serviced apartments operations		
– Room rentals	<b>241,408</b>	219,930
– Food and beverages	<b>149,516</b>	127,674
Property rentals	<b>1,393,575</b>	1,395,154
Others	<b>12,187</b>	15,974
	<b>1,796,686</b>	1,758,732

The following is an analysis of the Group's revenue by timing of satisfaction of performance obligations:

	2021	2020
	RMB'000	RMB'000
Revenue recognised at a point in time	<b>155,046</b>	140,312
Revenue recognised over time	<b>247,928</b>	220,347
Other sources	<b>1,393,712</b>	1,398,073
	<b>1,796,686</b>	1,758,732

## 6 EXPENSES BY NATURE, NET

	2021 RMB'000	2020 RMB'000
Property management fees (i)	43,861	43,973
Employee benefit expenses (Note 7)	116,517	98,863
Real estate tax	163,536	128,215
Flood prevention fee, urban construction and maintenance tax, education surcharge and local education surcharge	8,852	9,480
Withholding tax (ii)	47,359	49,889
Depreciation of property, plant and equipment (Note 13)	85,416	83,068
Depreciation of right-of-use assets (Note 14)	59,262	59,262
Cost of inventories sold or consumed in operation	89,940	70,487
Other direct expenses on hotel and serviced apartment	59,971	67,459
Manager's fee (Note 8) (Note 31(a))	139,733	142,157
Trustee's fee (Note 31(a))	10,248	10,424
Valuation fees	745	1,090
Legal and professional fee	10,996	7,356
Auditor's remuneration	3,933	3,800
Bank charges	473	369
Foreign exchange (gains)/losses arising from operating activities	(1,882)	7,763
Expenses relating to short-term leases (Note 14)	—	360
Others	8,426	10,053
<b>Total operating expenses, net</b>	<b>847,386</b>	<b>794,068</b>

Note:

- (i) The Group received leasing, marketing and tenancy management services from three leasing agents, namely, Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd. ("Yicheng BM"), Guangzhou Baima Business Operation Management Co., Ltd. ("Baima BM") and Guangzhou Yuexiu Asset Management Company Limited ("GZ AM").
- (ii) Withholding tax on the rental income and interest income derived from properties located in China and held by BVI companies is calculated at a rate of 10%.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 7 EMPLOYEE BENEFIT EXPENSES

	2021 RMB'000	2020 RMB'000
Wages, salaries and bonus	83,471	68,146
Pension costs	2,293	1,904
Social security costs and staff welfare	30,753	28,813
	<b>116,517</b>	98,863

#### Pension scheme arrangements

Certain subsidiaries of Yuexiu REIT in China are required to participate in defined contribution retirement plans organised by the respective Provincial or Municipal Government. The Group has no further obligation for the actual payment of pensions beyond its contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

### 8 MANAGER'S FEE

Pursuant to the Trust Deed, the Manager is entitled to receive remuneration for its services as manager of Yuexiu REIT, which is the aggregate of a base fee of 0.3% per annum of the carrying value of the deposited property; a service fee of 3% per annum of net property income; a transaction fee of 1% of the consideration for the acquisition of any real estate from external party and a transaction fee of 0.5% of the gross sale price of the disposal of any part of deposited property comprising of Real Estate, as defined in the Trust Deed.

	2021 RMB'000	2020 RMB'000
Manager's fee:		
In the form of units	111,787	113,726
In the form of cash	27,946	28,431
	<b>139,733</b>	142,157

Pursuant to the circular of Yuexiu REIT dated 30 June 2012 and subsequent announcements dated 15 January 2018, 15 January 2019, 15 January 2020 and 15 January 2021, a portion of the manager's fee for the period from 1 July 2012 to 31 December 2017, 1 January 2018 to 31 December 2018, 1 January 2019 to 31 December 2019, 1 January 2020 to 31 December 2020 and 1 January 2021 to 31 December 2021 respectively, will be paid in the form of units. In accordance with the Trust Deed, the Manager fee units for the year ended 31 December 2021 are expected to be issued on 22 March 2022. Also in accordance with the Trust Deed, the issue price of the units (and consequentially the number of units to be issued to the Manager) will be calculated based on the higher of (i) the closing price of the units on the trading day immediately preceding 22 March 2022 and (ii) the average closing price of the units in the 10 trading days immediately preceding 22 March 2022.

## 9 FINANCE INCOME

	2021 RMB'000	2020 RMB'000
Interest income from bank deposits	22,639	14,384
Interest income from a related company	3,503	17,601
Foreign exchange gains on financing activities	340,561	810,900
	<b>366,703</b>	842,885

## 10 FINANCE EXPENSES

	2021 RMB'000	2020 RMB'000
Interest expense for bank borrowings	189,559	276,182
Interest expense for other borrowings	135,847	167,895
Interest and finance charges paid/payable for lease liabilities (Note 14)	735	1,189
Losses on settlement of derivative financial instruments	35,437	14,902
Amortisation of transaction costs for borrowings	28,171	29,049
Interest expense due to a related party (Note 31(a))	1,072	—
	<b>390,821</b>	489,217

## 11 INCOME TAX EXPENSE

For the subsidiaries incorporated and operate in China, they are subject to China corporate income tax at a rate of 25% under Corporate Income Tax Law of the People's Republic of China (the "China CIT Law").

For other subsidiaries with operations in China, the corporate income tax was paid by way of withholding tax as disclosed in Note 6 (ii).

No Hong Kong profits tax has been provided as the Group has no assessable profit in Hong Kong.

	2021 RMB'000	2020 RMB'000
Current income tax		
– China corporate income tax	81,085	81,814
– PRC withholding tax	8,016	14,281
Deferred income tax (Note 24)	174,507	107,872
	<b>263,608</b>	203,967

The tax on the Group's profit before income tax and transactions with unitholders differs from the theoretical amount that would arise using the corporate income tax rate of China as follows:

	2021 RMB'000	2020 RMB'000
Profit before income tax and transactions with unitholders	938,170	791,088
Tax calculated at domestic tax rate of 25%	234,543	197,772
Income not subject to tax	—	(5,959)
Expenses not deductible for tax purposes	—	53,645
Under-provision in prior years	2,045	—
Withholding tax on unremitted earnings of subsidiaries (Note a)	41,647	20,843
Effect of different tax rates	(14,627)	(62,334)
	<b>263,608</b>	203,967



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 11 INCOME TAX EXPENSE (continued)

Note a:

According to the China CIT Law, starting from 1 January 2008, a withholding tax of 10% or 5% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. Accordingly, deferred income tax liabilities of RMB603,304,000 (31 December 2020: RMB567,689,000) was recognised for the withholding tax that would be payable on the unremitted earnings of the Group's PRC subsidiaries.

### 12 EARNINGS PER UNIT BASED UPON PROFIT AFTER INCOME TAX BEFORE TRANSACTIONS WITH UNITHOLDERS ATTRIBUTABLE TO UNITHOLDERS

#### (a) Basic

Basic earnings per unit based upon profit after income tax before transactions with unitholders attributable to unitholders is calculated by dividing the profit after income tax before transactions with unitholders attributable to unitholders by the weighted average number of units in issue during the year.

	2021	2020
Profit after income tax before transactions with unitholders attributable to unitholders (RMB'000)	645,003	565,495
Weighted average number of units in issue ('000)	3,321,105	3,221,385
Basic earnings per unit (RMB)	0.19	0.18

#### (b) Diluted

Diluted earnings per unit based upon profit after income tax before transactions with unitholders attributable to unitholders is calculated by adjusting the weighted average number of units outstanding to assume conversion of all dilutive potential units. Yuexiu REIT has deferred units (Note 28) outstanding and manager's fee in form of units during the year which are dilutive potential units. The number of units calculated as above is compared with the number of units that would have been issued assuming the exercise of the units. For the purpose of calculating diluted earnings per unit, the number of units calculated for manager's fee in form of units was calculated based on the closing price of Yuexiu REIT as at 31 December 2021.

	2021	2020
Profit after income tax before transactions with unitholders attributable to unitholders (RMB'000)	645,003	565,495
Weighted average number of units in issue ('000)	3,321,105	3,221,385
Adjustments for deferred units ('000)	403,119	399,401
Adjustments for manager's fee in form of units ('000)	21,649	17,167
Weighted average number of units for diluted earnings per unit ('000)	3,745,873	3,637,953
Diluted earnings per unit (RMB)	0.17	0.16

### 13 PROPERTY, PLANT AND EQUIPMENT

	Hotel and serviced apartments RMB'000	Office supplies RMB'000	Motor vehicles RMB'000	Total RMB'000
<b>At 1 January 2020</b>				
Cost	2,354,304	13,083	9,649	2,377,036
Accumulated depreciation	(673,359)	(12,716)	(9,164)	(695,239)
Fair value gain on revaluation	589,055	—	—	589,055
Net book amount	2,270,000	367	485	2,270,852
<b>Year ended 31 December 2020</b>				
Opening net book amount	2,270,000	367	485	2,270,852
Additions	31,963	—	—	31,963
Disposal	(8)	—	—	(8)
Depreciation (Note 6)	(83,011)	(57)	—	(83,068)
Fair value losses on revaluation	(61,944)	—	—	(61,944)
Closing net book amount	2,157,000	310	485	2,157,795
<b>At 31 December 2020</b>				
Cost	2,385,784	13,083	9,649	2,408,516
Accumulated depreciation	(755,895)	(12,773)	(9,164)	(777,832)
Fair value gains on revaluation	527,111	—	—	527,111
Net book amount	2,157,000	310	485	2,157,795
<b>Year ended 31 December 2021</b>				
Opening net book amount	<b>2,157,000</b>	<b>310</b>	<b>485</b>	<b>2,157,795</b>
Additions	<b>20,367</b>	—	—	<b>20,367</b>
Disposal	—	—	<b>(34)</b>	<b>(34)</b>
Depreciation (Note 6)	<b>(85,369)</b>	<b>(47)</b>	—	<b>(85,416)</b>
Fair value gains on revaluation	<b>66,002</b>	—	—	<b>66,002</b>
Closing net book amount	<b>2,158,000</b>	<b>263</b>	<b>451</b>	<b>2,158,714</b>
<b>At 31 December 2021</b>				
Cost	<b>2,406,151</b>	<b>13,083</b>	<b>8,977</b>	<b>2,428,211</b>
Accumulated depreciation	<b>(841,264)</b>	<b>(12,820)</b>	<b>(8,526)</b>	<b>(862,610)</b>
Fair value gains on revaluation	<b>593,113</b>	—	—	<b>593,113</b>
Net book amount	<b>2,158,000</b>	<b>263</b>	<b>451</b>	<b>2,158,714</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 13 PROPERTY, PLANT AND EQUIPMENT (continued)

If hotel and serviced apartments had not been revalued, it would have been included in these consolidated financial statements at historical cost less accumulated depreciation of RMB1,551,207,000 (2020: RMB1,655,383,000).

As at 31 December 2021, property, plant and equipment with an aggregate carrying amount of RMB1,921 million (2020: RMB1,883 million) were pledged as collateral for the Group's bank borrowings (Note 27).

The following table analyses the property, plant and equipment carried at fair value:

	2021 RMB'000	2020 RMB'000
Opening balance	2,157,000	2,270,000
Additions	20,367	31,963
Disposal	—	(8)
Depreciation	(85,369)	(83,011)
Unrealised gains/(losses) recognised in reserve	66,002	(61,944)
Closing balance	2,158,000	2,157,000
Unrealised gains/(losses) for the year included in other comprehensive income/(loss) at the end of the year	66,002	(61,944)

#### Valuation processes of the Group

The Group measures hotel and serviced apartments at fair value. Hotel and serviced apartments were revalued by Colliers International (Hong Kong) Limited being independent qualified valuer not related to the Group as at 31 December 2021 and 2020.

The Group's finance department includes a team that reviews the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the senior management. Discussions of valuation processes and results are held between the management and the valuer at least once every six months, in line with the Group's interim and annual reporting dates.

At each financial year end the finance department:

- Verifies all major inputs to the independent valuation report
- Assesses property valuations movements when compared to the prior year valuation report
- Holds discussions with the independent valuer

## 13 PROPERTY, PLANT AND EQUIPMENT (continued)

### Valuation techniques

#### **Fair value measurements using significant unobservable inputs**

Fair value of the building portion of hotel and serviced apartments of Guangzhou International Financial Centre (“Guangzhou IFC”) is derived using depreciated replacement cost method.

The depreciated replacement cost method involves estimation of the market redevelopment costs of the building portion of hotel and serviced apartments of Guangzhou IFC which includes building costs, finance costs and professional fee. Depreciation is also considered to reflect the physical deterioration, functional and economic obsolescence to derive the fair value.

The overall fair value (including land and building portions) of hotel and serviced apartments in China is generally derived using the discounted cash flow analysis. Due to lack of land transaction in market, fair value of land, for disclosure purpose only as set out in Note 14, is therefore calculated as the difference between the fair value under discounted cash flow analysis and the value under depreciated replacement cost method.

In the course of discounted cash flow analysis, both income and expenses over the coming ten years from the date of valuation are itemised and projected annually taking into account the rental revenue, associated revenues and the expected growth of income and expenses. The net cash flow over the ten-year period is discounted at an appropriate rate of return.

The net cash flow from eleventh year onwards to the expiry date of the land use rights from the government under which both portions are held is capitalised at a market yield expected for the particular type of property investment in the market.

The building portion of hotel and serviced apartments in property, plant and equipment are included in Level 3 (2020: Level 3) of the fair value hierarchy.

There were no changes to the valuation techniques during the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 13 PROPERTY, PLANT AND EQUIPMENT (continued)

#### Significant inputs used to determine fair value

Building costs are estimated by reference to market construction costs of other similar buildings. The higher the building costs, finance cost and professional fee, the higher the fair value.

Discount rates are estimated by Colliers International (Hong Kong) Limited based on the risk profile of hotel and serviced apartments being valued. The higher the rates, the lower the fair value. Prevailing market room rents are estimated based on recent lettings for hotel and serviced apartments in China, within the subject properties and other comparable properties. The lower the rents, the lower the fair value.

The adopted valuation assumptions in the depreciated replacement cost method are summarised as follows:

#### As at 31 December 2020

	Depreciated replacement cost method		
	Building cost (RMB/m <sup>2</sup> )	Finance cost (% on construction cost)	Professional fee (% on construction cost)
Hotel	19,000	4.75	6
Serviced apartments	15,500	4.75	6

#### As at 31 December 2021

	Depreciated replacement cost method		
	Building cost (RMB/m <sup>2</sup> )	Finance cost (% on construction cost)	Professional fee (% on construction cost)
Hotel	20,140	4.65	6
Serviced apartments	16,430	4.65	6



## 14 LEASES

The consolidated balance sheet shows the following amounts relating to leases:

	Land use rights RMB'000	Staff quarter RMB'000	Total RMB'000
<b>Right-of-use assets</b>			
<b>At 1 January 2020</b>	1,330,684	29,100	1,359,784
Depreciation (Note 6)	(49,285)	(9,977)	(59,262)
<b>At 31 December 2020</b>	1,281,399	19,123	1,300,522
<b>At 1 January 2021</b>	<b>1,281,399</b>	<b>19,123</b>	<b>1,300,522</b>
Depreciation (Note 6)	<b>(49,285)</b>	<b>(9,977)</b>	<b>(59,262)</b>
<b>At 31 December 2021</b>	<b>1,232,114</b>	<b>9,146</b>	<b>1,241,260</b>

	31 December 2021 RMB'000	31 December 2020 RMB'000
Lease liabilities		
Current portion	<b>9,993</b>	10,033
Non-current portion	—	9,993
	<b>9,993</b>	20,026

As at 31 December 2021, the fair value of land use rights is approximately RMB2,580 million (2020: RMB2,631 million). The change in fair value is not reflected in the consolidated financial statements.

As at 31 December 2021, right-of-use assets were pledged with an aggregate net book amount of approximately RMB1,214 million (2020: RMB1,213 million) as collateral for the Group's bank borrowings (Note 27).

As at 31 December 2021 and 2020, all of the lease liabilities are due to 廣州越秀星寓公寓管理有限公司, a subsidiary of YXP.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 14 LEASES (continued)

The consolidated statement of comprehensive income shows the following amounts relating to leases:

	2021 RMB'000	2020 RMB'000
Depreciation charge of right-of-use assets		
Land use rights	49,285	49,285
Staff quarter	9,977	9,977
	<b>59,262</b>	59,262
Interest expense (included in finance cost) (Note 10)	735	1,189
Expenses relating to short-term leases (Note 6)	—	360
	<b>735</b>	1,549

The total cash outflows for leases in 2021 was RMB10,768,000 (2020: RMB10,353,000). The Group leases a staff quarter for a fixed period of 36 months.

### 15 INVESTMENT PROPERTIES

	2021 RMB'000	2020 RMB'000
<b>At 1 January</b>	<b>29,700,000</b>	29,982,000
Addition from acquisition of subsidiaries (Note 28)	<b>7,752,623</b>	—
Capitalisation of transaction costs for the acquisition of the Target Company (the "Acquisition")	<b>78,329</b>	—
Other additions during the year	<b>47,380</b>	15,633
Fair value gains/(losses) during the year, included in profit or loss under 'Fair value gains/(losses) on investment properties'	<b>78,668</b>	(297,633)
<b>At 31 December</b>	<b>37,657,000</b>	29,700,000
Fair value gains/(losses) for the year included in profit or loss for assets held at the end of the year, under 'Fair value gains/(losses) on investment properties'	<b>78,668</b>	(297,633)

The investment properties were located in China and held on land use rights of 40 years to 50 years, expiring in 2045 through 2055.

In the consolidated statement of comprehensive income, direct operating expenses relating to investment properties amounted to RMB344,068,000 (2020: RMB305,914,000). Included in the direct operating expenses, RMB22,170,000 (2020: RMB22,386,000) was related to investment properties that were vacant.

As at 31 December 2021, investment properties with an aggregate carrying value of approximately RMB3,832 million (2020: RMB3,825 million) were pledged as collateral for the Group's bank borrowings (Note 27).

## 15 INVESTMENT PROPERTIES (continued)

### Valuation processes of the Group

The Group measures its investment properties at fair value. The investment properties were revalued by Colliers International (Hong Kong) Limited being independent qualified valuers not related to the Group as at 31 December 2021 and 2020.

The Group's finance department includes a team that reviews the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the senior management. Discussions of valuation processes and results are held between the management and valuer at least once every six months, in line with the Group's interim and annual reporting dates.

At each financial year end the finance department:

- Verifies all major inputs to the independent valuation report
- Assesses property valuations movements when compared to the prior year valuation report
- Holds discussions with the independent valuer

### Valuation techniques

#### Fair value measurements using significant unobservable inputs

As at 31 December 2021 and 2020, Colliers International (Hong Kong) Limited has relied on the income capitalisation method as the primary approach and cross-checked by the market approach. The use of income capitalisation method is in line with market practice of property valuation for income-producing commercial assets which are the main asset class of the Group.

The income capitalisation method is based on the capitalisation of the current passing rental income and potential reversionary income of the property from the date of valuation at appropriate investment yields to arrive at the capital value. The appropriate adjustments/deductions for rent-free period, ongoing vacancy voids/marketing periods and non-recoverable expenses for the vacant space have been allowed.

The income capitalisation method is used to capitalise the unexpired rental income of contractual tenancies. It has also taken into account the reversionary market rent after the expiry of tenancies in capitalisation. The prevailing market rents adopted in the valuation have made reference to recent lettings and other similar comparable properties in the vicinity.

The investment properties are included in Level 3 (2020: Level 3) of the fair value hierarchy.

There were no changes to the valuation techniques during the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 15 INVESTMENT PROPERTIES (continued)

#### Significant inputs used to determine fair value

Capitalisation rates are estimated by Colliers International (Hong Kong) Limited as at 31 December 2021 and 2020 based on the risk profile of the properties being valued. The higher the rates, the lower the fair value.

Prevailing market rents are estimated based on recent lettings, within the subject properties and other comparable properties. The lower the rents, the lower the fair value.

The adopted valuation assumptions in the income capitalisation method are summarised as follows:

#### As at 31 December 2021

	Monthly Market Unit Rent (RMB per sq.m.)	Capitalisation Rate (per annum)
Office	90 to 317	4.00% to 6.50%
Wholesale and shopping mall	65 to 1,040	4.00% to 7.25%

#### As at 31 December 2020

	Monthly Market Unit Rent (RMB per sq.m.)	Capitalisation Rate (per annum)
Office	90 to 320	4.00% to 6.75%
Wholesale and shopping mall	75 to 1,045	4.00% to 7.50%

## 16 SUBSIDIARIES

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operations	Particulars of issued share capital/ registered capital	Interest held (Note)
GZI REIT (Holding) 2005 Company Limited ("HoldCo 2005")	Hong Kong, limited liability company	Investment holding	1 ordinary share of HK\$1	100%
Yuexiu REIT 2012 Company Limited ("REIT 2012")	British Virgin Islands, limited liability company	Investment holding	1 ordinary share of USD1	100%
Yuexiu REIT MTN Company Limited ("REIT MTN")	British Virgin Islands, limited liability company	Investment holding	1 ordinary share of USD1	100%
Yuexiu REIT 2013 Company Limited ("REIT 2013")	British Virgin Islands, limited liability company	Investment holding	1 ordinary share of USD1	100%
Partat Investment Limited	British Virgin Islands, limited liability company	Leasing of commercial properties in China	1 ordinary share of USD1	100%
Moon King Limited	British Virgin Islands, limited liability company	Leasing of commercial properties in China	1 ordinary share of USD1	100%
Full Estates Investment Limited	British Virgin Islands, limited liability company	Leasing of commercial properties in China	1 ordinary share of USD1	100%
Keen Ocean Limited	British Virgin Islands, limited liability company	Leasing of commercial properties in China	1 ordinary share of USD1	100%
Tower Top Development Ltd. ("Tower Top")	British Virgin Islands, limited liability company	Investment holding	10,000 ordinary share of USD1	99.99%
Bliss Town Holdings Ltd.	British Virgin Islands, limited liability company	Investment holding	1 ordinary share of USD1	99.99%
Hoover Star International Ltd.	British Virgin Islands, limited liability company	Investment holding	1 ordinary share of USD1	99.99%
Miller Win Group Ltd.	British Virgin Islands, limited liability company	Investment holding	1 ordinary share of USD1	99.99%



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 16 SUBSIDIARIES (continued)

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operations	Particulars of issued share capital/ registered capital	Interest held (Note)
Shinning Opal Management Ltd.	British Virgin Islands, limited liability company	Investment holding	1 ordinary share of USD1	99.99%
Ever Joint Investment International Limited	Hong Kong, limited liability company	Investment holding	1 ordinary share of HK\$1	99.99%
Long Grace Holdings Limited	Hong Kong, limited liability company	Investment holding in Hong Kong	1 ordinary share of HK\$1	99.99%
Profit Link Investment International Limited	Hong Kong, limited liability company	Investment holding in Hong Kong	1 ordinary share of HK\$1	99.99%
San Bright Holdings Limited	Hong Kong, limited liability company	Investment holding in Hong Kong	1 ordinary share of HK\$1	99.99%
Guangzhou Yuecheng Industrial Ltd.	China, Limited liability company	Investment holding in China	Registered capital of HK\$300 million	99.99%
Guangzhou Yuesheng Industrial Ltd.	China, limited liability company	Investment holding in China	Registered capital of HK\$300 million	99.99%
Guangzhou Yuehui Industrial Ltd.	China, limited liability company	Investment holding in China	Registered capital of HK\$300 million	99.99%
Guangzhou Yueli Industrial Ltd.	China, limited liability company	Investment holding in China	Registered capital of HK\$300 million	99.99%
Guangzhou Yue Xiu City Construction International Finance Centre Co., Ltd	China, limited liability company	Property management and property leasing in China	Registered capital of RMB2,650 million	98.99%
Guangzhou IFC Hospitality Management Co. Ltd	China, limited liability company	Hospitality management in China	Registered capital of RMB5 million	98.99%

## 16 SUBSIDIARIES (continued)

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operations	Particulars of issued share capital/ registered capital	Interest held (Note)
Shanghai Hong Jia Real Estate Development Co., Ltd.	China, limited liability company	Leasing of commercial properties in China	Registered capital of USD28.5 million	100%
Bestget Enterprises Limited	Hong Kong, limited liability company	Investment holding in Hong Kong	257,614,000 ordinary shares of HK\$257,614,000	100%
Fully Cheer Management Ltd.	British Virgin Islands, limited liability company	Investment holding	1 ordinary share of USD1	100%
Sure Win International Holdings Limited	Hong Kong, limited liability company	Investment holding in Hong Kong	1 ordinary share of HK\$1	100%
Wuhan Yuexiu Property Development Limited	China, limited liability company	Leasing of commercial properties in China	Registered Capital of RMB2,200,000,000	67%
Yuexiu REIT 2017 Company Limited ("REIT 2017")	British Virgin Islands, limited liability company	Investment holding	1 ordinary share of USD1	100%
Wealthy Reach Holdings Limited	British Virgin Islands, limited liability company	Investment holding	1 ordinary share of USD1	100%
Prime Glory Group Holdings Limited	Hong Kong, limited liability company	Investment holding in Hong Kong	1 ordinary share of HK\$1	100%
Guangzhou Xiujiang Industries Development Co., Limited	China, limited liability company	Investment holding in China	Registered Capital of RMB550,000,000	100%
Hangzhou Yuehui Real Estate Development Co., Limited	China, limited liability company	Leasing of commercial properties in China	Registered Capital of RMB470,000,000	100%
Yuexiu REIT 2018 Company Limited ("REIT 2018")	British Virgin Islands, limited liability company	Investment holding	1 ordinary share of USD1	100%
廣州晉耀置業有限公司	Mainland China, limited liability company	Property management and consultancy	Registered Capital of RMB1,000,000	100%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 16 SUBSIDIARIES (continued)

Name	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operations	Particulars of issued share capital/ registered capital	Interest held (Note)
廣州譽耀置業有限公司	Mainland China, limited liability company	Property management and consultancy	Registered Capital of RMB1,000,000	100%
廣州景耀置業有限公司	Mainland China, limited liability company	Property management and consultancy	Registered Capital of RMB1,000,000	100%
廣州佳耀置業有限公司	Mainland China, limited liability company	Property management and consultancy	Registered Capital of RMB1,000,000	100%
廣州匯盛實業投資合夥企業 (有限合夥)	Mainland China, limited liability company	Investing holding	Registered Capital of RMB8,100,000,000	100%
廣州駿盛經濟信息諮詢有限公司	Mainland China, limited liability company	Investing holding	Registered Capital of RMB1,000,000	100%
Legend Smart (China) Limited	Hong Kong, limited liability company	Investment holding	1 ordinary share of HKD1	100%
Gain Force Investments Limited	British Virgin Islands, limited liability company	Investment holding	1 ordinary share of USD1	100%
Yuexiu REIT Secure Shell Limited ("Secure Shell")	British Virgin Islands, limited liability company	Investment holding	1 ordinary share of USD1	100%

Note:

Shares of HoldCo 2005, REIT 2012, REIT 2013, REIT MTN, REIT 2017, REIT 2018 and Secure Shell are held directly by Yuexiu REIT. Shares of all other subsidiaries are held indirectly by Yuexiu REIT.

## 17 DEFERRED ASSETS, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Rental income is recognised on an accrued basis by averaging out the impact of rent-free periods, contracted rental escalations and such other terms affecting the cash received from rental income under each tenancy agreement. Thus, rental income is recognised on a straight-line basis for the entire lease term of each tenancy agreement, which effectively amortises the impact of rent-free periods, contracted rental escalations and other relevant terms on the rental income over the relevant lease periods. The temporary difference between the rental income as set out in the lease agreements and accounting rental income is reflected as deferred assets. Deferred assets which are expected to be realised within twelve months after the balance sheet date are classified as current assets. The balance of prepayments, deposits and other receivables mainly represents other tax prepayments, deposits for utilities and property maintenance fund. The deferred assets, prepayments, deposits and other receivables are denominated in RMB.

## 18 GOODWILL

	2021 RMB'000	2020 RMB'000
<b>At 1 January</b>		
Cost	859,868	859,868
Accumulated impairment	—	—
<b>Net book amount</b>	<b>859,868</b>	859,868
<b>At 31 December</b>		
Cost	859,868	859,868
Accumulated impairment	—	—
<b>Net book amount</b>	<b>859,868</b>	859,868

Goodwill is monitored by management. The goodwill is presented as below:

	2021 RMB'000	2020 RMB'000
China	859,868	859,868

Goodwill of the Group mainly represents the deferred income tax liabilities in relation to the investment properties acquired through business combinations. In assessing whether goodwill has suffered any impairment, the carrying value of the respective investment properties as at year end is compared with their fair value as at acquisition completion dates. Key assumption used for goodwill impairment is consistent with those used in the valuation of investment properties. The results of the tests undertaken as at 31 December 2021 and 2020 indicated no impairment charge was necessary.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 19 SUPPORT ARRANGEMENT ASSET

On 21 December 2017, through a wholly-owned subsidiary, the Group acquired Fully Cheer Management Limited and its subsidiaries, Sure Win International Holdings Limited and Wuhan Yuexiu Property Development Limited (hereafter collectively referred to as “Fully Cheer Group”), from Guangzhou Construction & Development Holdings (China) Limited (“GCD (China)”), a subsidiary of YXP. The Fully Cheer Group holds 67% interest in Wuhan Yuexiu Fortune Centre, Starry Victoria Shopping Centre and certain carpark spaces. Pursuant to the acquisition, YXP agreed to provide a support arrangement to Yuexiu REIT for the period from 1 January 2018 until 31 December 2020. The support arrangement is the shortfall of actual adjusted net income and baseline adjusted net income, and shall be payable semi-annually. Support arrangement asset is denominated in RMB and the fair value of the balance approximated its carrying amount.

Support arrangement asset is initially recognised at fair value. In determining the fair value of the support arrangement asset, Yuexiu REIT applied a valuation model that has taken into account the expected future cash flows due to the shortfall for the period from 1 January 2018 until 31 December 2020. The adjustment is recognised as fair value change in the consolidated statement of comprehensive income.

### 20 DERIVATIVE FINANCIAL INSTRUMENTS

	2021 RMB'000	2020 RMB'000
Non-current liabilities		
Capped foreign exchange forward contracts	—	90,501
Interest rate swap contracts	<b>38,991</b>	88,175
Total	<b>38,991</b>	178,676
Current liabilities		
Capped foreign exchange forward contracts	<b>174,942</b>	174,826

The derivative financial instruments are classified as non-current liabilities if the settlement date is beyond 12 months after the balance sheet date.

The notional principal amounts of the outstanding capped foreign exchange forward contracts at 31 December 2021 were HK\$400,000,000 due on 7 November 2022 (2020: HK\$400,000,000 due on 7 November 2022), HK\$1,000,000,000 due on 3 November 2022 (2020: HK\$1,000,000,000 due on 3 November 2022) and HK\$1,400,000,000 due on 3 November 2022 (2020: HK\$1,400,000,000 due on 3 November 2022). The Group settled the capped foreign exchange forward contracts with notional principal amounts of USD400,000,000 on 27 April 2021 with cash payment of RMB205,248,000.

The notional principal amounts of the outstanding interest rate swap contracts at 31 December 2021 were HK\$3,100,000,000 due on 21 August 2023 (2020: HK\$3,100,000,000 due on 21 August 2023).



## 20 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques.

The fair values of capped forward exchange contracts and interest rate swap contracts are calculated by reference to the present values of the estimated future cash flows, taking into account market observable forward exchange rates at each reporting date. If significant inputs required to fair value an instrument are observable, the instrument is included in level 2 of the fair value hierarchy.

## 21 TRADE AND LEASE RECEIVABLES

	2021 RMB'000	2020 RMB'000
Trade and lease receivables	26,797	16,167
Less: impairment allowance	(650)	(102)
Trade and lease receivables, net	26,147	16,065

The fair values of trade and lease receivables approximate their carrying amounts.

The credit terms of the Group are generally within three months. The ageing analysis of trade and lease receivables by invoice date is as follows:

	2021 RMB'000	2020 RMB'000
0–30 days	13,105	13,146
31–90 days	12,406	2,284
91–180 days	345	320
181–365 days	332	417
Over 1 year	609	—
	26,797	16,167

The Group applies the HKFRS 9 simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The identified impairment loss was immaterial.

All of the Group's trade and lease receivables are denominated in RMB.

## 22 INVENTORIES

The balance of inventories mainly consists of food, beverage, consumables and operating supplies.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 23 SHORT-TERM BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	2021 RMB'000	2020 RMB'000
Cash at bank and on hand	1,433,605	1,760,001
Short-term bank deposits with original maturity of less than three months	19,751	42,494
Cash and cash equivalents	1,453,356	1,802,495
Short-term bank deposits with original maturity of more than three months	23,524	23,135
Total	1,476,880	1,825,630
Maximum exposure to credit risk	1,476,384	1,825,133

As at 31 December 2021, included in the short-term bank deposits and cash and cash equivalents of the Group are bank deposits of approximately RMB1,182,502,000 (2020: RMB1,509,933,000) denominated in RMB, which is not a freely convertible currency in the international market and its exchange rate is determined by the People's Bank of China. The remittance of these funds out of China is subject to exchange control restrictions imposed by the Chinese government.

The credit quality of short-term bank deposits and cash and cash equivalents has been assessed by reference to external credit ratings (if available) or to historical information about the counterparty default rates as disclosed in Note 3(a)(ii). The existing counterparties do not have defaults in the past.

Short-term bank deposits and cash and cash equivalents are denominated in the following currencies:

	2021 RMB'000	2020 RMB'000
RMB	1,182,998	1,510,430
HK\$	258,647	254,675
USD	35,235	60,525
	1,476,880	1,825,630

## 24 DEFERRED TAX LIABILITIES

	2021 RMB'000	2020 RMB'000
Deferred tax liabilities:		
– Deferred tax liabilities to be recovered after more than 12 months	5,201,515	4,996,679

The movements in the deferred tax liabilities are as follows:

	2021 RMB'000	2020 RMB'000
Beginning of the year	4,996,679	4,906,156
Acquisition of subsidiaries (Note 30)	11,844	–
Deferred taxation charged to profit or loss (Note 11)	174,507	107,872
Deferred taxation charged/(credited) to reserve	18,485	(17,349)
End of the year	5,201,515	4,996,679

The movements in deferred tax assets (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

	Tax losses RMB'000
<b>At 1 January 2020</b>	81,301
Charged to profit or loss	(42,377)
<b>At 31 December 2020</b>	38,924
<b>At 1 January 2021</b>	38,924
Charged to profit or loss	(11,407)
<b>At 31 December 2021</b>	27,517

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 24 DEFERRED TAX LIABILITIES (continued)

The movements in deferred tax liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

	Fair value gains/(losses) RMB'000	Withholding tax in respect of unremitted earnings of subsidiaries RMB'000	Accelerated depreciation allowance and others RMB'000	Total RMB'000
<b>Year ended 31 December 2020</b>				
At 1 January 2020	3,767,563	562,990	656,904	4,987,457
(Credited)/charged to profit or loss	(49,053)	6,562	107,986	65,495
Credited to reserve	(15,486)	(1,863)	–	(17,349)
<b>At 31 December 2020</b>	<b>3,703,024</b>	<b>567,689</b>	<b>764,890</b>	<b>5,035,603</b>
<b>Year ended 31 December 2021</b>				
<b>At 1 January 2021</b>	<b>3,703,024</b>	<b>567,689</b>	<b>764,890</b>	<b>5,035,603</b>
Acquisition of subsidiaries	–	–	11,844	11,844
Charged to profit or loss	43,238	33,631	86,231	163,100
Charged to reserve	16,501	1,984	–	18,485
<b>At 31 December 2021</b>	<b>3,762,763</b>	<b>603,304</b>	<b>862,965</b>	<b>5,229,032</b>

### 25 TRADE PAYABLES

	2021 RMB'000	2020 RMB'000
Trade payables	27,561	19,244

The fair values of trade payables approximate their carrying amounts.

The ageing analysis of the trade payables, based on invoice date, is as follows:

	2021 RMB'000	2020 RMB'000
0–30 days	16,430	13,934
31–90 days	7,734	4,172
91–180 days	3,168	1,063
180–365 days	77	75
Over 1 year	152	–
	<b>27,561</b>	<b>19,244</b>

All of the Group's trade payables are denominated in RMB.

## 26 RENTAL DEPOSITS, RECEIPTS IN ADVANCE, ACCRUALS AND OTHER PAYABLES

	2021 RMB'000	2020 RMB'000
Rental deposits		
Current portion	181,124	149,654
Non-current portion	246,756	202,956
	<b>427,880</b>	352,610
Receipts in advance		
Current portion	118,064	92,935
Accrued urban real estate tax	66,559	19,807
Accrued withholding tax payable	14,059	12,489
Accrued surcharge tax	16,409	13,726
Construction payable	211,232	243,080
Transaction costs payable for the Acquisition	78,329	—
Accruals for operating expenses	144,049	142,258
Accruals and other payables	<b>530,637</b>	431,360
	<b>1,076,581</b>	876,905

The carrying amounts of rental deposits, receipts in advance and accruals and other payables approximate their fair values.

Majority of the Group's rental deposits, receipts in advance and accruals and other payables are denominated in RMB.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 27 BORROWINGS

	2021 RMB'000	2020 RMB'000
Current portion of long term borrowings		
Bank borrowings		
– Secured (Note a)	268,440	268,440
– Unsecured	2,625,544	431,147
Other borrowings, unsecured (Note b)	–	2,607,901
	<b>2,893,984</b>	3,307,488
Long-term borrowings		
Bank borrowings		
– Secured (Note a)	1,284,400	1,552,840
– Unsecured	12,878,957	8,898,688
Other borrowings, unsecured (Note b)	3,459,082	3,549,272
Total long-term borrowings	<b>17,622,439</b>	14,000,800
Less: current portion of long-term borrowings	<b>(2,893,984)</b>	(3,307,488)
Non-current portion of long-term borrowings	<b>14,728,455</b>	10,693,312
Analysed into:		
Unsecured	<b>16,338,039</b>	12,447,960
Secured	<b>1,284,400</b>	1,552,840
	<b>17,622,439</b>	14,000,800

Note a:

Syndicated and entrustment loans totalling RMB1,284 million (2020: RMB1,553 million) are secured by certain parts of Guangzhou IFC with carrying value of RMB6,966 million (2020: RMB6,921 million).

The Group's borrowings are repayable as follows:

	2021 RMB'000	2020 RMB'000
Within one year	2,893,984	3,307,488
Between one year and five years	14,557,455	10,442,312
Over five years	171,000	251,000
	<b>17,622,439</b>	14,000,800

## 27 BORROWINGS (continued)

The effective interest rates (per annum) of the borrowings at the balance sheet date were as follows:

	2021	2020
RMB	4.31%	4.31%
HK\$	1.98%	2.28%
USD	2.72%	4.99%

The carrying amounts of the borrowings are denominated in RMB, HK\$ and USD and approximate their fair values.

	2021 RMB'000	2020 RMB'000
RMB	1,284,400	1,552,840
HK\$	13,793,799	9,840,059
USD	2,544,240	2,607,901
	<b>17,622,439</b>	14,000,800

The Group has undrawn bank borrowing facility of HK\$300 million as at 31 December 2021 (2020: nil).

Note b:

On 2 February 2021, REIT MTN issued and sold a total of USD400 million principal amount of 2.65% notes due in 2026 to investors under the USD1.5 billion guaranteed medium term note programme established on 16 April 2018 pursuant to the subscription agreement dated 23 April 2018 (the "MTN Programme"), which was updated in January 2021.

On 28 May 2019 and 14 June 2019, REIT MTN issued and sold HK\$770 million and HK\$350 million principal amount of 3.6% notes both due in May 2024 to investors under the MTN Programme.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 28 NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	2021 RMB'000	2020 RMB'000
<b>At 1 January</b>	<b>14,584,563</b>	14,599,360
Issuance of units	<b>111,478</b>	119,494
Transfer from the consolidated statement of comprehensive income	<b>692,023</b>	521,364
Distributions paid during the year	<b>(670,212)</b>	(655,655)
<b>At 31 December</b>	<b>14,717,852</b>	14,584,563

The movements in the number of existing units are as below:

Units in issue ('000)	2021	2020
<b>At 1 January</b>	<b>3,303,113</b>	3,205,856
Units issued during the year (note a)	<b>33,111</b>	35,257
Issuance of deferred units during the year (note b)	<b>81,000</b>	62,000
<b>At 31 December</b>	<b>3,417,224</b>	3,303,113

Note a:

During 2021, 33,110,763 units were issued for payment of manager's fee (2020: 35,257,114 units).

Note b:

Pursuant to the terms disclosed in the circular dated 30 June 2012, Yuexiu REIT will, on 31 December of each year, issue to YXP certain number of units starting from 31 December 2016 (the "Deferred Units"). The number of Deferred Units to be issued to YXP each year, when aggregated with the Manager Fee Units to be issued within 12 months of the issue, will be limited to the maximum number of units which will not trigger an obligation on the part of YXP to make a mandatory general offer under Rule 26 of the Takeovers Code for all units not already owned or agreed to be acquired by YXP at the relevant time. Accordingly, 81,000,000 Deferred Units were issued on 31 December 2021 (2020: 62,000,000 Deferred Units).

Pursuant to the terms disclosed in the circular dated 13 November 2021 ("2021 Circular"), in light of the subscription price of the Rights Issue (being HK\$3.20) being at a discount greater than 10% of the average of the daily closing prices of the Units for the five consecutive trading days preceding the date of the announcement (being HK\$3.67), which was made on 24 October 2021 in relation to the acquisition of Yuexiu Financial Tower, the issue price for the Deferred Units (the "Deferred Units Issue Price") shall be adjusted by multiplying the current Deferred Units Issue Price (being HK\$4.00 per Unit) by the fraction as set out under the indebtedness agreement dated 28 May 2012 between YXP, the Trustee and the Manager and further described in the 2021 Circular (the "Deferred Units Issue Price Adjustment"). The Deferred Units Issue Price Adjustment took effect upon the completion of the Rights Issue on 26 January 2022.

The adjusted Deferred Units Issue Price is HK\$3.86 per Unit and the Deferred Units to be issued was adjusted to 329,809,000 units following the Deferred Units Issue Price Adjustment.

## 29 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Reconciliation of profit before income tax and transactions with unitholders to cash generated from operations:

	2021 RMB'000	2020 RMB'000
Profit before income tax and transactions with unitholders	938,170	791,088
Adjustments for:		
– Depreciation expenses of property, plant and equipment	85,416	83,068
– Depreciation of right-of-assets	59,262	59,262
– Amortisation of transaction costs for bank borrowings	28,171	29,049
– Foreign exchange gains on financing activities	(340,561)	(810,900)
– Fair value (gains)/losses on investment properties	(78,668)	297,633
– Fair value losses on derivative financial instruments	65,680	405,118
– Exchange gains on operating activities	(2,381)	–
– Fair value gains on support arrangement asset	–	(625)
– Write back of construction payables	–	(174,882)
– Losses on settlement of derivative financial instruments	35,437	14,902
– Impairment allowance for trade and lease receivables	47	102
– Interest income	(26,142)	(31,985)
– Interest and finance charges paid/payable for lease liabilities	735	1,189
– Interest expenses	326,478	444,077
Changes in working capital:		
– Deferred assets	49,203	(56,136)
– Inventories	1,026	(209)
– Trade and lease receivables	(8,494)	(280)
– Amounts due from related parties	(8,309)	178,508
– Prepayments, deposits and other receivables	(20,538)	10,885
– Trade payables	8,317	5,039
– Rental deposits	12,762	(32,913)
– Receipts in advance	(27,966)	12,108
– Accruals and other payables	83,873	(9,404)
– Amounts due to related parties	(3,037)	10,261
Cash generated from operations	1,178,481	1,224,955

### (b) Major non-cash transaction:

During the year ended 31 December 2021, 33,110,763 units (2020: 35,257,114 units) amounting to RMB111,478,000 (2020: RMB119,494,000) were issued for payment of manager's fee.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 29 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

#### (c) Debt reconciliation

	Liabilities from financing activities				
	Lease liabilities RMB'000	Derivative financial instrument, net RMB'000	Borrowings – repayable within one year RMB'000	Borrowings – repayable after one year RMB'000	Total RMB'000
<b>Debt as at 1 January 2020</b>	(29,190)	42,126	(3,217,958)	(11,034,441)	(14,239,463)
Cash flows	10,353	24,392	–	–	34,745
Proceeds from new borrowings	–	–	(490,140)	(3,595,483)	(4,085,623)
Repayment of borrowings	–	–	3,555,371	–	3,555,371
Other non-cash movements	(1,189)	(420,020)	(3,154,761)	3,936,612	360,642
<b>Debt as at 31 December 2020</b>	(20,026)	(353,502)	(3,307,488)	(10,693,312)	(14,374,328)

	Liabilities from financing activities				
	Lease liabilities RMB'000	Derivative financial instrument, net RMB'000	Borrowings – repayable within one year RMB'000	Borrowings – repayable after one year RMB'000	Total RMB'000
<b>Debt as at 1 January 2021</b>	(20,026)	(353,502)	(3,307,488)	(10,693,312)	(14,374,328)
Cash flows	10,768	205,249	–	–	216,017
Proceeds from new borrowings	–	–	(502,765)	(7,205,463)	(7,708,228)
Repayment of borrowings	–	–	3,774,199	–	3,774,199
Other non-cash movements	(735)	(65,680)	(2,857,930)	3,170,320	245,975
<b>Debt as at 31 December 2021</b>	(9,993)	(213,933)	(2,893,984)	(14,728,455)	(17,846,365)



### 30 ACQUISITION OF SUBSIDIARIES

On 23 December 2021, Yuexiu REIT completed the acquisition of the 100% equity interest in the Target Company and its subsidiaries (the “Target Group”) at cash consideration of RMB73 million and procured to repay the amounts due to YXP of RMB7,800 million (“Intercompany Payables”). The Target Group is engaged in the leasing of Yuexiu Financial Tower, an International Grade A office building located in Guangzhou. The Manager applies the optional test to identify concentration of fair value as prescribed by HKFRS 3 “Business Combination” and considers that the acquired set of activities and assets of Target Group is not a business. Accordingly, the Manager accounts for the transaction as an acquisition of assets and the consideration should be attributable to the individual assets acquired and liabilities assumed.

	<b>Target Group RMB'000</b>
The assets and liabilities recognised as a result of the acquisition are as follows:	
Investment properties	7,752,623
Deferred assets, prepayments, deposits and other receivables	69,084
Trade and lease receivables	1,635
Cash and cash equivalents	223,836
Amounts due from related parties	4,206
Deferred tax liabilities	(11,844)
Rental deposit	(94,776)
Amounts due to related parties	(7,805,944)
Receipt in advance	(20,826)
Tax payable	(29,269)
Accruals and other payables	(15,660)
<b>Net assets acquired</b>	<b>73,065</b>
Outflow of cash to acquire the Target Group, net of cash acquired	
Cash consideration for the acquisition of net assets	73,065
Cash consideration for repayment of Intercompany Payables	7,800,000
	<b>7,873,065</b>
Less: cash balance acquired	(223,836)
Less: cash consideration to be paid for the acquisition of net assets	(32,008)
Less: cash consideration to be paid for the repayment of Intercompany Payables	(3,500,000)
<b>Net outflow of cash – investing activities</b>	<b>4,117,221</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 31 CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

As at 31 December 2021, the Group was significantly influenced by YXP (incorporated in Hong Kong), which owns approximately 40% (2020: 38%) of Yuexiu REIT's units. The remaining 60% (2020: 62%) of the units are widely held.

The table set forth below summarised the names of connected/related companies and nature of relationship with Yuexiu REIT as at 31 December 2021:

Connected/related companies	Relationship with Yuexiu REIT
YXP <sup>1</sup>	A major unitholder of Yuexiu REIT
the Manager <sup>1</sup>	An associate of YXP
GZ AM <sup>1</sup>	An associate of YXP
Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd. (formerly named as Guangzhou Yuexiu Yicheng Property Management Ltd.) ("Yicheng BM") <sup>1</sup>	A subsidiary of YXP
Baima BM <sup>1</sup>	A subsidiary of YXP
Guangzhou Yuexiu Xingye Property Agent Ltd. (formerly named as Guangzhou City Construction & Development Xingye Property Agent Ltd.) ("Xingye") <sup>1</sup>	A subsidiary of YXP
Guangzhou City Construction and Development Co. Ltd. ("GCCD") <sup>1</sup>	A subsidiary of YXP
GCD (China) <sup>1</sup>	A subsidiary of YXP
Guangzhou Yuexiu Holdings Limited ("GZYX") <sup>1</sup>	Immediate holding company of Yue Xiu
Guangzhou Yuexiu Financial Holdings Group Co., Ltd. ("GZYFHG")	A subsidiary of GZYX
Yue Xiu <sup>1</sup>	A major shareholder of YXP
Guangzhou Yue Xiu Enterprises (Holdings) Ltd. ("YXE") <sup>1</sup>	A subsidiary of GZYX
Guangzhou Grandcity Development Ltd. <sup>1</sup>	A subsidiary of YXP
Guangzhou Yue Xiu City Construction Jones Lang LaSalle Property Services Co., Ltd. ("GZ JLL") <sup>1</sup>	A subsidiary of YXP
Guangzhou Guang Zheng Hang Seng Research Co., Ltd. ("Guang Zheng") <sup>1,2</sup>	A subsidiary of GZYFHG
Guangzhou Suiqiao Development Co., Ltd ("Suiqiao") <sup>1</sup>	A subsidiary of Yue Xiu
中信證券華南股份有限公司 (formerly named as Guangzhou Securities Company Limited) <sup>1,2</sup>	A subsidiary of GZYFHG
Guangzhou Yuexiu Industrial Investment Fund Management Co., Ltd. <sup>1</sup>	A subsidiary of GZYFHG
Guangzhou Yuexiu Financial Leasing Co., Ltd. <sup>1</sup>	A subsidiary of GZYFHG
Guangzhou Yuexiu Financial Holdings Co., Ltd. <sup>1</sup>	A subsidiary of GZYFHG
Guangzhou Yue Xiu Enterprises Development Ltd. <sup>1</sup>	A subsidiary of YXE
Guangzhou Yue Tong Expressway Operations and Management Company Limited ("Yue Tong") <sup>1</sup>	A subsidiary of Yue Xiu
Guangzhou Yue Peng Information Ltd. ("Yue Peng") <sup>1</sup>	A subsidiary of Yue Xiu
Yuexiu (China) Transport Infrastructure Investment Company Limited <sup>1</sup>	A subsidiary of Yue Xiu
Chong Hing Bank Limited ("Chong Hing Bank") <sup>1</sup>	A subsidiary of Yue Xiu

### 31 CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

The table set forth below summarised the names of connected/related companies and nature of relationship with Yuexiu REIT as at 31 December 2021: (Continued)

Connected/related companies	Relationship with Yuexiu REIT
Chong Hing Bank Limited Guangzhou Branch (formerly named as Chong Hing Bank Limited Guangzhou Tianhe Sub-Branch) ("Chong Hing Guangzhou") <sup>1</sup>	A subsidiary of Yue Xiu
Chong Hing Bank Limited Shanghai Branch ("Chong Hing Shanghai") <sup>1</sup>	A subsidiary of Yue Xiu
Guangzhou Paper Group Ltd. <sup>1</sup>	A subsidiary of YXE
Guangzhou Futures Co., Ltd. <sup>1</sup>	A subsidiary of GZYFHG
廣州市祥港房地產開發有限公司 <sup>1</sup>	A subsidiary of YXP
廣州東耀房地產開發有限公司 <sup>1</sup>	A subsidiary of YXP
廣州市城建開發集團名特網絡發展有限公司 <sup>1</sup>	A subsidiary of YXP
廣州鵬燁貿易有限公司 <sup>1</sup>	A subsidiary of YXP
Guangzhou Yuexiu Financial Technology Co., Ltd. <sup>1</sup>	A subsidiary of GZYFHG
Shanghai Yuexiu Finance Leasing Co., Ltd. <sup>1</sup>	A subsidiary of GZYFHG
武漢康景實業投資有限公司 <sup>1</sup>	A subsidiary of YXP
廣州城建開發設計院有限公司 <sup>1</sup>	A subsidiary of YXP
廣州越秀地產工程管理有限公司 <sup>1</sup>	A subsidiary of YXP
廣州越秀商業地產投資管理有限公司 <sup>1</sup>	A subsidiary of YXP
杭州越秀房地產開發有限公司 <sup>1</sup>	A subsidiary of YXP
杭州越榮房地產開發有限公司 <sup>1</sup>	A subsidiary of YXP
杭州盛寅房地產開發有限公司 <sup>1</sup>	A subsidiary of YXP
杭州豐勝房地產開發有限公司 <sup>1</sup>	A subsidiary of YXP
武漢越秀商業管理有限公司 <sup>1</sup>	A subsidiary of YXP
廣州悅秀智訊科技信息諮詢有限公司 <sup>1</sup>	A subsidiary of YXP
廣州白馬電子商務股份有限公司 <sup>1</sup>	A subsidiary of YXE
Guangzhou Yuexiu Business Operation Management Co., Ltd. <sup>1</sup>	A subsidiary of YXP
廣州越秀星寓公寓管理有限公司 <sup>1</sup>	A subsidiary of YXP
廣州越秀資本投資管理有限公司 <sup>1</sup>	A subsidiary of GZYFHG
廣州城建開發裝飾有限公司 <sup>1</sup>	A subsidiary of YXP
廣州越秀城開房地產開發有限公司 <sup>1</sup>	A subsidiary of YXP
廣州城建開發工程造價諮詢有限公司 <sup>1</sup>	A subsidiary of YXP
Guangzhou Yuexiu Kunpeng Private Equity Fund Management Co., Ltd. <sup>1</sup>	A subsidiary of GZYFHG
廣期資本管理(上海)有限公司 (formerly named as 廣期資本管理(深圳)有限公司) <sup>1</sup>	A subsidiary of GZYFHG
廣州東秀房地產開發有限公司 <sup>1</sup>	A subsidiary of YXP
廣州南方智媒產業園有限公司 <sup>1</sup>	A subsidiary of YXP
Guangzhou Convergecity Industrial Development Co., Ltd. (formerly named as Guangzhou Grandcity Automobile Services Co., Ltd.) <sup>1</sup>	A subsidiary of YXP
廣州宏勝房地產開發有限公司 <sup>1</sup>	A subsidiary of YXP

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 31 CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

The table set forth below summarised the names of connected/related companies and nature of relationship with Yuexiu REIT as at 31 December 2021: (Continued)

Connected/related companies	Relationship with Yuexiu REIT
廣州市品薈房地產開發有限公司 <sup>1</sup>	A subsidiary of YXP
廣州敏秀房地產開發有限公司 <sup>1</sup>	A subsidiary of YXP
廣州樾富房地產開發有限公司 <sup>1</sup>	A subsidiary of YXP
廣州皇上皇集團股份有限公司 <sup>1</sup>	A subsidiary of YXE
廣州裕秀房地產開發有限公司 <sup>1</sup>	A subsidiary of YXP
廣州越冠房地產開發有限公司 <sup>1</sup>	A subsidiary of YXP
廣州越創房地產開發有限公司 <sup>1</sup>	A subsidiary of YXP
Guangzhou Yuexiu Venture Investment Fund Management Co., Ltd. <sup>1</sup>	A subsidiary of GZYFHG
廣州越秀華城房地產開發有限公司 <sup>1</sup>	A subsidiary of YXP
Guangzhou Yuexiu Fengxing Foods Group Co., Ltd. ("YX Fengxing Foods") <sup>1</sup>	A subsidiary of YXE
廣州風行乳業股份有限公司 <sup>1</sup>	A subsidiary of YXE
廣州越達投資有限責任公司 <sup>1</sup>	A subsidiary of Yue Xiu
杭州杭秀房地產開發有限公司 <sup>1</sup>	A subsidiary of YXP
杭州越嘉房地產開發有限公司 <sup>1</sup>	A subsidiary of YXP
湖北悅秀薈房地產經紀有限公司 <sup>1</sup>	A subsidiary of YXP
金鷹基金管理有限公司 <sup>1</sup>	A subsidiary of GZYFHG
廣州資產管理有限公司 <sup>1</sup>	A subsidiary of GZYFHG
廣州市穗港澳合作交流促進會 <sup>1</sup>	A subsidiary of YXP
The Trustee	The Trustee of Yuexiu REIT
Savills Valuation and Professional Services Limited (the "Former Valuer") <sup>3</sup>	The former principal valuer of Yuexiu REIT
The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries (the "HSBC Group")	Associates of the Trustee

<sup>1</sup> These connected companies are also considered as related companies of the Group, transactions and balances carried out with these related companies are disclosed in notes (a) and (b) below.

<sup>2</sup> The companies ceased to be connected companies of the Group since 10 January 2020.

<sup>3</sup> According to the latest REIT Code issued on 4 December 2020, the valuer is no longer classified as a connected party.

### 31 CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

The following transactions and balances were carried out with connected companies and related companies:

#### (a) Transactions with connected/related companies

	2021 RMB'000	2020 RMB'000
Asset management fee paid/payable to		
– the Manager	<b>139,733</b>	142,157
Property management fees paid/payable to		
– Yicheng BM	<b>17,156</b>	16,617
– Baima BM	<b>7,810</b>	8,633
– GZ AM	<b>18,895</b>	18,723
Rental income received/receivable from		
– Xingye	<b>7,364</b>	8,961
– Yicheng BM	<b>9,209</b>	23,538
– GCCD	<b>22,301</b>	13,797
– Guangzhou Securities Company Limited	–	788
– Guangzhou Yuexiu Industrial Investment Fund Management Co., Ltd.	<b>716</b>	305
– GZ JLL	<b>16,911</b>	16,741
– Guangzhou Yuexiu Financial Leasing Co., Ltd.	<b>1,572</b>	1,407
– GZ AM	<b>11,498</b>	10,334
– Guangzhou Yuexiu Financial Holdings Co., Ltd.	<b>17,019</b>	8,539
– GZYFHG	<b>2</b>	8,446
– Yue Tong	<b>740</b>	775
– Yue Peng	<b>756</b>	792
– Yuexiu (China) Transport Infrastructure Investment Company Limited	<b>1,353</b>	8,643
– YXE	<b>54,185</b>	44,706
– Chong Hing Guangzhou	<b>293</b>	–
– Chong Hing Shanghai	<b>4,780</b>	4,793
– Guangzhou Paper Group Ltd.	<b>284</b>	285
– Guangzhou Futures Co., Ltd.	<b>6,360</b>	4,848
– 廣州東耀房地產開發有限公司	<b>6,619</b>	13,829
– 廣州市城建開發集團名特網絡發展有限公司	<b>2,110</b>	728
– 廣州鵬燁貿易有限公司	<b>1,195</b>	1,160



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 31 CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

#### (a) Transactions with connected/related companies (continued)

	2021 RMB'000	2020 RMB'000
- Guangzhou Yuexiu Financial Technology Co., Ltd.	325	314
- Shanghai Yuexiu Finance Leasing Co., Ltd.	6,570	3,792
- 武漢越秀商業管理有限公司	7,279	15,502
- 武漢康景實業投資有限公司	5,768	21,384
- 廣州城建開發設計院有限公司	445	391
- 廣州越秀地產工程管理有限公司	2,111	4,756
- Guangzhou Grandcity Development Ltd.	34	82
- Guang Zheng	-	60
- Suiqiao	569	596
- 廣州越秀商業地產投資管理有限公司	788	666
- 杭州越秀房地產開發有限公司	6,414	4,360
- 杭州越榮房地產開發有限公司	-	470
- 杭州盛寅房地產開發有限公司	1,794	659
- 杭州豐勝房地產開發有限公司	807	1,082
- Guangzhou Yue Xiu Enterprises Development Ltd.	-	285
- Guangzhou Yuexiu Business Operation Management Co., Ltd.	20	26
- 廣州越秀星寓公寓管理有限公司	-	1,913
- 廣州越秀資本投資管理有限公司	4,095	4,074
- 廣州悅秀智訊科技信息諮詢有限公司	2,183	2,086
- 廣州白馬電子商務股份有限公司	667	672
- Guangzhou Yuexiu Kunpeng Private Equity Fund Management Co., Ltd.	662	666
- 廣州越秀城開房地產開發有限公司	107	207
- 廣州城建開發裝飾有限公司	733	318
- 廣州城建開發工程造價諮詢有限公司	1,133	16
- 廣期資本管理(上海)有限公司	1,466	376
- 廣州市祥港房地產開發有限公司	9,391	9,416
- 廣州東秀房地產開發有限公司	1,485	-
- 廣州南方智媒產業園有限公司	42	-
- Guangzhou Convergency Industrial Development Co., Ltd.	11,290	-
- 廣州宏勝房地產開發有限公司	104	-
- 廣州市品薈房地產開發有限公司	78	-
- 廣州敏秀房地產開發有限公司	63	-

### 31 CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

#### (a) Transactions with connected/related companies (continued)

	2021 RMB'000	2020 RMB'000
– 廣州樾富房地產開發有限公司	88	–
– 廣州皇上皇集團股份有限公司	319	–
– 廣州裕秀房地產開發有限公司	73	–
– 廣州越冠房地產開發有限公司	133	–
– 廣州越創房地產開發有限公司	4,768	–
– Guangzhou Yuexiu Venture Investment Fund Management Co., Ltd.	1,213	–
– 廣州越秀華城房地產開發有限公司	2,335	–
– YX Fengxing Foods	284	–
– 廣州風行乳業股份有限公司	67	–
– 廣州越達投資有限責任公司	7,227	–
– 杭州杭秀房地產開發有限公司	269	–
– 杭州越嘉房地產開發有限公司	545	–
– 湖北悅秀蒼房地產經紀有限公司	34	–
– 金鷹基金管理有限公司	191	–
– 廣州資產管理有限公司	1,791	–
– GZYX	173	–
– 廣州市穗港澳合作交流促進會	8	–
Naming right income received/receivables from		
– GCCD	14,000	13,714
– YXP	20,000	–
Interest income received/receivable from		
– GCCD	3,503	17,601
– Chong Hing Guangzhou	860	848
Trustee's fee paid/payable to		
– the Trustee	10,248	10,424
Valuation fee paid/payable to		
– the Former Valuer	–	652
Principal element of lease payments paid to		
– 廣州越秀星寓公寓管理有限公司	10,768	10,353

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 31 CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

#### (a) Transactions with connected/related companies (continued)

	2021 RMB'000	2020 RMB'000
Interest expense paid/payable to		
– HSBC Group	11,781	20,498
– Chong Hing Guangzhou	5,375	7,168
– YXP	1,072	–
Bond underwriter's fee paid/payable to		
– HSBC Group	2	2

Note:

- (i) All transactions with connected/related companies were carried out in accordance with the terms of the relevant agreements governing the transactions.

#### (b) Balances with related companies

	2021 RMB'000	2020 RMB'000
Amount due from GCCD (i)	42,089	49,574
Amount due from YXP	20,000	–
Amount due to Yicheng BM	(3,376)	(10,323)
Amount due to Baima BM	(23,811)	(16,701)
Amount due to the Manager	(68,931)	(68,541)
Amount due to GZ AM	(1,773)	(1,596)
Amount due to GCD (China)	(34,475)	(1,362)
Amount due to GCCD BVI	(10,000)	(10,000)
Amount due to YXP	(3,501,072)	–
Bank borrowing from Chong Hing Guangzhou	(121,146)	(153,146)
Bank deposit in Chong Hing Bank	54,042	52,437
Bank borrowing from the HSBC Group	(678,608)	(698,561)
Derivative financial instrument from the HSBC Group	(20,906)	(10,040)
Rental income receivables from related companies	4,626	12
Receipts in advance from related companies	(6,579)	(3,618)
Rental deposits from related companies (ii)	(83,377)	(61,153)
Trade payable to related companies	(6,024)	–

### 31 CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

#### (b) Balances with related companies (continued)

Amount due from GCCD of approximately RMB40 million (2020: RMB50 million) is unsecured, interest bearing at 9% per annum and repayable on settlement of the related construction fee payable. The remaining amount is unsecured, interest free and repayable on demand.

Amount due to YXP of approximately RMB3,500 million (2020: nil) is unsecured, interest bearing at 1.2% per annum over 1-month HIBOR and repayable within 10 business days after the completion of the Rights Issue.

All other balances with related companies are unsecured, interest-free, repayable on demand and a reasonable approximation to their fair values.

All the balances are denominated in RMB, except for the amount due to the Manager which is denominated in HK\$.

Note:

- (i) Pursuant to the settlement agency agreement entered into between GCCD and Tower Top, GCCD would be responsible for settling the outstanding construction costs related to the construction of Guangzhou IFC. On 7 May 2012, an initial amount of RMB1,293 million and subsequent amount of RMB175 million were transferred to GCCD by Tower Top. The receivable balance of RMB40 million (2020: RMB50 million) as at year end represents the initial amount transferred to GCCD less the settlement of construction payable. To the extent that there are residual funds after settlement of all outstanding construction costs, GCCD will be required to refund the surplus cash to Tower Top after the settlement of such costs.
- (ii) Rental deposits from related companies are included as rental deposits in the consolidated balance sheet.

#### (c) Key management compensation

There was no key management compensation for the year ended 31 December 2021 (2020: nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 32 CAPITAL COMMITMENTS

	2021 RMB'000	2020 RMB'000
Capital commitments in respect of property, plant and equipment and investment properties Contracted but not provided for	<b>13,506</b>	29,856

### 33 FUTURE MINIMUM RENTAL RECEIVABLE

The future minimum rental receivable under non-cancellable operating leases are as follows:

	2021 RMB'000	2020 RMB'000
Within one year	<b>1,317,906</b>	1,156,814
Between one year and five years	<b>2,001,030</b>	1,583,176
Over five years	<b>68,295</b>	60,052
	<b>3,387,231</b>	2,800,042

### 34 EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 26 January 2022, the Rights Issue on the basis of 37 units for every 100 units held on Rights Issue record date for HK\$3.20 per unit was completed. Total 1,234,403,038 units were issued with net proceeds of RMB3,216,000,000.



# PERFORMANCE TABLE

As at 31 December 2021

	2021	2020	2019	2018	2017
Net assets attributable to Unitholders (RMB)	<b>14,717,852,000</b>	14,584,563,000	14,599,360,000	14,454,122,000	14,321,384,000
Net asset attributable to Unitholders per unit (including net assets attributable to deferred Unitholder) (RMB)	<b>4.31</b>	4.42	4.55	4.65	4.75
(Equivalent to HK\$)	<b>5.27</b>	5.25	5.08	5.41	5.68
The highest premium of the traded price to net asset value (HK\$)	<b>N/A</b>	0.10 <sup>(i)</sup>	0.55	0.19	N/A
The highest discount of the traded price to net asset value (HK\$)	<b>2.07<sup>(i)</sup></b>	2.05 <sup>(i)</sup>	0.13	0.72	1.60
Net yield per unit	<b>5.9%<sup>(ii)</sup></b>	4.7% <sup>(ii)</sup>	5.9%	6.20%	9.57%
Number of units in issue (units)	<b>3,417,224,428</b>	3,303,113,665	3,205,856,551	3,106,450,427	3,014,285,896

## Notes:

- (i) The highest premium is calculated based on the highest traded price of HK\$4.20 (2020: HK\$5.35) on The Stock Exchange of Hong Kong Limited during the year ended 31 December 2021. The highest discount is calculated based on the lowest traded price of HK\$3.20 (2020: HK\$3.20) on The Stock Exchange of Hong Kong Limited during the year ended 31 December 2021.
- (ii) Net yield per unit is calculated based on profit after tax before transactions with unitholders per unit for the year ended 31 December 2021 over the closing price of HK\$3.23 (2020: HK\$3.78) as at 31 December 2021.

## FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of Yuexiu REIT for the last five financial years is set out below:

	Year ended 31 December				
	2021 RMB'000	2020 RMB'000	2019 RMB'000	2018 RMB'000	2017 RMB'000
<b>Results</b>					
Profit after tax before transactions with Unitholders	<b>674,562</b>	587,121	940,408	966,519	1,437,095

	As at 31 December				
	2021 RMB'000	2020 RMB'000	2019 RMB'000	2018 RMB'000	2017 RMB'000
<b>Assets and Liabilities</b>					
Total assets	<b>43,862,248</b>	36,260,137	36,425,456	35,835,066	35,335,724
Total Liabilities, other than net assets attributable to Unitholders	<b>27,938,370</b>	20,487,471	20,620,701	20,239,132	19,926,920
Net assets attributable to Unitholders	<b>14,717,852</b>	14,584,563	14,599,360	14,454,122	14,321,384

# CORPORATE AND INVESTOR RELATIONS INFORMATION

## BOARD OF DIRECTORS OF THE MANAGER

### EXECUTIVE DIRECTORS

Mr. Lin Deliang (*Chairman*)

Ms. Ou Haijing

### NON-EXECUTIVE DIRECTORS

Mr. Li Feng

Mr. Zeng Zhizhao

## INDEPENDENT NON-EXECUTIVE DIRECTORS & AUDIT COMMITTEE MEMBERS

Mr. Chan Chi On, Derek

Mr. Chan Chi Fai, Brian

Mr. Cheung Yuk Tong

Mr. Chen Xiaou

## RESPONSIBLE OFFICERS OF THE MANAGER

Mr. Lin Deliang

Ms. Ou Haijing

Mr. Kwan Chi Fai

## COMPANY SECRETARY OF THE MANAGER

Mr. Yu Tat Fung

## CHIEF FINANCIAL OFFICER OF THE MANAGER

Mr. Kwan Chi Fai

## TRUSTEE

HSBC Institutional Trust Services (Asia) Limited

## AUDITOR OF YUEXIU REIT

PricewaterhouseCoopers

Certified Public Accountants and Registered PIE Auditor

## PRINCIPAL VALUER

Colliers International (Hong Kong) Limited

## HONG KONG LEGAL ADVISER

Baker & McKenzie

## CORPORATE AND INVESTOR RELATIONS INFORMATION

### PRINCIPAL BANKERS OF YUEXIU REIT

Bank of China (Hong Kong) Limited  
Bank of Communications (Hong Kong) Limited  
CMB Wing Lung Bank Limited  
DBS Bank Ltd., Hong Kong Branch  
Hang Seng Bank Limited  
Industrial and Commercial Bank of China (Asia) Limited  
Ping An Bank Co., Ltd.  
Standard Chartered Bank (Hong Kong) Limited  
The Bank of East Asia, Limited  
The Hong Kong and Shanghai Banking Corporation Limited

### WEBSITES TO ACCESS INFORMATION IN RELATION TO YUEXIU REIT

<http://www.yuexiureit.com>  
<http://www.hkex.com.hk>

### REGISTERED OFFICE OF THE MANAGER

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

### UNIT REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
54/F, Hopewell Centre  
183 Queen's Road East, Hong Kong

### LISTING EXCHANGE

UNITS:  
The Stock Exchange of Hong Kong Limited-00405

BOND:  
The Stock Exchange of Hong Kong Limited  
US\$400,000,000 2.65% Notes due 2026  
(Stock code: 40577)

### INVESTOR RELATIONS

For further information about  
Yuexiu REIT, please contact:  
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Email: [yxft.ir@yuexiureit.com](mailto:yxft.ir@yuexiureit.com)



## 越秀房地產投資信託基金

YUEXIU REAL ESTATE INVESTMENT TRUST

[www.yuexiureit.com](http://www.yuexiureit.com)

17B Yue Xiu Bldg., 160 Lockhart Road, Wanchai, Hong Kong

Manager



越秀房託資產管理有限公司

YUEXIU REIT ASSET MANAGEMENT LIMITED