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(A Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))
(Stock Code: 00405)

Managed by



ANNOUNCEMENT

CONNECTED PARTY TRANSACTION ISSUANCE OF DEFERRED UNITS

The Board wishes to announce that, on 31 December 2023, Yuexiu REIT issued 22,000,000 Units at a price of HK\$3.861652 per Unit to Dragon Yield Holding Limited (a wholly-owned subsidiary of Yuexiu Property, and a substantial holder and connected person of Yuexiu REIT), in partial satisfaction of the outstanding consideration from its investment in Guangzhou International Finance Center in 2012. Following the issue of the 2023 Deferred Units, the total number of Units increased from 4,893,738,171 to 4,915,738,171, and the aggregate unitholding of Yuexiu Property and its concert parties increased from approximately 42.87% to approximately 43.12%.

Assuming no additional Units are issued by Yuexiu REIT (other than the Manager Fee Units to be issued pursuant to the Trust Deed, if any), the balance of the Assignment consideration will be settled by the issuance of 232,808,584 Deferred Units in aggregate at HK\$3.861652 per Unit. Given the number of 2023 Deferred Units issued was substantially lower compared to the number of Deferred Units issued in each of the last two years, such balance is expected to be fully settled at the earliest by 31 December 2026 by the issuance of Further Deferred Units. After the issuance of the all Further Deferred Units (assuming no additional Units will be issued other than the Manager Fee Units to be issued pursuant to the Trust Deed, if any), the aggregate unitholding of Yuexiu Property and its concert parties would be approximately 45.69%.

This announcement is made pursuant to paragraphs 10.3, 10.4(k) and 10.5A of the REIT Code.

Reference is made to: (i) the circular of Yuexiu Real Estate Investment Trust (“**Yuexiu REIT**”) dated 30 June 2012 in relation to Yuexiu REIT’s investment in Guangzhou International Finance Center (the “**2012 Circular**”); and (ii) the announcement of Yuexiu REIT dated 8 October 2012 in relation to the completion of such investment (the “**2012 Announcement**”).

Further reference is made to the announcement of Yuexiu REIT dated 31 December 2021 (the “**2021 Announcement**”) in relation to, among other things, the Deferred Units Issue Price Adjustment and the Deferred Units Arrangement Modification (both terms as defined therein). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as defined in the 2012 Circular, the 2012 Announcement and the 2021 Announcement.

ISSUANCE OF 2023 DEFERRED UNITS

As stated in the 2012 Announcement, the balance of the Assignment consideration, being HK\$2,933,121,976, will be satisfied by Yuexiu REIT issuing Deferred Units to Dragon Yield Holding Limited pursuant to the Indebtedness Agreement. Dragon Yield Holding Limited is a wholly-owned subsidiary of Yuexiu Property previously designated by Yuexiu Property to receive the Deferred Units, and is a substantial holder and connected person of Yuexiu REIT. The Deferred Units are to be issued on 31 December of each year, starting on 31 December 2016, at an initial price of HK\$4.00 per Unit, subject to adjustments for any Deferred Units Adjustment Events, being consolidation, sub-division or reclassification of the Units and rights issues of Units or other securities (including open offers and options). The issuance of Deferred Units in the manner set out in the Indebtedness Agreement was approved by independent Unitholders pursuant to the ordinary resolution passed at the EGM on 23 July 2012.

As stated in the 2021 Announcement, upon completion of the Rights Issue on 26 January 2022 (being a Deferred Unit Adjustment Event), the Deferred Units Issue Price shall be adjusted to HK\$3.861652 per Unit in accordance with the Indebtedness Agreement. In addition, pursuant to the Second Supplemental Indebtedness Agreement approved by independent Unitholders on 6 December 2021, the basis for determining the number of Deferred Units to be issued each year following the completion of the Rights Issue has been modified to refer to the lower of: (a) the maximum number of Deferred Units that may be issued to Yuexiu Property (or YXP Nominee) which, when aggregated with the Manager Fee Units that are expected to be issued during the period of 12 months after 31 December 2023, will not trigger an obligation on the part of Yuexiu Property (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; and (b) 83,000,000 Units (subject to adjustment for consolidation and sub-division of Units).

Accordingly, on 31 December 2023, Yuexiu REIT issued 22,000,000 Units to Dragon Yield Holding Limited (the “**2023 Deferred Units**”) at a price of HK\$3.861652 per Unit in partial satisfaction of the Assignment consideration. Following the issuance of the 2023 Deferred Units: (i) the balance of the Assignment consideration was reduced to HK\$899,025,732; (ii) the total number of Units increased from 4,893,738,171 to 4,915,738,171; and (iii) the aggregate unitholding of Yuexiu Property and its concert parties increased from approximately 42.87% to approximately 43.12%.

Assuming no Deferred Units Adjustment Events eventuate, the balance of the Assignment consideration will be settled by the issuance of 232,808,584 Deferred Units in aggregate at HK\$3.861652 per Unit (the “**Further Deferred Units**”). Given the number of 2023 Deferred Units issued was substantially lower compared to the number of Deferred Units issued in each of the last two years, such balance is expected to be fully settled at the earliest by 31 December 2026 by the issuance of Further Deferred Units. After the issuance of all Further Deferred Units (assuming no additional Units will be issued other than the Manager Fee Units to be issued pursuant to the Trust Deed, if any), the aggregate unitholding of Yuexiu Property and its concert parties would be approximately 45.69%.

This announcement is made pursuant to paragraphs 10.3, 10.4(k), and 10.5A of the REIT Code.

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

Hong Kong, 1 January 2024

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

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

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

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