The Securities and Futures Commission of Hong Kong, Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement does not constitute nor is it intended to constitute an offer to sell or a solicitation of an offer to buy any securities.

越秀房地產投資信託基金
YUEXIU REAL ESTATE INVESTMENT TRUST

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

(Stock code: 00405)

Managed by

越秀房託資產管理有限公司
YUEXIU REIT ASSET MANAGEMENT LIMITED

FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors (the "Board") of Yuexiu REIT Asset Management Limited (the "Manager") is pleased to announce the consolidated results of Yuexiu Real Estate Investment Trust ("Yuexiu REIT") and its subsidiaries for the year ended 31 December 2024 (the "Reporting Year") together with comparative figures for the corresponding period in 2023 as follows:

FINANCIAL HIGHLIGHTS

The following is a summary of Yuexiu REIT's consolidated results for the year ended 31 December 2024 together with comparative figures for the corresponding period in 2023:

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

	Financial Year ended 31 December 2024	**Financial Year ended 31 December 2023**	**(Decrease)/ increase**
Gross income	**2,031,536,000**	2,086,855,000	(2.7)%
Net property income	**1,444,929,000**	1,475,262,000	(2.1)%
Loss after tax	**(336,589,000)**	(3,955,000)	8,410.5%
(Losses)/earnings per Unit – Basic	**(0.064)**	0.001	(6,500.0)%
Property portfolio valuation	**42,308,008,000**	42,559,146,000	(0.6)%
Net assets attributable to Unitholders per Unit	**2.91**	3.18	(8.5)%
Net assets attributable to Unitholders per Unit – Equivalent to HK$	**3.14**	3.51	(10.5)%
Units issued (units)	**5,090,738,171**	4,915,738,171	3.6%
Total borrowings as a percentage of gross assets (Note a)	**47.5%**	46.2%	1.3 percentage points
Gross liabilities as a percentage of gross assets (Note b)	**63.0%**	61.6%	1.4 percentage points

Distribution			
Total distribution (including additional items)	**314,767,000**	409,842,000	(23.2)%
Distribution per Unit (HK$)	**0.0680**	0.0924	(26.4)%

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

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

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 the 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 strategies, 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 practices.

In order to manage the financial affairs of Yuexiu REIT with greater flexibility in a volatile economic environment, the Manager has decided to adjust the payout ratio to 90% for the period from 1 July 2024 to 31 December 2024 (the "2024 Final Period"), resulting in an overall payout ratio of approximately 96% for the full year. The retained distributable funds in this period will be used for capital expenditure within 2025 or partial repayment of borrowings, etc..

In light of the above, the Manager has determined that the final distribution to the Unitholders for the 2024 Final Period will be approximately RMB0.0254 which is equivalent to Hong Kong Dollars ("HK$") 0.0275 (2023: RMB0.0303 which was equivalent to HK$0.0334) per Unit. Such final distribution per Unit is subject to adjustment once new units are issued to the Manager (in satisfaction of the Manager's fees) prior to the record date for the 2024 Final Period distribution. A further announcement will be made to inform Unitholders of the final distribution per Unit for the 2024 Final Period.

The final distribution for the 2024 Final Period, together with the interim distribution of Yuexiu REIT for the six-month period from 1 January 2024 to 30 June 2024 (the "2024 Interim Period") being approximately RMB0.0371 which is equivalent to HK$0.0405 (2023: RMB0.0541 which was equivalent to HK$0.0590) per Unit, represents a total distribution to each Unitholder for the Reporting Year of approximately RMB0.0625 which is equivalent to HK$0.0680 (2023: approximately RMB0.0844 which was equivalent to HK$0.0924).

The total distribution amount for the Reporting Year, being approximately RMB314,767,000 (2023: RMB409,842,000), includes an amount of approximately RMB153,579,000 (2023: RMB170,273,000), 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 RMB254,749,000) plus a further distribution of approximately RMB60,018,000 having regard to the abovementioned discretion of the Manager under the 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.

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.

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$0.0680 (2023: HK$0.0924), of which approximately HK$0.0327 (2023: HK$0.0381) is attributable to capital items, representing a yield of approximately 7.08% (2023: 7.33%) per Unit based on the closing price of HK$0.96 per Unit as at 31 December 2024 (2023: HK$1.26).

CLOSURE OF REGISTER OF UNITHOLDERS

The record date for the final distribution will be 10 April 2025. The register of Unitholders will be closed from 10 April 2025 to 11 April 2025, both days inclusive, during which period no transfer of units will be effected. In order to 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 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on 9 April 2025. The final distribution will be paid on 23 May 2025 to the Unitholders whose names appear on the register of Unitholders on 10 April 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2024, the complex and volatile global economic situation, coupled with the ongoing geopolitical conflicts, cast a shadow over the economic recovery. The US Federal Reserve has started interest rate cuts during the year, but at a slower pace than expected. 2024 was also a critical year for China to accomplish its objectives and tasks set out in its 14th Five-Year Plan. During the year, however, China faced a series of macroeconomic challenges, including insufficient effective demand, weak consumption and a continuous decline in investment scale. Due to the expectation for a sluggish economy, tenants in office buildings adopted a more prudent approach to expansion and placed greater emphasis on achieving "lower cost for high efficiency". In addition, luxury hotels and apartments were plagued by a consumption downgrade, and retail shopping malls and the clothing wholesale market also faced the impact of the weakening consumption. As such, with a view to boosting the economy, the Chinese government made vigorous efforts in developing new quality productive forces - represented by artificial intelligence and low-altitude economy - during the year, introduced a policy directed at the "trade-in of old consumer goods", issued ultra-long-term special China Government Bonds and lowered the Loan Prime Rate (LPR). These integrated measures managed to inject new momentum into and strengthened confidence in domestic economic growth, thus achieving steady progress in China's economy. According to the National Bureau of Statistics, China's gross domestic product (GDP) grew 5% year on year in 2024, demonstrating the resilience of the economy.

In the face of operating pressure, the Manager maintained a firm confidence, strengthened risk management, formulated asset management strategies based on a thorough assessment of the actual situation, and made every effort to stabilize operating fundamentals. Specifically, for office buildings, the Manager increased the supply of furnished units to meet market demand, successfully introduced a number of quality tenants, thereby effectively shortening the business solicitation cycle. For retail shopping malls, the Manager introduced emerging popular brands, while at the same time boosting customer flow and consumption by organising diversified themed activities. For hotel, the Manager formulated flexible pricing strategies to seize market share and enhanced the reputation of their catering facilities. For serviced apartments, the Manager retained long-stay customer groups while attaining more short-stay customers. For the clothing wholesale market, the Manager helped boost tenant sales via multiple channels, thereby promoting the steady recovery of both rental level and occupancy rates. Through the effective asset management strategies, the Manager has taken full advantage of favourable policies and market opportunities, and effectively secured a generally stable operating income for Yuexiu REIT during the year, but high interest rates weakened the overall distribution.

PROPERTY PORTFOLIO AND VALUATION

As of 31 December 2024, Yuexiu REIT's portfolio of properties consisted of ten properties, namely, White Horse Building Units ("White Horse Building"), Fortune Plaza Units and certain parking space ("Fortune Plaza"), City Development Plaza Units and certain parking space ("City Development Plaza"), Victory Plaza Units ("Victory Plaza"), Guangzhou International Finance Centre ("GZIFC"), Yuexiu Financial Tower ("Yuexiu Financial Tower"), located in Guangzhou; Yue Xiu Tower ("Shanghai Yue Xiu Tower"), located in Shanghai; Wuhan Yuexiu Fortune Centre, Starry Victoria Shopping Centre and certain parking space ("Wuhan Properties"), located in Wuhan; Hangzhou Victory Business Centre Units and certain parking space ("Hangzhou Victory"), located in Hangzhou; and 17th and 23rd Floors of Yue Xiu Building Units ("Hong Kong Yue Xiu Building"), located in Hong Kong. The total gross floor area of the properties was 1,184,156.5 sq.m. and the total rentable area was 803,984.1 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, 76,512.3 sq.m. of parking space 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 of Shanghai Yue Xiu Tower; 62,785.8 sq.m. of parking space and 12,415.1 sq.m. of common facilities area of Wuhan Properties; 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).

PARTICULARS OF THE PROPERTIES ARE AS FOLLOWS:

Property	Type	Location	Year of Completion	Gross Floor Area (sq.m.)	Rentable Area (sq.m.)	Property Occupancy Rate[1]	Number of Lease[1]	Unit Rent[1] (RMB/sq.m./month)
White Horse Building	Wholesale mall	Yuexiu District, Guangzhou	1990	50,199.3	50,128.9	97.1%	869	448.0
Fortune Plaza	Grade A office	Tianhe District, Guangzhou	2003	42,763.5	41,355.2[2]	92.4%	112	143.2
City Development Plaza	Grade A office	Tianhe District, Guangzhou	1997	44,501.7	42,397.4[3]	92.7%	82	134.9
Victory Plaza	Retail shopping mall	Tianhe District, Guangzhou	2003	27,698.1	27,262.3	96.6%	28	240.3
GZIFC	Commercial complex	Tianhe District, Guangzhou	2010	457,356.8	230,266.9	88.0%	248	217.8
Including:	Grade A office			267,804.4	183,539.6[4]	85.3%	189	230.6
	Retail shopping mall			46,989.2	46,727.3	98.3%	59	174.3
	Hotel			91,460.9[5]	N/A	N/A	N/A	N/A
	Serviced apartments			51,102.3	N/A	N/A	N/A	N/A
Shanghai Yue Xiu Tower	Grade A office	Pudong New District, Shanghai	2010	62,139.4	46,026.3[6]	89.5%	118	202.9
Wuhan Properties	Commercial complex	Qiaokou District, Wuhan		248,194.2	172,993.3	68.4%	223	66.2
Including:	Grade A office		2016	139,937.1	129,446.7[7]	61.1%	129	76.5
	Retail shopping mall		2015	45,471.4	43,546.6[8]	90.0%	94	45.5
	Commercial parking spaces		2015-2016	47,182.9	N/A	N/A	N/A	N/A
	Residential parking spaces		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[9]	97.7%	34	128.6
Yuexiu Financial Tower	Grade A office	Tianhe District, Guangzhou	2015	210,282.9	170,196.8[10]	83.7%	191	197.7
Hong Kong Yue Xiu Building	Office	Wanchai, Hong Kong	1985	872.2	872.2	100.0%	4	327.5
Total				1,184,156.5	803,984.1	84.5%	1,909	191.9

Notes:

(1) As at 31 December 2024;

(2) Excluding 1,408.3 sq.m. of parking space;

(3) Excluding 2,104.3 sq.m. of parking space;

(4) Excluding 76,512.3 sq.m. of parking space and 7,752.5 sq.m. of other ancillary facilities area;

(5) Including 2,262.0 sq.m. of hotel ancillary facilities area 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;

(10) Excluding 10,289.1 sq.m. of parking space and 29,797.1 sq.m. of common facilities area.

SEGMENTS OF THE PROPERTIES ARE AS FOLLOWS:

Rental Property	Gross Floor Area (sq.m.)	Rentable Area (sq.m.)	Occupancy Rate[(1)]	Percentage point increase/ (decrease) as compared to the same period in 2023	Unit Rent (tax exclusive)[(1)] (RMB/sq.m./ month)	Percentage increase/ (decrease) as compared to the same period in 2023	Operating Income[(2)] (RMB'000)
Office	871,235.3	636,319.1[(3)]	81.7%	(0.8)%	178.1	(3.9)%	1,150,422
Retail							
Shopping Mall	120,158.7	117,536.1[(4)]	94.8%	0.6%	144.6	(2.2)%	167,088
Wholesale	50,199.3	50,128.9[(5)]	97.1%	1.3%	448.0	(0.2)%	206,203

Notes:

(1) As at 31 December 2024;

(2) For the year ended 31 December 2024;

(3) Excluding 1,408.3 sq.m. of parking space of Fortune Plaza; 2,104.3 sq.m. of parking space of City Development Plaza; 76,512.3 sq.m. of parking space 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 Shanghai Yue Xiu Tower; 62,785.8 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 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;

(4) 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;

(5) Excluding 70.4 sq.m. of other ancillary facilities area of White Horse Building.

Operational Property	Type	Commencement of Operation	Gross Floor Area (sq.m.)	No. of Units (units)	Average Occupancy Rate(1)	Average Room Rate(1) (RMB)
Four Seasons Hotel Guangzhou	Five-star hotel	August 2012	91,460.9	344	81.5%	2,136
Ascott Serviced Apartments GZIFC	High-end serviced apartments	September 2012	51,102.3	314	90.5%	1,119

Notes:

(1) From 1 January 2024 to 31 December 2024;

(2) Both hotel and serviced apartments are entrusted operation.

PROPERTY VALUATION

On 31 December 2024, revaluation of the portfolio of properties of Yuexiu REIT was carried out by Savills Valuation and Professional Services Limited, an independent professional valuer, and the revalued market value was approximately RMB42.308 billion.

The following table summarises the valuation of each of the properties as at 31 December 2024 and 31 December 2023:

Name of Property	Valuation as at 31 December 2024 RMB million	Valuation as at 31 December 2023 RMB million	Increase/ (decrease) percentage
White Horse Building	4,815	4,805	0.2%
Fortune Plaza	1,240	1,248	(0.6)%
City Development Plaza	1,022	1,028	(0.6)%
Victory Plaza	959	956	0.3%
GZIFC	18,990	19,001	(0.1)%
Shanghai Yue Xiu Tower	2,918	2,992	(2.5)%
Wuhan Properties	3,359	3,481	(3.5)%
Hangzhou Victory	625	624	0.2%
Yuexiu Financial Tower	8,284	8,315	(0.4)%
Hong Kong Yue Xiu Building	96	109	(11.9)%
Total	42,308	42,559	(0.6)%

LEASE EXPIRY OF THE PROPERTIES

In the next five years and beyond, in respect of the rented area, percentage of expiring leases of Yuexiu REIT Properties each year will be 30.1%, 26.0%, 22.0%, 10.7% and 11.2% respectively. In respect of basic monthly rentals, percentage of lease expiry each year will be 28.2%, 25.8%, 25.0%, 12.4% and 8.6% respectively.

The properties of Yuexiu REIT

Year	Percentage of rented area	Percentage of total basic monthly rentals
FY2025	30.1%	28.2%
FY2026	26.0%	25.8%
FY2027	22.0%	25.0%
FY2028	10.7%	12.4%
FY2029 and beyond	11.2%	8.6%
Total	100.0%	100.0%

The following shows the figures of expiring leases of each of Yuexiu REIT Properties in the next five years and beyond.

White Horse Building

Year	Percentage of rented area	Percentage of total basic monthly rentals
FY2025	5.1%	6.1%
FY2026	41.3%	29.4%
FY2027	30.0%	32.9%
FY2028	23.2%	31.5%
FY2029 and beyond	0.4%	0.1%
Total	100.0%	100.0%

Fortune Plaza

Year	Percentage of rented area	Percentage of total basic monthly rentals
FY2025	28.7%	29.6%
FY2026	19.5%	21.8%
FY2027	30.9%	27.7%
FY2028	10.3%	9.8%
FY2029 and beyond	10.6%	11.1%
Total	100.0%	100.0%

City Development Plaza

Year	Percentage of rented area	Percentage of total basic monthly rentals
FY2025	18.4%	26.6%
FY2026	33.0%	30.6%
FY2027	23.4%	21.6%
FY2028	9.9%	10.5%
FY2029 and beyond	15.3%	10.7%
Total	100.0%	100.0%

Victory Plaza

Year	Percentage of rented area	Percentage of total basic monthly rentals
FY2025	10.2%	13.0%
FY2026	6.7%	5.3%
FY2027	47.9%	54.7%
FY2028	21.8%	12.5%
FY2029 and beyond	13.4%	14.5%
Total	100.0%	100.0%

GZIFC

Year	Office: Percentage of rented area	Office: Percentage of total basic monthly rentals	Retail shopping mall: Percentage of rented area	Retail shopping mall: Percentage of total basic monthly rentals
FY2025	24.3%	26.6%	83.2%	77.9%
FY2026	30.6%	30.4%	7.8%	10.4%
FY2027	25.2%	26.0%	5.7%	7.9%
FY2028	12.6%	10.7%	3.0%	3.2%
FY2029 and beyond	7.3%	6.3%	0.3%	0.6%
Total	100.0%	100.0%	100.0%	100.0%

Shanghai Yue Xiu Tower

Year	Percentage of rented area	Percentage of total basic monthly rentals
FY2025	39.2%	38.9%
FY2026	23.5%	24.5%
FY2027	26.8%	27.0%
FY2028	3.4%	3.3%
FY2029 and beyond	7.1%	6.3%
Total	100.0%	100.0%

Wuhan Properties

Year	Office		Retail shopping mall	
	Percentage of rented area	Percentage of total basic monthly rentals	Percentage of rented area	Percentage of total basic monthly rentals
FY2025	30.5%	34.8%	22.4%	29.9%
FY2026	34.7%	31.5%	19.8%	26.3%
FY2027	13.3%	12.2%	22.9%	23.0%
FY2028	8.7%	9.2%	9.5%	5.0%
FY2029 and beyond	12.8%	12.3%	25.4%	15.8%
Total	100.0%	100.0%	100.0%	100.0%

Hangzhou Victory

Year	Percentage of rented area	Percentage of total basic monthly rentals
FY2025	58.5%	60.9%
FY2026	7.5%	7.0%
FY2027	10.6%	10.2%
FY2028	16.2%	14.7%
FY2029 and beyond	7.2%	7.2%
Total	100.0%	100.0%

Yuexiu Financial Tower

Year	Percentage of rented area	Percentage of total basic monthly rentals
FY2025	29.2%	28.8%
FY2026	26.1%	27.7%
FY2027	18.0%	18.6%
FY2028	7.7%	6.5%
FY2029 and beyond	19.0%	18.4%
Total	100.0%	100.0%

Hong Kong Yue Xiu Building

Year	Percentage of rented area	Percentage of total basic monthly rentals
FY2025	50.0%	49.9%
FY2026	0.0%	0.0%
FY2027	50.0%	50.1%
FY2028	0.0%	0.0%
FY2029 and beyond	0.0%	0.0%
Total	100.0%	100.0%

Revenue decreased slightly

In 2024, the properties of Yuexiu REIT recorded total revenue of approximately RMB2,031,536,000, representing a decrease of 2.7% as compared to the same period of the previous year. Among which, White Horse Building, Fortune Plaza, City Development Plaza, Victory Plaza, GZIFC, Shanghai Yue Xiu Tower, Wuhan Properties, Hangzhou Victory, Yuexiu Financial Tower and Hong Kong Yue Xiu Building accounted for approximately 10.1%, 3.7%, 3.4%, 3.7%, 49.6%, 4.8%, 5.0%, 1.7%, 17.8% and 0.2% of the total revenue, respectively.

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:

Name of Property	**Revenue in 2024 RMB million**	Revenue in 2023 RMB million	Increase/ (Decrease) Compared to 2023 RMB million	Increase/ (Decrease) %
White Horse Building	**206.2**	183.9	22.3	12.1%
Fortune Plaza	**75.2**	76.1	(0.9)	(1.2)%
City Development Plaza	**69.8**	70.9	(1.1)	(1.6)%
Victory Plaza	**74.4**	74.3	0.1	0.1%
GZIFC				
Office	**429.1**	427.3	1.8	0.4%
Retail shopping mall	**70.6**	68.4	2.2	3.2%
Hotel	**388.5**	416.6	(28.1)	(6.7)%
Serviced apartment	**119.5**	119.0	0.5	0.4%
Shanghai Yue Xiu Tower	**97.5**	104.6	(7.1)	(6.8)%
Wuhan Properties	**101.4**	108.3	(6.9)	(6.4)%
Hangzhou Victory	**34.1**	35.2	(1.1)	(3.1)%
Yuexiu Financial Tower	**362.0**	399.0	(37.0)	(9.3)%
Hong Kong Yue Xiu Building	**3.2**	3.3	(0.1)	(3.0)%
Total	**2,031.5**	2,086.9	(55.4)	(2.7)%

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 the previous year:

Name of Property	Net Property Income in 2024 RMB million	Net Property Income in 2023 RMB million	Increase/ (Decrease) Compared to 2023 RMB million	Increase/ (Decrease) %
White Horse Building	**175.2**	154.3	20.9	13.5%
Fortune Plaza	**63.9**	64.7	(0.8)	(1.2)%
City Development Plaza	**59.1**	60.2	(1.1)	(1.8)%
Victory Plaza	**63.0**	63.1	(0.1)	(0.2)%
GZIFC				
Office	**357.9**	356.0	1.9	0.5%
Retail shopping mall	**60.3**	58.4	1.9	3.3%
Hotel	**100.6**	106.9	(6.3)	(5.9)%
Serviced apartment	**67.2**	65.8	1.4	2.1%
Shanghai Yue Xiu Tower	**88.4**	95.1	(6.7)	(7.0)%
Wuhan Properties	**75.9**	81.9	(6.0)	(7.3)%
Hangzhou Victory	**28.0**	29.2	(1.2)	(4.1)%
Yuexiu Financial Tower	**302.3**	336.4	(34.1)	(10.1)%
Hong Kong Yue Xiu Building	**3.1**	3.3	(0.2)	(6.1)%
Total	**1,444.9**	1,475.3	(30.4)	(2.1)%

GZIFC – OFFICE: IMPLEMENTING VARIOUS MEASURES TO STABILISE THE OCCUPANCY RATE; SHOPPING MALL: ENRICHING BRAND PORTFOLIO AND ORGANASING ACTIVITIES TO INCREASE SALES AND CUSTOMER FLOW

In 2024, Guangzhou's office leasing market saw weak demand, while market supply continued to increase. As an iconic building and landmark in the core area, GZIFC took a leading position in terms of tenant viscosity and market competitiveness among peers with its good tenant structure and supportive service system. This year, the office building of GZIFC prioritised occupancy stability and successfully renewed leases with a number of quality tenants under the strategy of "one distinctive policy for each key customer", with a renewal rate of more than 80% for the year and a total renewed area of more than 42,000 sq.m., thus effectively securing high-quality customer resources. To match the market demand, GZIFC launched small and medium-sized furnished units with a total area of approximately 7,200 sq.m. for the year, of which more than 80% were successfully rented out within the year, reflecting the effectiveness of the strategies. During the year, GZIFC successfully facilitated two renowned law firms and an investment company to expand their existing lease areas by more than 3,800 sq.m. in aggregate, and introduced quality new tenants, including a Fortune 500 multinational bank and a securities firm, to take up more than 5,000 sq.m.. The occupancy rate of the office building of GZIFC was 85.3% at the end of the period, substantially in line with the previous year.

During the year, the retail shopping mall GZIFC Shopping Mall actively regulated and adjusted its brand portfolio and optimised the tenant structure, introducing new brand merchants such as bakeries, fast food chains, high-end coffee shops and trendy snack shops to match the demand for business and fast dining. Newly introduced brands recorded a year-on-year increase of more than 15% in sales as compared to the existing brands, effectively boosting the sales of the shopping mall. GZIFC Shopping Mall organised a series of activities which have gained massive popularity, including its 8th anniversary celebration event, the "Wanderings in Companions Festival" summer programme and the exclusive joint activities of The Phantom of the Opera - Guangzhou Station staged at the Guangzhou Opera House. By doing so, GZIFC Shopping Mall elevated the vibe of its location and further raised its popularity, leading to an increase of 7.4% in customer flow as compared to the same period last year. GZIFC Shopping Mall recorded a high occupancy rate of 98.3% at the end of the period, substantially in line with the previous year.

FOUR SEASONS HOTEL AND ASCOTT SERVICED APARTMENTS – ROOM OCCUPANCY RATE INCREASED YEAR ON YEAR AND RESTAURANTS WERE PRESENTED WITH MULTIPLE MICHELIN AWARDS

In 2024, the average occupancy rate of Four Seasons Hotel was 81.5%, representing a year-on-year increase of 1.6 percentage points. The average room rate was RMB2,136, representing a year-on-year decrease of 4.6%. The revenue per available room (RevPAR) was RMB1,740, representing a year-on-year decrease of 2.6%. The RevPAR competitive index of the hotel was 114.8, representing a year-on-year decrease of 1.8 percentage points. By formulating flexible pricing strategies, Four Seasons Hotel has capitalized the market demand released by international trade fairs and holiday economy, thus seizing a share of the high-end market. The RevPAR competitive index has maintained a dominant position among major hotel competitors for the eleventh consecutive year. Yu Yue Heen, the Chinese restaurant of Four Seasons Hotel, retained its title of "one Michelin star" restaurant in Guangzhou, CATCH was awarded the 2024 "Michelin Guide Selected Restaurant (Plate Award)" in Guangzhou, and the Chinese Executive Chef won the 2024 "Michelin Guide Young Chef Award" in Guangzhou.

In 2024, the average occupancy rate of Ascott Serviced Apartments reached 90.5%, representing a year-on-year increase of 0.3 percentage point. The average room rate was RMB1,119, representing a year-on-year increase of 0.1%. The RevPAR was RMB1,013, representing a year-on-year increase of 0.5%. The RevPAR competitive index reached 140, maintaining a high level among competitor apartments. Benefiting from the implementation of China's visa-free policy, the inbound tourists have become a new driving force to offset the decline in domestic demand. According to the National Immigration Administration of China, 20.115 million foreigners entered China visa-free in 2024, up by 112.3% year on year. The management grasped precisely the changing trends of its customer groups, actively tapped into the long-stay needs of its core customer groups and thus managed to retain its long-stay customer groups, achieved a renewal rate of nearly 50% for long-term rental business. Meanwhile, as the growing demand from inbound foreign tourists led to an increase in the number of short-stay customers, the annual revenue hit a record high. The Apartments ranked first both in operating revenue and gross operating profit (GOP) in Ascott China for nine consecutive years since 2016.

YUEXIU FINANCIAL TOWER – LAUNCHING FURNISHED UNITS TO SHORTEN THE BUSINESS SOLICITATION CYCLE, SUCCESSFULLY RENEWING LEASES WITH EXISTING CUSTOMERS AND INTRODUCING A NUMBER OF QUALITY TENANTS

Over the past year, Yuexiu Financial Tower was inevitably facing the challenge of insufficient demand for offices in Guangzhou, but its market competitiveness in the region remained strong. Yuexiu Financial Tower regarded occupancy stability as its top priority and successfully renewed leases for more than 26,000 sq.m. for the year, including three renowned domestic premium financial enterprises, recorded a renewal rate of more than 60%. In order to enhance the attractiveness of its products, Yuexiu Financial Tower proactively analysed the needs of its potential customers and launched furnished units with a total area of approximately 14,000 sq.m. for the year, of which more than 90% was successfully rented out within the year, effectively shortened the business solicitation cycle and supported rental levels, which indicated that the product standards were well received in the market. The newly introduced tenants included a major domestic brand law firm and four premium financial enterprises, which contributed to the continuous improvement in the tenant structure. For tenants with significant reduction in rental costs, Yuexiu Financial Tower successfully retained six tenants not intended to renew their leases upon expiration by adjusting their units in the Tower through leasing strategies such as relocating to another floor with reduced leased area, thereby effectively mitigated operating risks. This reflected the flexibility and agility of the business promotion team. Yuexiu Financial Tower recorded an occupancy rate of 83.7% at the end of the period, representing a year-on-year decrease of 4.8 percentage points.

WHITE HORSE BUILDING – NOTICEABLE RESULTS IN TRANSFORMATION AND UPGRADING, WITH STEADY INCREASE IN BOTH OCCUPANCY RATE AND RENTAL LEVEL

Against the backdrop of a sluggish apparel market and intense external competition, White Horse Building continued to consolidate its position of "China Brand Apparel International Trading Centre" during the year. By proactively adjusting the leasing strategy for the second floor, optimising the dynamics of customer flow for the fourth floor, and completing the acceptance check of the renovation project of public area for the third floor, generating improved business ambience and supporting facilities in the building, successfully renewed leases with existing customers and introduced a number of quality tenants. The occupancy rate of White Horse Building was elevated to 97.1% at the end of the period, set a new high in the past five years. Under the "going global" approach, White Horse Building integrated different resources to enhance tenant exposure and recognition. In particular, collaborated with its 11 original premium apparel brands, to participate in the 2024 China International Fashion Fair; organised the 2024 Guangzhou White Horse Garment Market Procurement Festival, cooperated with tenants to display the latest developments and future trends of the fashion industry in a holistic manner; and together with its premium brands, made their debut in the 2024 China (Guangzhou) International Fashion Industry Conference, tactfully incorporated elements of the 2025 National Games and invited sports champions and elites to visit the stores on site. White Horse Building had also taken the initiative to explore new digital models and promoted the construction of an AI-driven smart market. During the year, it officially launched the White Horse Smart Selection Platform, on which 276 brands had already joined so far. At the same time, utilisation of the cutting-edge technologies such as AI fitting, VR shopping and live online broadcast to create the second online performance growth curve from online transactions. The development results of White Horse Building attracted much attention from all walks of life. It was awarded the 2024 National Intellectual Property Protection on Regulated Market Cultivation Target by China National Intellectual Property Administration, the 2024 Industry Promotion Award at China International Fashion Fair (Spring) by China Commercial Circulation Association of Textile and Apparel, Top Ten (Professional) Leading Markets by the Organising Committee of China Commodity Trading Market Conference, and Five-Star Commodity Trading Market by Guangzhou Municipal Commerce Bureau and Guangzhou Municipal Administration for Market Regulation, among other awards and honors, demonstrating its influence and benchmark status in the industry.

FORTUNE PLAZA, CITY DEVELOPMENT PLAZA – OVERALL OPERATIONS REMAINED STABLE, CONTINUOUS OPTIMISATION OF TENANT STRUCTURE

Fortune Plaza introduced many quality tenants during the year, including a leading daily accessories company, thus continuing to optimise its tenant structure. Despite the fact that a tenant renting a large area did not renew its lease upon expiration, the business solicitation team seamlessly introduced a technology company to take up the whole floor, thereby effectively resolved the vacancy risk. Fortune Plaza also successfully renewed leases with many quality tenants, including an international investment company with a petrochemical industry background, and recorded an occupancy rate of 92.4% at the end of the period, substantially in line with that of the previous year. During the year, City Development Plaza successfully introduced a government-owned sports service agency, renting out vacant area of approximately 2,500 sq.m., which not only improved the occupancy rate but also expanded its reputation in the industry. City Development Plaza renewed leases with three quality tenants for a total of approximately 2,300 sq.m. during the year, and recorded an occupancy rate of 92.7% at the end of the period, representing a year-on-year increase of 4 percentage points.

VICTORY PLAZA – STABILISING SALES OF ANCHOR TENANT, RECORDING GROWTH IN BOTH CUSTOMER FLOW AND OCCUPANCY RATE

Located in the core business district of Tiyu West Road, Tianhe District, Guangzhou, Victory Plaza actively integrated various resources to stabilise the sales of its anchor tenant, Uniqlo, in Victory Plaza Shop, including diversified theme events jointly organised with IKEA Sleep Hub, Book Center, Information Times, etc., which were widely welcomed by the public. The number of customers visiting The Uniqlo Victory Plaza Shop increased by 4% year-on-year, and its annual sales ranked first in China once again. The mall's customer flow for the year increased by 5% year-on-year. For units that had been vacant for a long time, the business promotion team successfully introduced two branded aesthetic medicine companies to further enrich the consumption scenarios. Victory Plaza recorded newly contracted area of more than 1,300 sq.m. and renewed leasing area of more than 1,200 sq.m. for the year, with an occupancy rate of 96.6% at the end of the period, representing a year-on-year increase of 3.1 percentage points.

SHANGHAI YUE XIU TOWER – LAUNCHING FURNISHED UNITS TO MATCH DEMANDS, OPTIMISING TENANT STRUCTURE TO IMPROVE RISK RESILIENCE

The situation of oversupply in the office market of core business district in Shanghai remained unchanged, therefore market competition was relatively fierce. With occupancy stability as its primary goal, Shanghai Yue Xiu Tower launched furnished products to meet tenants' needs for move-in ready units, and recorded a newly contracted area of more than 9,900 sq.m. for the year, the largest since 2020. The financial industry has always been one of the main sources of demand for offices in Shanghai, but the industry has experienced a particularly significant decline in recent years. In order to improve the risk resilience of its tenant structure, Shanghai Yue Xiu Tower actively introduced certain quality tenants from the commercial service and information technology industries during the year, including a prominent new energy vehicle joint venture (for more than 500 sq.m.) and a renowned joint venture providing digital technology services (for more than 2,500 sq.m.). Thanks to the lease renewal plans formulated in advance adopting the principle of "one distinctive policy for each key customer", Shanghai Yue Xiu Tower recorded a renewal rate of more than 70%, and the occupancy rate was 89.5% at the end of the period, substantially in line with the previous year.

WUHAN PROPERTIES – INTRODUCING QUALITY TENANTS FOR THE OFFICE BUILDING TO IMPROVE OCCUPANCY RATE, OPTIMISING BRAND PORTFOLIO OF THE SHOPPING MALL TO BOOST CUSTOMER FLOW AND SALES

Over the past year, demand in the office market in Wuhan continued to shrink and vacancy rate remained high in the market. In order to respond effectively to market competition, Wuhan Yuexiu Fortune Centre continued to promote the renovation and adjustment of vacant units and offered more small and medium-sized office units, which drove the newly contracted area for the year to exceed 27,000 sq.m., remained in a high-ranking level in the industry, whilst a number of quality tenants were introduced. More than 19,000 sq.m. of leasing area were renewed during the year with certain outstanding enterprises, including a liquor enterprise and a dairy products company among the Top 500 Enterprises in China, and the Hubei branch of a global leading elevator company, recorded a renewal rate of more than 60%. Wuhan Yuexiu Fortune Centre continued to maintain and enhance its tenant promotion channels by holding 2 recommendation seminars and more than 10 industry chain activities throughout the year. It was selected by government departments as the "Municipal New Demonstration Building in Digital Economy Industry" and "Demonstration Building in Software Industry of Qiaokou District", and thus continued to expand its influence in the industry.

Starry Victoria Shopping Centre continued to optimise different business formats for its portfolios. By tapping deeply into emerging brands that were popular among consumers, it adjusted the category matrix of business formats and brands on the 1st and 2nd floors of Hall A and the 2nd floor of Hall B, enriched the range of children related amenities and activated the overall retail ambience. The shopping mall recorded a year-on-year increase of 21% in customer flow and a year-on-year increase of 8% in sales for the year. The business solicitation team successfully retained five tenants with large leasing areas and renewed leases with them, and engaged new tenants in advance to seamlessly take up expiring areas. The newly contracted area exceeded 6,600 sq.m., and the occupancy rate was 90% at the end of the period, substantially in line with the previous year.

HANGZHOU VICTORY – SUCCESSFULLY RENEWED LARGE-AREA LEASES UPON EXPIRY, MAINTAINING A HIGH OCCUPANCY RATE

Over the past year, the expired leasing area of Hangzhou Victory accounted for nearly half of its total area. Coupled with the economic downturn, lease renewal was facing multiple challenges. Despite the enormous pressure, the business solicitation team worked vigorously to strengthen and maintain relationship with tenants, and inquired about their intentions in advance, thereby successfully renewing leases for more than 10,000 sq.m., including a local Internet technology company from Zhejiang and the Zhejiang branch of a provincial state-owned enterprise in Shanxi Province. Hangzhou Victory newly introduced a number of high-quality tenants during the year, including a biotech company and an asset management company. These two companies alone leased more than 2,500 sq.m. in total, effectively filled up the vacated units released by major tenants who terminated their leases before expiration at the end of 2023. In addition, a construction company among Fortune 500 companies was successfully introduced, contributing to a steady tenant structure. Hangzhou Victory maintained a high occupancy rate of 97.7% at the end of the period.

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

In 2024, the Manager continued to invest in a number of asset upgrading and renovation projects, with a view to continue to improve product competitiveness, energy conservation and carbon reduction performance and safety assurance level of the asset portfolio. The total investment for the year was approximately RMB38.97 million.

In terms of product competitiveness improvement, for office buildings, the Manager furnished vacant units in GZIFC, Yuexiu Financial Tower, Fortune Plaza, City Development Plaza, Wuhan Yuexiu Fortune Centre and Shanghai Yue Xiu Tower to create furnished office units meeting market demand, which effectively shortened the tenant solicitation cycle and stabilised the rental level. For hotel and serviced apartments, the Manager carried out the renovation project of ceiling lighting in the kitchens at Four Seasons Hotel Guangzhou, the upgrading and renovation project of mosquito screens in guest rooms and the renovation project of bathrooms in Room 10, Room 11 and Room 01 at Ascott Serviced Apartments GZIFC to ensure service quality. For public areas, the Manager carried out the project of replacing facade film of the signboard at GZIFC, the renovation project of the public area on third floor at White Horse Building, and the upgrading and renovation project of the public area on typical floors at Wuhan Yuexiu Fortune Centre. For underground garage, the Manager carried out the renovation projects of underground garage and facilities at Hangzhou Victory.

In terms of equipment and facilities upgrades, the Manager replaced equipment and facilities with long service life and poor performance to ensure the normal operation of the projects while striving to improve energy efficiency and promote the achievement of energy conservation and carbon reduction targets. Such efforts included the renovation project of the cooling source system at Yuexiu Financial Tower, the upgrading and renovation project of the air-conditioning system at White Horse Building, the retrofit project of certain air-conditioning system terminal, as well as the upgrading and renovation project of elevator system in the podium at Fortune Plaza, the replacement project of Transformer No. 2 at City Development Plaza, and the upgrading and renovation project of central air-conditioning equipment in the podium at Victory Plaza.

In terms of safety and security enhancement, during the year, the Manager carried out the renovation projects of the peripheral flowerbeds near Fushan Road and No. L9 and No. L10 elevator systems at Shanghai Yue Xiu Tower, and the digital transformation project of surveillance system of the logistics areas and the water leakage retrofit project of the podium ceiling at Four Seasons Hotel Guangzhou.

PROACTIVE MANAGEMENT IN FINANCING RISK AND EFFECTIVE STABILISATION IN FINANCING COST

In terms of liquidity management, with regard to the 5-year bonds of HK$1.12 billion, the 3-year syndicated loan of HK$4.8 billion, and remaining portion of the 3-year syndicated loan of HK$1.2 billion, all due in 2024, Manager in 2024 obtained the short-term loan of RMB530 million, the 3-year loan of HK$1.12 billion, the 3-year loan of RMB2.8 billion, and the 3-year HK$1,805 million equivalent HKD/RMB loan for the purpose of refinancing the maturing loans so as to ensure effective monitor on the liquidity risk.

As for interest rate management, in order to curb US inflation, the US Federal Reserve announced a total of eleven interest rate hikes from 2022 to 2023, with a cumulative increase of 525 basis points. Hong Kong dollar followed the sharp interest rate hike. Although the US Federal Reserve announced three interest rate cuts in the second half of 2024 with a cumulative reduction of 100 basis points, interest rates in offshore markets remained high. Separately, China's domestic loan prime rate (LPR) was lowered three times in 2024, placing the RMB interest rate market on a downward trend. Taking advantage of the position of the RMB interest rate market, the Manager continued to research various financing instruments and actively adjusted the financing structure in order to mitigate the impact of the interest rate market on the operating results of Yuexiu REIT. A total of more than RMB4.5 billion in loans were obtained in February and December 2024 to refinance offshore HKD floating rate loans, and therefore the overall financing costs of Yuexiu REIT have been effectively reduced. The average HIBOR(1m) in 2024 was 11 basis points higher than that in 2023. While maintaining appropriate floating rate exposure, the Manager proactively adjusted the financing structure to minimise the impact of the interest rate market. At the end of 2024, the overall interest rate of Yuexiu REIT's financing was 4.16% per annum, representing a decrease of 58 basis points from 4.74% at the beginning of the year; the average interest payment rate for the year was 4.53%, representing a year-on-year decrease of 7 basis points from 4.60% in 2023.

With regard to foreign exchange management, due to the combined effects of US dollar interest rate hikes and RMB interest rate cuts since 2022, both US dollar and Hong Kong dollar appreciated significantly against RMB and are expected to remain at relatively high levels. The Manager continued its focus on the market dynamics by adopting effective management strategies, actively adjusted the financing structure and timely used foreign exchange hedging tool at reasonable cost to monitor foreign exchange exposure. In 2024, Yuexiu REIT's accumulated net exchange loss for the whole year was RMB48 million (2022: net exchange loss of RMB622 million). The debt structure has been continuously optimised, with the proportion of RMB financing rising from 39% at the beginning of 2024 to 60% at the end of the year.

INTEGRATING ESG INTO BUSINESS AND PROMOTING SUSTAINABLE DEVELOPMENT

The Manager adopted a holistic and long-term perspective on ESG, advocated the deep integration of ESG standards into business development, actively pursued lean management, and firmly promoted sustainability strategies and objectives under the guidance of the Board. Over the past year, the Manager continued to intensify its efforts in areas such as addressing climate change, green leasing, green office, green consumption, green supply chain and green finance, actively explored the potential financial impact of ESG, and achieved results in various statges.

In response to climate change, the Manager combined industry experiences, professional guidelines and compliance requirements, engaged professional consultants to assist in establishing a framework for analysing the financial impacts of climate change, and expanded the range of data collection and statistics for Scope 3 greenhouse gas emissions. During the year, Yuexiu REIT provided support in public communication for the "Every Climate Action Counts: The Power Is Yours!" campaign organised by WildAid, which called on the public to take action to combat climate change.

In respect of green buildings and green leasing, the Manager carried out several asset appreciation projects for energy conservation and carbon reduction at White Horse Building, Fortune Plaza, Yuexiu Financial Tower and Victory Plaza during the year, which involved air-conditioning systems and elevator systems. GZIFC was certified by the Guangzhou Association of Building Economy Promotion as the "Zero-Carbon, Digital, Intelligent, Energy-Saving, and Carbon-Reducing 3-star Building" and won the First Prize of Guangzhou Green Building Science and Technology Progress Award. Moreover, GZIFC Shopping Mall, Four Seasons Hotel and GZIFC Ascott Serviced Apartments have obtained "Certificate of Green Building Design Label of China (One-Star)" for the first time. Our properties continued to promote green, healthy and sustainable lifestyles by hosting activities such as "No Tobacco Day", "Earth Hour", "Green Healthy Running" and "Skyline Farm". GZIFC organised an open day event themed "Decoding the Mysteries of Green Living and Building A Green Ecology" to enhance tenants' understanding of the daily operation of the building's facilities and equipment.

As for green and sustainable finance, Yuexiu REIT obtained a sustainability-linked loan at a total value of HK$1,805 million equivalent HKD/RMB during the year for the purpose of refinancing. ESG performance indicators highly correlated to business strategy were set for the loan, including reducing carbon emission intensity, expanding coverage of green lease covenant and WELL Certification. As of the end of 2024, the proportion of green and sustainability related loan was about 36.3%.

In terms of social welfare and community building, during the year, Yuexiu REIT joined hands with a number of international influential resources such as consulates, international environmental protection organisations and The Smurfs, a globally renowned animation IP, to organise the "Sustainable Future Plus Programme" series of activities, which conveyed to the public the diverse meanings and joys of sustainable lifestyles. The properties of Yuexiu REIT actively participated in the book donation campaign for children in mountainous areas. On the World Autism Awareness Day in 2024, GZIFC and Yuexiu Financial Tower lit up in blue to join the related advocacy campaign, and received certificates of appreciation from the event organisers.

Thanks to the effective implementation of ESG measures, Yuexiu REIT achieved excellent performance in multiple mainstream ESG rating, which demonstrated the recognition by the capital market. Among them, the Global Real Estate Sustainability Benchmark (GRESB) granted a Green Four Star rating and A-rating (highest level) for public disclosure once again; our ESG risk was rated as "Low Risk" by Sustainalytics. Additionally, Yuexiu REIT was selected in the TOP10 ESG Development Performance of Commercial Real Estate Enterprises in 2024 by Guandian and received the "2024 Sustainable Development Industry Model Award" and the "2024 ESG Outstanding Case Award" at the Third International Green Zero-Carbon Festival, as well as the "ESG Development Pioneer Award" from the International Federation of Finance and Real Estate (IFFRE).

LOOKING AHEAD TO 2025

The global environment remains complex and challenging, with increasing uncertainties in geopolitics and trade policies. According to the World Economic Outlook Update released by the International Monetary Fund (IMF), global growth is projected at 3.3 percent both in 2025 and 2026, indicating a moderate recovery but still below the historical (2000-2019) average of 3.7 percent. On the one hand, economic growth and inflation have slowed down in the United States, although the US Federal Reserve announced three interest rate cuts in the second half of 2024 with a cumulative reduction of 100 basis points, the market adopted a wait-and-see sentiment on the US Federal Reserve's timeline and intensity in implementing interest rate cuts. US dollar and Hong Kong dollar interest rates are expected to remain at high levels for a certain period of time. On the other hand, China regarded economic stability as its top priority, adopted a moderately loose monetary policy to boost the economy, and vigorously stimulated investment and consumption to expand domestic demand, therefore the RMB interest rates remain at a relatively low level. New quality productive forces are growing at an accelerated pace and are expected to create new dynamics in industries. China set its GDP growth target for 2025 at around 5%.

In terms of asset management, the Manager will keep abreast of economic development trends and implement proactive, prudent and flexible leasing strategies, while at the same time integrating the concepts of low-carbon, green, intelligent, and healthy practices into all aspects of business operations. By dynamically reviewing the growth potential of asset portfolio, the Manager will keenly seize potential opportunities, continuously enhance the market competitiveness of asset portfolio, and promote sustainable development.

In terms of financing management, in light of the rising foreign interest rates and the relatively low cost of RMB, the Manager will continue to review and make reasonable adjustments to its financing structure depending on expectations of market developments, and introduce low-cost RMB financing through various RMB financing channels to seek more favourable financing costs to offset interest rate risk.

In respect of renovation projects, the Manager is planning to invest mainly in asset appreciation projects for GZIFC, Yuexiu Financial Tower, White Horse Building, Fortune Plaza, City Development Plaza, Shanghai Yue Xiu Tower, Wuhan Yuexiu Fortune Centre, and Hangzhou Victory, in order to achieve value preservation and appreciation of the properties and ensure the sound operation of the projects.

In 2025, the Manager will maintain a prudent and optimistic attitude, implement positive and prudent operating strategies to manage risks proactively, in an effort to generate stable returns for the Unitholders.

FINANCIAL REVIEW

FINANCIAL RESULTS

Yuexiu REIT gross income and net property income were higher than the corresponding period of 2023. The following is a summary of Yuexiu REIT financial results for the Reporting Year:

	2024	2023	(Decrease)/ Increase
	RMB'000	RMB'000	%
Gross income	**2,031,536**	2,086,855	(2.7)%
Hotel and serviced apartment direct expenses	**(320,248)**	(342,867)	(6.6)%
Leasing agent fees	**(47,105)**	(47,469)	(0.8)%
Property related taxes (Note 1)	**(214,336)**	(217,125)	(1.3)%
Other property expenses (Note 2)	**(4,918)**	(4,132)	19.0%
Total property operating expenses	**(586,607)**	(611,593)	(4.1)%
Net property income	**1,444,929**	1,475,262	(2.1)%
Withholding tax	**(42,390)**	(40,633)	4.3%
Depreciation and amortisation	**(139,772)**	(139,876)	(0.1)%
Manager's fees	**(167,929)**	(170,273)	(1.4)%
Trustee fees	**(12,551)**	(12,734)	(1.4)%
Other trust expenses (Note 3)	**(27,636)**	(5,014)	451.2%
Total non-property expenses	**(390,278)**	(368,530)	5.9%
Profit before finance income, finance expenses and tax	**1,054,651**	1,106,732	(4.7)%
Finance income	**28,080**	36,180	(22.4)%
Finance expenses	**(999,983)**	(1,068,321)	(6.4)%

	2024	2023	(Decrease)/ Increase
	RMB'000	RMB'000	%
Profit before tax	**82,748**	74,591	10.9%
Income tax expense	**(153,996)**	(251,452)	(38.8)%
Loss after income tax before fair value (loss)/gain on investment properties, fair value gain on derivative financial instruments, impairment of goodwill and the gain on construction payable adjustment	**(71,248)**	(176,861)	(59.7)%
Fair value (loss)/gain on investment properties	**(321,859)**	27,579	(1,267.0)%
Fair value gain on derivative financial instruments	**26,747**	145,327	(81.6)%
Impairment loss on goodwill	**(20,867)**	—	N/A
Gain on construction payable adjustment	**50,638**	—	N/A
Net loss after income tax before transactions with Unitholders	**(336,589)**	(3,955)	8,410.5%

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, value added tax, Manager's fee adjustment in 2023 and miscellaneous expenses.

Gross income and net property income during the Reporting Year were approximately RMB2,031,536,000 (2023: RMB2,086,855,000) and RMB1,444,929,000 (2023: RMB1,475,262,000) respectively, which represented a decrease of approximately 2.7% and 2.1% respectively while comparing with 2023.

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

	Chinese Mainland RMB'000	Hong Kong RMB'000	**2024 RMB'000**	2023 RMB'000
Office	1,147,222	3,200	**1,150,422**	1,204,633
Wholesales	206,203	—	**206,203**	183,918
Retail	167,088	—	**167,088**	162,670
Hotel and serviced apartment	507,823	—	**507,823**	535,634
Total	2,028,336	3,200	**2,031,536**	2,086,855

Net property income amounted to approximately RMB1,444,929,000 (2023: RMB1,475,262,000) representing approximately 71.1% (2023: 70.7%) of total gross income, after deduction of hotel and serviced apartments direct expenses, property related taxes, leasing agent fees and other property expenses. Net property income analysis is listed in the following table:

	Chinese Mainland RMB'000	Hong Kong RMB'000	**2024 RMB'000**	2023 RMB'000
Office	958,891	3,100	**961,991**	1,011,167
Wholesales	175,239	—	**175,239**	154,327
Retail	139,902	—	**139,902**	137,057
Hotel and serviced apartment	167,797	—	**167,797**	172,711
Total	1,441,829	3,100	**1,444,929**	1,475,262

Hotel and serviced apartments direct expenses were approximately RMB320,248,000 (including depreciation expense of approximately RMB11,902,000 incurred in connection with right-of-use assets and interest expense of approximately RMB730,000 incurred in connection with lease liabilities), a decrease of 6.6% as compared with 2023. It was mainly due to a decrease in the average room rate of hotels in 2024.

Leasing agents' fee decreased by approximately 0.8% as compared with 2023. It was mainly due to a decrease in gross income.

Property related taxes decreased by approximately 1.3% as compared with 2023. It was mainly due to a decrease in gross income.

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 increased by approximately 451.2%. It was mainly due to the foreign exchange loss from operation. Excluding this foreign exchange loss from operation of approximately RMB12,662,000 (2023: foreign exchange gain from operation of approximately RMB23,402,000) and reversal of other expenses, other trust expenses incurred for the Reporting Year amounted to approximately RMB30,060,000 (2023: RMB28,416,000).

The Manager's fees decreased by approximately 1.4%.

The Trustee's fees decreased by approximately 1.4%.

The finance income received for the Reporting Year amounted to approximately RMB28,080,000 (2023: RMB36,180,000).

During the Reporting Year, the depreciation of Renminbi against Hong Kong Dollar and United States Dollar resulted in an exchange loss of approximately RMB74,368,000 (2023: RMB143,659,000). Excluding the exchange loss, the finance expenses incurred for the Reporting Year amounted to approximately RMB925,615,000 (2023: the finance expenses were approximately RMB924,662,000). The average one-month Hong Kong Interbank Offered Rate ("HIBOR") for 2024 was higher than that of 2023 by approximately 11 basis points and led to an increase in interest cost on the floating portion of debt.

Loss after tax before transactions with Unitholders amounted to approximately RMB336,589,000 (2023: loss after income tax before transactions with Unitholders of RMB3,955,000), which represented a decrease of 8,410.5%, mainly due to a fair value loss on investment properties.

Net Asset Value

The net assets attributable to Unitholders per Unit as at 31 December 2024 was approximately RMB2.91 (2023: RMB3.18), which represented a decrease of approximately 8.5%.

Deferred Units

According to the offering circular in relation to the acquisition of GZIFC dated 30 June 2012, commencing from 31 December 2016, 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.

As stated 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 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, the balance of the Assignment consideration will be settled by the issuance of 329,808,584 Deferred Units (the "Further Deferred Units") in aggregate at HK$3.861652 per Unit. Given the number of 2024 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 2027 by the issuance of Further Deferred Units.

On 31 December 2024, Yuexiu REIT issued 20,000,000 Units (being the "2024 Deferred Units") at a price of HK$3.861652 per Unit to a wholly-owned subsidiary of YXP in partial satisfaction of the outstanding consideration from the Yuexiu REIT's investment in Guangzhou International Finance Centre in 2012.

New Units Issued and Unit Activity

In respect of the partial settlement of the Manager's Fee during the relevant periods, Yuexiu REIT issued 80,000,000 and 75,000,000 new units at HK$1.05 and HK$0.96 per Unit on 24 March 2024 and 2 September 2024, respectively. On 31 December 2024, referring to the terms disclosed in the Circular dated 30 June 2012 and the Circular dated 13 November 2021, Yuexiu REIT issued 20,000,000 Units at a price of HK$3.861652 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.

Waiver of Manager's Fee in 2024

For the period, the Manager has decided to waive the Manager's fees of RMB40,000,000 to mitigate the impact of the economic downturn on the performance of Yuexiu REIT, demonstrating its utmost commitment to protecting the interests of the Unitholders. The amount of such waiver of Manager's Fee will be reflected in the financial statements for 2025 (2023: waiver of Manager's fees of RMB7,354,000 has been reflected in the financial statements for 2024).

Deferred Manager Fee Units

Referring to an announcement on 24 March 2024, RMB3,275,674 (which is equivalent to approximately HK$3,610,473) has been deferred and settled by issuing another tranche of new Units at the applicable Market Price at such later date which the REIT Manager considers is in the interests of the independent Unitholders provided the Trustee has no objection to such issuance.

Referring to an announcement on 2 September 2024, RMB19,393,162 (which is equivalent to approximately HK$21,238,815) has been deferred and settled by issuing another tranche of new Units at the applicable Market Price at such later date which the REIT Manager considers is in the interests of the independent Unitholders provided the Trustee has no objection to such issuance.

As at 31 December 2024, a total of 5,090,738,171 units were issued by Yuexiu REIT.

The Unit price of Yuexiu REIT reached a high of HK$1.26 and a low of HK$0.80 during the Reporting Year. The average trading volume amounted to approximately 2,866,000 Units per day during the Reporting Year (2023: approximately 4,000,000 Units).

The closing price of the Units as at 31 December 2024 was HK$0.96, representing a discount of approximately 68.2% as compared to the net assets (including net assets attributable to deferred Unitholders) attributable to Unitholders per Unit as at 31 December 2024.

CAPITAL AND FINANCIAL STRUCTURE

The Group's borrowings are as follows:

	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000
Bank borrowings and notes		
Denominated in RMB	**12,330,465**	7,954,404
Denominated in HK$	**5,373,870**	9,473,012
Denominated in USD	**2,875,621**	2,827,140
Total bank borrowings and notes	**20,579,956**	20,254,556
Maturity analysis		
Within one year	**4,607,000**	5,844,681
Two to five years	**15,972,956**	14,409,875
Beyond five years	**—**	—
The effective interest rate (per annum) of the bank borrowings and notes at the balance sheet date		
RMB	**3.63%**	3.49%
HK$	**6.17%**	6.39%
USD	**2.72%**	2.72%

The overall interest rate per annum of the bank borrowings and notes at the balance sheet date was 4.16% (2023: 4.74%). The average effective interest rate was approximately 4.53% (2023: 4.60%) for the year.

In 2024, the Manager adopted a series of liquidity management measures. It managed the annual interest rate at a reasonable level and was alert for the foreign exchange risk.

On 5 February 2024, Yuexiu REIT, through its offshore project company, entered into a facility agreement with a bank in connection with a three-year unsecured and fixed rate short-term revolving loan facility of RMB530,000,000. It was drawn down on 7 February 2024 for repayment of offshore bank loans.

On 6 May 2024, Yuexiu REIT, through its offshore project company, entered into a facility agreement with an onshore bank in connection with a three-year unsecured and floating rate term loan facility of HK$1,120,000,000. It was drawn down on 7 May 2024 for repayment of offshore bonds.

On 11 December 2024, Yuexiu REIT, through its offshore project company, entered into a facility agreement with an onshore bank in connection with a three-year unsecured and floating rate term loan facility of RMB2,800,000,000. It was drawn down on 13 December 2024 for repayment of offshore bank loans.

On 19 December 2024, Yuexiu REIT, through its offshore project company, entered into a green club loan facility agreement with certain banks in connection with a three-year unsecured term loan facility provided in the combination of HK$ and RMB in an amount equivalent to HK$1,805,000,000. It was drawn down on 23 December 2024 for repayment of offshore bank loans.

As at 31 December 2024, total borrowings of Yuexiu REIT amounted to approximately RMB20,579,956,000 (calculation of total borrowings based on bank loan and other borrowings, excluding capitalization of debt-related expenses), representing approximately 47.5% (2023: 46.2%) 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 2024, total liabilities of Yuexiu REIT (excluding net assets attributable to Unitholders) amounted to approximately RMB27,266,607,000, representing approximately 63.0% (2023: 61.6%) of total assets of Yuexiu REIT.

CASH POSITION

Cash and cash equivalents and short-term deposit balance of Yuexiu REIT as at 31 December 2024 amounted to approximately RMB1,446,154,000. 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 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.

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 profit or loss and other comprehensive income. Consequently, Yuexiu REIT has, for accounting purposes, recognised distributions as finance costs in its consolidated statement of profit or loss and other comprehensive income.

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

SUMMARY OF ALL REAL ESTATE SALES AND PURCHASES

Yuexiu REIT or any of its subsidiaries did not enter into any real estate sale and purchase during the Reporting Year.

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 IFC Business Management Co., Ltd. ("GZ IFC Management") 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 GZ IFC Management in the amounts of RMB24,347,000, RMB6,170,000 and RMB16,588,000 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 2024, Yuexiu REIT employed 597 and 129 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 reviewed by the Disclosures Committee and the Audit Committee of the Manager. The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Group's auditors, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

CORPORATE GOVERNANCE

Article C.2.1 of the Corporate Governance Code 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 also the Chairman and Chief Executive Officer of the Manager. This structure is considered of more efficiency in business planning and decision-making for Yuexiu REIT. The Board also does 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 Company's management.

Except for the abovementioned, the Manager has adopted an overall corporate governance framework of the Code of Best Practice that is designed to promote the operation of Yuexiu REIT in a transparent manner with built-in checks and balances which are critical to the performance of the Manager and consequently, the success of Yuexiu REIT which it manages.

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

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

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 2025.

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.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2024

	Notes	**Year ended 31 December**	
		2024	2023
		RMB'000	RMB'000
Revenue	4	**2,031,536**	2,086,855
Operating expenses, net	5	**(946,384)**	(978,938)
Fair value (losses)/gains on investment properties	14	**(321,859)**	27,579
Net gains on derivative financial instruments	17	**26,747**	145,327
Finance income	8	**28,080**	36,180
Finance expenses	9	**(1,000,713)**	(1,069,506)
(Loss)/profit before income tax and transactions with unitholders		**(182,593)**	247,497
Income tax expense	10	**(153,996)**	(251,452)
Loss after income tax before transactions with unitholders		**(336,589)**	(3,955)
Transactions with unitholders	25	**611,600**	187,476
Profit after income tax after transactions with unitholders		**275,011**	183,521
Other comprehensive loss for the year:			
Items that will not be reclassified to profit or loss			
Change in fair value of property, plant and equipment			
– Gross	12	**(82,129)**	18,258
– Tax		**23,002**	(5,114)
		(59,127)	13,144
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**(232,512)**	(205,109)
Other comprehensive loss for the year, net of tax		**(291,639)**	(191,965)
Total comprehensive loss for the year		**(16,628)**	(8,444)

	Attributable to				
	Unitholders before transactions with unitholders RMB'000	Transactions with unitholders (note 25) RMB'000	Unitholders after transactions with unitholders RMB'000	Non-controlling interests RMB'000	Total RMB'000
Profit/(loss) for the year ended 31 December 2023	4,625	187,476	192,101	(8,580)	183,521
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Change in fair value of property, plant and equipment, net of tax	13,008	—	13,008	136	13,144
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	(205,109)	—	(205,109)	—	(205,109)
Total comprehensive loss for the year ended 31 December 2023	(187,476)	187,476	—	(8,444)	(8,444)
(Loss)/profit for the year ended 31 December 2024	**(320,577)**	**611,600**	**291,023**	**(16,012)**	**275,011**
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Change in fair value of property, plant and equipment, net of tax	**(58,511)**	**—**	**(58,511)**	**(616)**	**(59,127)**
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	**(232,512)**	**—**	**(232,512)**	**—**	**(232,512)**
Total comprehensive loss for the year ended 31 December 2024	**(611,600)**	**611,600**	**—**	**(16,628)**	**(16,628)**

Notes:

(i) In accordance with the trust deed dated 7 December 2005, as amended by the first supplemental deed on 25 March 2008, the second supplemental deed on 23 July 2010, the third supplemental deed on 25 July 2012, the fourth supplemental deed on 3 April 2020 and the fifth supplemental deed on 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 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 recognised in the consolidated statement of profit or loss and other 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 statement of financial position and how distributions are disclosed in the consolidated statement of profit or loss and other comprehensive income. Total distributable income is determined in the consolidated distribution statement.

(ii) (Loss)/earnings per unit, based upon (loss)/profit after income tax before transactions with unitholders attributable to unitholders and the average number of units in issue, are presented in Note 11.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2024

	Notes	As at 31 December 2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment	12	**1,974,360**	2,131,642
Right-of-use assets	13	**1,095,174**	1,156,361
Investment properties	14	**37,494,008**	37,771,146
Deferred assets, prepayments, deposits and other receivables	15	**185,465**	203,236
Goodwill	16	**839,001**	859,868
		41,588,008	42,122,253
Current assets			
Inventories	19	**2,860**	3,077
Trade and lease receivables	18	**18,775**	22,229
Amounts due from related parties		**156,247**	58,450
Deferred assets, prepayments, deposits and other receivables	15	**61,333**	88,967
Derivative financial instruments	17	**—**	12,015
Tax recoverable		**11,541**	11,363
Bank deposits	20	**50,000**	110,000
Cash and cash equivalents	20	**1,396,154**	1,417,727
		1,696,910	1,723,828
Total assets		**43,284,918**	43,846,081

	Notes	As at 31 December 2024 RMB'000	2023 RMB'000
Equity			
Reserves		**(618,381)**	(327,358)
Retained earnings		**618,381**	327,358
		—	—
Non-controlling interests		**1,188,933**	1,206,832
Total equity		**1,188,933**	1,206,832
Current liabilities			
Trade payables	22	**16,517**	14,263
Rental deposits, current portion	23	**218,685**	216,442
Receipts in advance	23	**102,138**	111,392
Accruals and other payables	23	**442,628**	489,511
Amounts due to related parties		**122,850**	123,829
Borrowings	24	**4,607,000**	5,844,681
Lease liabilities	13	**11,826**	11,965
Tax payable		**85,572**	58,741
		5,607,216	6,870,824
Non-current liabilities, other than net assets attributable to unitholders			
Rental deposits, non-current portion	23	**163,143**	192,097
Borrowings	24	**15,972,956**	14,409,875
Deferred tax liabilities	21	**5,523,292**	5,521,648
Lease liabilities	13	**—**	11,826
		21,659,391	20,135,446

		As at 31 December	
	Notes	**2024**	2023
		RMB’000	RMB’000
Total liabilities, other than net assets attributable to unitholders		**27,266,607**	27,006,270
Net assets attributable to unitholders	25	**14,829,378**	15,632,979
Total equity and liabilities		**43,284,918**	43,846,081
Net current liabilities		**(3,910,306)**	(5,146,996)
Units in issue (’000)	25	**5,090,738**	4,915,738
Net assets attributable to unitholders per unit (RMB)		**RMB 2.91**	RMB 3.18

CONSOLIDATED DISTRIBUTION STATEMENT

YEAR ENDED 31 DECEMBER 2024

	Notes	Year ended 31 December 2024 RMB'000	2023 RMB'000
(Loss) /profit after income tax before transactions with unitholders attributable to unitholders		**(320,577)**	4,625
Adjustments for the total distributable income (i)			
– Fair value losses/(gains) on investment properties		**277,359**	(66,879)
– Deferred taxation in respect of fair value changes on investment properties charged to profit or loss		**(72,712)**	41,773
– Different depreciation and amortisation charge on investment properties, property, plant and equipment and land use rights under China Accounting Standards ("CAS")		**(393,418)**	(392,673)
– Net gains on derivative financial instruments	17	**(26,747)**	(145,327)
– Gain on construction fee settlement, net of tax		**(23,156)**	—
– Impairment loss on goodwill		**20,867**	—
– Manager's fee adjustment		**(7,354)**	—
		(545,738)	(558,481)

	Notes	Year ended 31 December 2024 RMB'000	2023 RMB'000
Additional items (ii)			
– Different depreciation and amortisation charge on investment properties, property, plant and equipment and land use rights under CAS		**393,418**	392,673
– Depreciation and amortisation of property, plant and equipment and land use rights under HKFRSs		**138,360**	138,464
– Deferred taxation in respect of the depreciation and amortisation of investment properties, property, plant and equipment and land use rights		**100,779**	101,357
– Manager's fee paid and payable in units in lieu of cash		**167,929**	170,273
– Foreign exchange losses on financing activities	9	**74,368**	143,659
– Discretionary distribution		**—**	21,897
Distributable income after additional items		**329,116**	409,842
Distributable amount at 1 January		**148,750**	190,680
Distributions paid during the year (iii)	25	**(333,955)**	(451,772)
Distributable amount at 31 December (iv)		**143,911**	148,750
Final distribution declared		**129,520**	148,750
Payout ratio (v)		**90%**	100%
Distribution per unit, declared (vi)		**RMB0.0254**	RMB0.0303

Notes:

(i) Under the terms of the Trust Deed, the total distributable income is the consolidated profit/(loss) 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 profit or loss and other comprehensive income for the relevant year.

(ii) Pursuant to the circular dated 30 June 2012, 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 2023 to 31 December 2023 of RMB0.0298 (equivalent to HK$0.0328) per unit and an interim distribution for the period from 1 January 2024 to 30 June 2024 of RMB0.0365 (equivalent to HK$0.0398) per unit, totalling RMB333,955,000 (2023: RMB451,772,000), were paid to unitholders on 24 May 2024 and 25 October 2024, respectively.

(iv) Pursuant to the Trust Deed, Yuexiu Real Estate Investment Trust ("Yuexiu REIT") is required to distribute to Unitholders no less than 90% of its distributable income for each financial year.

(v) The Manager has decided to distribute 90% (2023: 100%) of its distributable income as the final distribution.

(vi) A final distribution for the period from 1 July 2024 to 31 December 2024 of RMB0.0254 (equivalent to HK$0.0275) per unit, totalling RMB129,520,000 (equivalent to HK$140,307,000), was declared by the Board of the Manager on 17 March 2025.

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

YEAR ENDED 31 DECEMBER 2024

		Equity			
	Net assets attributable to unitholders RMB'000	Retained earnings RMB'000	Reserves RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2023	16,104,395	135,257	(135,257)	1,217,242	17,321,637
Issuance of units (Note 25)	167,832	—	—	—	167,832
(Loss)/profit for the year ended 31 December 2023 attributable to:					
– Unitholders	(187,476)	—	—	—	(187,476)
– Equity holders	—	192,101	—	(8,580)	183,521
Distributions paid to					
– Unitholders	(451,772)	—	—	—	(451,772)
– Equity holders	—	—	—	(1,966)	(1,966)
Change in fair value of property, plant and equipment, net of tax	—	—	13,008	136	13,144
Exchange differences on translation of foreign operations	—	—	(205,109)	—	(205,109)
At 31 December 2023	15,632,979	327,358	(327,358)	1,206,832	16,839,811
At 1 January 2024	**15,632,979**	**327,358**	**(327,358)**	**1,206,832**	**16,839,811**
Issuance of units (Note 25)	**141,954**	**—**	**—**	**—**	**141,954**
(Loss)/profit for the year ended 31 December 2024 attributable to:					
– Unitholders	**(611,600)**	**—**	**—**	**—**	**(611,600)**
– Equity holders	**—**	**291,023**	**—**	**(16,012)**	**275,011**
Distributions paid to					
– Unitholders	**(333,955)**	**—**	**—**	**—**	**(333,955)**
– Equity holders	**—**	**—**	**—**	**(1,271)**	**(1,271)**
Change in fair value of property, plant and equipment, net of tax	**—**	**—**	**(58,511)**	**(616)**	**(59,127)**
Exchange differences on translation of foreign operations	**—**	**—**	**(232,512)**	**—**	**(232,512)**
At 31 December 2024	**14,829,378**	**618,381**	**(618,381)**	**1,188,933**	**16,018,311**

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2024

	Note	**Year ended 31 December**	
		2024	2023
		RMB'000	RMB'000
Cash flows from operating activities			
Cash generated from operations		**1,246,153**	1,452,090
Interest paid		**(886,701)**	(854,716)
Income tax paid		**(140,807)**	(146,263)
Net cash generated from operating activities		**218,645**	451,111
Cash flows from investing activities			
Additions of investment properties		**(47,160)**	(45,726)
Additions of property, plant and equipment		**(15,739)**	(22,302)
Disposal of property, plant and equipment		**451**	41
Interest received		**24,618**	36,180
Increase in bank deposits		**(50,000)**	(90,000)
Redemption on maturity of bank deposits		**110,000**	30,000
Net cash from/(used in) investing activities		**22,170**	(91,807)
Cash flows from financing activities			
Distributions paid		**(335,226)**	(453,738)
Proceeds from borrowings, net of transaction costs		**5,969,453**	6,776,240
Repayment of borrowings		**(5,933,129)**	(6,797,528)
Settlement of derivative financial instruments		**40,889**	210,258
Principal elements of lease payments		**(11,965)**	(12,207)
Net cash used in financing activities		**(269,978)**	(276,975)
Net (decrease)/increase in cash and cash equivalents		**(29,163)**	82,329
Cash and cash equivalents at beginning of the year		**1,417,727**	1,333,773
Effects of exchange rate changes on cash and cash equivalents		**7,590**	1,625
Cash and cash equivalents at end of the year	20	**1,396,154**	1,417,727

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 the People's Republic of China (the "PRC").

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 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) and authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) subject to the applicable conditions imposed by Securities and Futures Commission of Hong Kong from time to time. The address of its registered office is 17B, Yue Xiu Building, 160-174 Lockhart Road, Wanchai, Hong Kong.

Yuexiu REIT was listed on The Stock Exchange of Hong Kong Limited on 21 December 2005.

2. Accounting policies

2.1 Basis of preparation

These consolidated financial statements of Yuexiu REIT have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, these consolidated financial statements have been prepared in accordance with 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, except for the investment properties, hotel, serviced apartments and derivative financial instruments which are carried at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of consolidated financial statements in conformity with HKFRSs 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 3.

As at 31 December 2024, the Group's current liabilities exceeded its current assets by RMB3,910 million (31 December 2023: RMB5,147 million) due to the borrowings of RMB4,607 million which will fall due within twelve months from the balance sheet date (31 December 2023: borrowings of RMB5,845 million which fell due within twelve months from the balance sheet date). Taking into account the financial resources available, including further limit available under the Guaranteed Medium Term Note Programme of Yuexiu REIT MTN Company Limited ("MTN Programme"), and the available debts and notes limit, 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 directors consider it is appropriate in preparing the consolidated financial statements on a going concern basis.

2.2 Changes in accounting policies and disclosures

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current*
Amendments to HKAS 1	*Non-current Liabilities with Covenants*
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

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

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025

2 Effective for annual periods beginning on or after 1 January 2026

3 Effective for annual/reporting periods beginning on or after 1 January 2027

4 No mandatory effective date yet determined but available for adoption

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

Except for HKFRS 18, the directors of the Manager anticipate that the adoption of these revised standards would not result in any significant impact on the results and financial position of the Group.

2.4 Material accounting policies

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by Yuexiu REIT. 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.

Generally, there is a presumption that a majority of voting rights results in control. When Yuexiu REIT has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) the contractual arrangement with the other vote holders of the investee;

(ii) rights arising from other contractual arrangements; and

(iii) the Group's voting rights and potential voting rights.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

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

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 in exchange for control of the acquiree. 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 remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

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.

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 make strategic decisions.

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

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Property, plant and equipment and depreciation

(i) Hotel and serviced apartments comprise mainly buildings, leasehold improvements and fixtures and furniture of hotel and serviced apartments, and are 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 reliably.

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:

The building portion of hotel and serviced apartments is 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 "operating expenses, net" in the consolidated statement of profit or loss and other comprehensive income.

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. Pieces of land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met.

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. The carrying value of the investment property is reviewed every six months and is independently valued by external valuer at least annually. 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. Any gain or loss arising on disposal of the investment property (calculated as the difference between the disposal proceeds and the carrying amount, including revaluation of the asset) is recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which the investment property is disposed of. Changes in fair values are recorded in the profit or loss.

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.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. 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.

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.

Offsetting of 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.

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.

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 the 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.

Debt instruments are subsequently measured depending 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 a separate line item in the consolidated statement of profit or loss and other comprehensive income.

- 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 consolidated statement of profit or loss and other comprehensive income.

- 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 arises.

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.

(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. Cash and cash equivalents are also subject to the impairment requirements of HKFRS 9.

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 payments 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.

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 the 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 the consolidated statement of profit or loss and other 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 an 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.

Rental deposits

Rental deposits are financial liabilities with fixed or determinable repayments. They arise when the Group enters into lease agreements 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.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

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.

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 an interest expense.

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 profit or loss and other 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 prepayment 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.

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.

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 the PRC 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.

(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.

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.

(ii) Hotel and serviced apartment income

Hotel and serviced apartment income is 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.

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. Yuexiu REIT has a limited life of 80 years from the date of establishment. 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 to unitholders are therefore presented as "transactions with unitholders" in the profit or loss.

Employee benefits

(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 or contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses 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.

(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. 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 their 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.

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 12 and 14 respectively.

(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 2.4. The assessment of recoverable amount calculations requires the use of estimates.

(c) Estimates of fair values of derivative financial instruments

Fair values are arrived at using valuations provided by the counterparty banks/valuer for each reporting period with reference to market data. Actual results may differ when assumptions and market conditions changes.

4. 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 resource allocation.

The executive directors consider the business by nature of business activities and assess the performance of hotel and serviced 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 is 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 profit or loss and other comprehensive income.

	Hotel and serviced apartments RMB'000	**Office RMB'000**	**Wholesale and shopping mall RMB'000**	**Total RMB'000**
Year ended 31 December 2024				
Revenue from external customers	**507,823**	**1,150,422**	**373,291**	**2,031,536**
Segment results	**28,756**	**609,223**	**346,051**	**984,030**
Depreciation	**139,772**	**—**	**—**	**139,772**
Fair value (losses)/gains on investment properties	**—**	**(352,769)**	**30,910**	**(321,859)**

	Hotel and serviced apartments RMB'000	Office RMB'000	Wholesale and shopping mall RMB'000	Total RMB'000
Year ended 31 December 2023				
Revenue from external customers	535,634	1,204,633	346,588	2,086,855
Segment results	34,020	1,057,083	273,048	1,364,151
Depreciation	139,877	—	—	139,877
Fair value gains/(losses) on investment properties	—	45,916	(18,337)	27,579

	Hotel and serviced apartments RMB'000	Office RMB'000	Wholesale and shopping mall RMB'000	Total RMB'000
As at 31 December 2024				
Total reportable segment assets	**3,425,824**	**29,352,439**	**9,415,435**	**42,193,698**
As at 31 December 2023				
Total reportable segment assets	3,642,780	30,036,284	9,280,305	42,959,369

A reconciliation of total segment results to (loss)/profit before income tax and transactions with unitholders is provided as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Segment results	**984,030**	1,364,151
Net gains on derivative financial instruments	**26,747**	145,327
Finance income	**28,080**	36,180
Finance expenses	**(1,000,713)**	(1,069,506)
Unallocated operating costs (Note)	**(220,737)**	(228,655)
(Loss)/profit before income tax and transactions with unitholders	**(182,593)**	247,497

Note: Unallocated operating costs include mainly the manager's fee, legal and professional expenses and other operating expenses.

A reconciliation of reportable segment assets to total assets is provided as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Total reportable segment assets	**42,193,698**	42,959,369
Unallocated assets	**1,091,220**	886,712
Total assets	**43,284,918**	43,846,081

Note: Unallocated assets include mainly cash and cash equivalents of the holding company and goodwill.

The Group's revenue by nature is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Hotel and serviced apartment operations		
Room	**335,486**	319,532
Food and beverages	**145,064**	117,330
Others	**27,273**	98,772
Property rentals	**1,523,713**	1,551,221
	2,031,536	2,086,855

The following is an analysis of the Group's revenue by timing of satisfaction of performance obligations:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Revenue recognised at a point in time	**160,426**	213,221
Revenue recognised over time	**346,670**	319,794
Other sources	**1,524,440**	1,553,840
	2,031,536	2,086,855

5. Expenses by nature, net

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Property management fees (i)	**47,105**	47,469
Employee benefit expenses (Note 6)	**113,511**	116,149
Real estate tax	**202,423**	203,286
Flood prevention fee, urban construction and maintenance tax, education surcharge and local education surcharge	**8,373**	10,623
Withholding tax (ii)	**42,390**	40,633
Depreciation of property, plant and equipment (Note 12)	**90,487**	90,592
Depreciation of staff quarters (Note 13)	**11,902**	10,102
Depreciation of land use rights (Note 13)	**49,285**	49,285
Cost of inventories sold or consumed in operation	**94,604**	114,007
Other direct expenses on hotel and serviced apartments	**99,500**	101,424
Manager's fee (Note 7)	**167,929**	170,273
Trustee's fee	**12,551**	12,734
Valuation fees	**995**	1,162
Legal and professional fee	**7,930**	4,063
Auditor's remuneration	**2,400**	2,400
Bank charges	**592**	442
Foreign exchange losses/(gains) arising from operating activities	**12,662**	(23,402)
Impairment of goodwill	**20,867**	—
Write back of construction payable	**(50,638)**	—
Manager's fee adjustment	**(7,354)**	—
Others	**18,870**	27,696
Total operating expenses, net	**946,384**	978,938

Notes:

(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 IFC Business Management Co., Ltd. ("GZ IFC Management") (formerly named as Guangzhou Yuexiu Asset Management Company Limited ("GZ AM")).

(ii) Withholding tax on the rental income and interest income derived from properties located in Chinese Mainland and held by BVI companies is calculated at a rate of 10%.

6. Employee benefit expenses

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Wages, salaries and bonus	**73,875**	75,904
Pension costs	**9,342**	8,518
Social security costs and staff welfare	**30,294**	31,727
	113,511	116,149

Pension scheme arrangements

Certain subsidiaries of Yuexiu REIT in Chinese Mainland are required to participate in defined contribution retirement plans organised by the respective Provincial or Municipal Governments. 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.

7. Manager's fee

Pursuant to the Trust Deed, the Manager is entitled to receive remuneration for its services as the 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 an external party and a transaction fee of 0.5% of the gross sale price of the disposal of any part of a deposited property comprising Real Estate, as defined in the Trust Deed.

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Manager's fee:		
In the form of units	**167,929**	170,273

Pursuant to the announcement dated 15 January 2024, all of the manager's fee for the year ended 31 December 2024, will be paid in the form of units.

8. Finance income

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Interest income from bank deposits	**24,618**	32,727
Interest income from a related company	**3,462**	3,453
	28,080	36,180

9. Finance expenses

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Interest expense for bank borrowings	**753,512**	743,441
Interest expense for other borrowings	**152,763**	159,324
Interest and finance charges paid/payable for lease liabilities (Note 13)	**730**	1,185
Amortisation of transaction costs for borrowings	**19,340**	21,897
Foreign exchange losses on financing activities	**74,368**	143,659
	1,000,713	1,069,506

10. Income tax expense

For the subsidiaries incorporated and operated in Chinese Mainland, they are subject to corporate income tax at a rate of 25% under the 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 5 (ii).

No Hong Kong profits tax has been provided as the Group has no assessable profits in Hong Kong.

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Current income tax		
– corporate income tax	**93,303**	72,225
– withholding tax	**36,047**	43,664
Deferred income tax (Note 21)	**24,646**	135,563
	153,996	251,452

The tax on the Group's (loss)/profit before income tax and transactions with unitholders differs from the theoretical amount that would arise using the corporate income tax rate of Chinese Mainland as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
(Loss)/profit before income tax and transactions with unitholders	**(182,593)**	247,497
Tax calculated at the domestic tax rate of 25%	**(45,648)**	61,874
Expenses not deductible for tax purposes	**1,053**	1,221
Under provision in prior years	**4,958**	2,027
Withholding tax on unremitted earnings of subsidiaries (Note a)	**35,580**	63,928
Utilisation of previously unrecognised tax losses	**—**	(831)
Tax losses for which no deferred income tax asset was recognised	**195,158**	176,412
Effect of different tax rates	**30,427**	23,978
Other tax deduction	**(67,532)**	(77,157)
	153,996	251,452

Note a:

According to the China CIT Law, a withholding tax of 10% or 5% will be levied on the immediate holding companies outside Chinese Mainland when their Chinese Mainland subsidiaries pay dividends out of profits earned after 1 January 2008.

11. (Loss)/earnings per unit based upon (loss)/profit after income tax before transactions with unitholders attributable to unitholders

(a) Basic

Basic (loss)/earnings per unit based upon (loss)/profit after income tax before transactions with unitholders attributable to unitholders is calculated by dividing the (loss)/profit after income tax before transactions with unitholders attributable to unitholders by the weighted average number of units in issue during the year.

	Year ended 31 December	
	2024	2023
(Loss)/profit after income tax before transactions with unitholders attributable to unitholders (RMB'000)	**(320,577)**	4,625
Weighted average number of units in issue ('000)	**5,002,642**	4,842,400
Basic (loss)/earnings per unit (RMB)	**(0.064)**	0.001

(b) Diluted

Diluted (loss)/earnings per unit based upon (loss)/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 25) outstanding and the manager's fee in form of units during the year which are dilutive potential units. The deferred units outstanding and manager's fee in form of units during the year ended 31 December 2024 are not included in the calculation of diluted loss per unit because they are antidilutive for the year ended 31 December 2024.

	Year ended 31 December	
	2024	2023
(Loss)/profit after income tax before transactions with unitholders attributable to unitholders (RMB'000)	**(320,577)**	4,625
Weighted average number of units in issue ('000)	**5,002,642**	4,842,400
Adjustments for deferred units ('000)	**—**	232,809
Adjustments for manager's fee in form of units ('000)	**—**	149,122
Weighted average number of units for diluted (loss)/earnings per unit ('000)	**5,002,642**	5,224,331
Diluted (loss)/earnings per unit (RMB)	**(0.064)**	0.001

12. Property, plant and equipment

	Hotel and serviced apartments RMB'000	Office supplies RMB'000	Motor vehicles RMB'000	Total RMB'000
At 1 January 2023				
Cost	2,421,202	13,083	8,747	2,443,032
Accumulated depreciation	(927,266)	(12,839)	(8,308)	(948,413)
Fair value gains on revaluation	689,064	—	—	689,064
Net book amount	2,183,000	244	439	2,183,683
Year ended 31 December 2023				
Opening net book amount	2,183,000	244	439	2,183,683
Additions	20,340	—	—	20,340
Disposal	(6)	—	(41)	(47)
Depreciation (Note 5)	(90,592)	—	—	(90,592)
Fair value gains on revaluation	18,258	—	—	18,258
Closing net book amount	2,131,000	244	398	2,131,642
At 31 December 2023				
Cost	2,441,406	13,083	7,922	2,462,411
Accumulated depreciation	(1,017,728)	(12,839)	(7,524)	(1,038,091)
Fair value gains on revaluation	707,322	—	—	707,322
Net book amount	2,131,000	244	398	2,131,642

	Hotel and serviced apartments RMB'000	Office supplies RMB'000	Motor vehicles RMB'000	Total RMB'000
Year ended 31 December 2024				
Opening net book amount	**2,131,000**	**244**	**398**	**2,131,642**
Additions	**15,739**	**—**	**—**	**15,739**
Disposal	**(123)**	**—**	**(282)**	**(405)**
Depreciation (Note 5)	**(90,487)**	**—**	**—**	**(90,487)**
Fair value losses on revaluation	**(82,129)**	**—**	**—**	**(82,129)**
Closing net book amount	**1,974,000**	**244**	**116**	**1,974,360**
At 31 December 2024				
Cost	**2,454,691**	**13,083**	**2,287**	**2,470,061**
Accumulated depreciation	**(1,105,884)**	**(12,839)**	**(2,171)**	**(1,120,894)**
Fair value gains on revaluation	**625,193**	**—**	**—**	**625,193**
Net book amount	**1,974,000**	**244**	**116**	**1,974,360**

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 RMB1,187,645,000 (2023: RMB1,308,624,000).

As at 31 December 2024, property, plant and equipment with an aggregate carrying amount of RMB1,758 million (2023: RMB1,897 million) were pledged as collateral for the Group's bank borrowings (Note 24).

Valuation processes of the Group

The Group measures hotel and serviced apartments at fair value. Hotel and serviced apartments were revalued by Savills Valuation and Professional Services Limited ("Savills"), being an independent qualified valuer not related to the Group as at 31 December 2024 (2023: Savills).

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 senior management. Discussions of valuation processes and results are held between 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 valuation movement when compared to the prior year valuation report

- Holds discussions with the independent valuer

Valuation techniques

Fair value measurements using significant unobservable inputs

The fair value of the building portions of hotel and serviced apartments of Guangzhou International Finance Centre ("Guangzhou IFC") is derived using the depreciated replacement cost method.

The depreciated replacement cost method involves estimation of the market redevelopment costs of the building portions of hotel and serviced apartments of Guangzhou IFC which include 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 Chinese Mainland is generally derived using the discounted cash flow analysis. Due to the lack of land transactions in market, the fair value of land, for disclosure purposes only as set out in Note 13, is therefore calculated as the difference between the overall fair value (including land and building portions) under the discounted cash flow analysis and the fair value of building portions under the depreciated replacement cost method.

The building portions of hotel and serviced apartments in property, plant and equipment are included in Level 3 (2023: Level 3) of the fair value hierarchy.

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 costs and professional fee, the higher the fair value will be.

Discount rates are estimated by Savills (2023: Savills) based on the risk profile of hotel and serviced apartments being valued. The higher the rates, the lower the fair value will be. Prevailing market room rents are estimated based on recent lettings for hotel and serviced apartments in Chinese Mainland, within the subject properties and other comparable properties. The lower the rents, the lower the fair value will be.

The adopted valuation assumptions in the depreciated replacement cost method are summarised as follows:

As at 31 December 2024

	Depreciated replacement cost method		
	Building costs (RMB/m²)	**Finance costs (% of construction costs)**	**Professional fee (% of construction costs)**
Hotel	**18,000**	**4.75**	**3**
Serviced apartments	**16,200**	**4.75**	**3**

As at 31 December 2023

	Depreciated replacement cost method		
	Building costs (RMB/m²)	Finance costs (% of construction costs)	Professional fee (% of construction costs)
Hotel	19,000	4.75	3
Serviced apartments	17,100	4.75	3

13. Lease

The consolidated statement of financial position shows the following amounts relating to leases:

	Land use rights RMB'000	Staff quarters RMB'000	Total RMB'000
Right-of-use assets			
At 1 January 2023	1,182,832	32,916	1,215,748
Depreciation (Note 5)	(49,285)	(10,102)	(59,387)
At 31 December 2023	1,133,547	22,814	1,156,361
At 1 January 2024	**1,133,547**	**22,814**	**1,156,361**
Depreciation (Note 5)	**(49,285)**	**(11,902)**	**(61,187)**
At 31 December 2024	**1,084,262**	**10,912**	**1,095,174**

On 22 November 2022, the Group entered into a renewal lease contract with Guangzhou Yuexiu Star Apartment Management Co., Ltd. in respect of the staff quarters used as accommodation for some of the hospitality staff for a further term of three years with effect from 1 December 2022.

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Lease liabilities		
Current portion	**11,826**	11,965
Non-current portion	**—**	11,826
	11,826	23,791

As at 31 December 2024, the fair value of land use rights was approximately RMB2,840 million (2023: RMB2,657 million). The change in fair value is not reflected in the consolidated financial statements.

As at 31 December 2024, right-of-use assets were pledged with an aggregate net book amount of approximately RMB1,002 million (2023: RMB1,050 million) as collateral for the Group's bank borrowings (Note 24).

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Depreciation charge of right-of-use assets (Note 5)		
Land use rights	**49,285**	49,285
Staff quarters	**11,902**	10,102
	61,187	59,387
Interest expense (included in finance expenses) (Note 9)	**730**	1,185

The total cash outflows for leases in 2024 was RMB12,695,000 (2023: RMB12,207,000).

14. Investment properties

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Opening balance	**37,771,146**	37,702,232
Exchange differences	**2,150**	1,619
Capitalised expenditure	**42,571**	39,716
Fair value (losses)/gains during the year, included in profit or loss under "Fair value (losses)/gains on investment properties"	**(321,859)**	27,579
Closing balance	**37,494,008**	37,771,146
Fair value (losses)/gains for the year included in profit or loss for assets held at the end of the year, under "Fair value (losses)/gains on investment properties"	**(321,859)**	27,579

In the consolidated statement of profit or loss and other comprehensive income, direct operating expenses relating to investment properties in 2024 amounted to RMB246,581,000 (2023: RMB291,931,000), among which, RMB31,949,000 (2023: RMB32,036,000) was related to investment properties that were vacant.

As at 31 December 2024, investment properties with an aggregate carrying value of approximately RMB3,720 million (2023: RMB3,753 million) were pledged as collateral for the Group's bank borrowings (Note 24).

Valuation processes of the Group

The Group measures its investment properties at fair value. The investment properties were revalued by Savills, being an independent qualified valuer not related to the Group as at 31 December 2024 (2023: Savills).

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 senior management. Discussions of valuation processes and results are held between 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 valuation movement compared to the prior year valuation report
- Holds discussions with the independent valuer

Valuation techniques

(a) Investment properties in Chinese Mainland

As at 31 December 2024 and 2023, Savills relied on the income capitalisation method as the primary approach and cross-checked by the direct comparison approach. The use of the income capitalisation method is in line with the 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. Appropriate adjustments or deductions for rent-free periods, ongoing vacancy voils, marketing periods and non-recoverable expenses for the vacant space have been considered.

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.

(b) Investment properties in Hong Kong

As at 31 December 2024 and 2023, Savills relied on the direct comparison approach for the valuation of investment properties located in Hong Kong. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The key input under this approach is the price per square foot from current year sales of comparable properties.

The investment properties are included in Level 3 (2023: Level 3) of the fair value hierarchy.

Significant inputs used to determine fair value

(a) Investment properties in Chinese Mainland

Capitalisation rates are estimated by Savills as at 31 December 2024 and 2023 based on the risk profile of the properties being valued. The higher the rates, the lower the fair value will be.

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 will be.

The adopted valuation assumptions in the income capitalisation method are summarised as follows:

As at 31 December 2024

	Fair value (RMB'000)	**Monthly market unit rent (RMB per sq.m.)**	**Capitalisation rate (per annum)**
Office	**26,955,600**	**75 to 274**	**4.50% to 7.00%**
Wholesale and shopping mall	**10,442,000**	**32 to 1,018**	**4.50% to 7.50%**

As at 31 December 2023

	Fair value (RMB'000)	Monthly market unit rent (RMB per sq.m.)	Capitalisation rate (per annum)
Office	27,246,400	78 to 275	4.50% to 7.00%
Wholesale and shopping mall	10,416,000	33 to 1,023	4.50% to 7.50%

(b) Investment properties in Hong Kong

Sales prices are estimated based on recent market transactions. The higher the prices, the higher the fair value will be.

The adopted valuation assumption in the direct comparison approach is as follows:

As at 31 December 2024

	Fair value (RMB'000)	**Unit sales price (HKD per sf.)**
17/F, Hong Kong Yue Xiu Building	**47,228**	**13,281**
23/F, Hong Kong Yue Xiu Building	**49,080**	**13,802**

As at 31 December 2023

	Fair value (RMB'000)	Unit sales price (HKD per sf.)
17/F, Hong Kong Yue Xiu Building	53,467	15,365
23/F, Hong Kong Yue Xiu Building	55,279	15,885

15. 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 and HKD.

16. Goodwill

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Cost	**859,868**	859,868
Accumulated impairment	**(20,867)**	—
Net book amount	**839,001**	859,868

Goodwill is monitored by management. The goodwill is presented below:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
The PRC	**839,001**	859,868

Goodwill of the Group mainly represents the deferred income tax liabilities in relation to the investment properties acquired through business combinations. Each entity held the investment properties is identified as a separate cash-generating unit. The recoverable amount of each cash-generating unit has been determined based on a value in use calculation using cash flow projections based on the forecast covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 7.51% (2023: 7.86%). The growth rate used to extrapolate the cash flows beyond the five-year period is 2% (2023: 3%). Other key assumptions used for goodwill impairment are consistent with those used in the valuation of investment properties.

The results of the tests undertaken as at 31 December 2024 indicated there is an impairment loss for the investment property in Wuhan. A fully impairment of RMB20,867,000 was provided. The impairment was attributable to the overall decline of rental market in Wuhan.

17. Derivative financial instruments

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Foreign exchange contracts	**—**	12,015

The notional principal amounts of the outstanding foreign exchange forward contracts at 31 December 2023 were HK$1,120,000,000 due on 28 May 2024. During the year, the foreign exchange forward contracts have been settled.

The following amounts were recognised in profit or loss in relation to derivatives:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Unrealised fair value changes of derivative financial instruments	**—**	35,277
Net realised gains from derivative financial instruments	**26,747**	110,050
	26,747	145,327

18. Trade and lease receivables

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade and lease receivables	**20,751**	23,523
Loss allowance	**(1,976)**	(1,294)
Trade and lease receivables, net	**18,775**	22,229

Due to the short-term nature of the current receivables, the fair values of trade and lease receivables approximate to their carrying amounts.

The credit terms of the Group are generally within three months. The aging analysis of trade and lease receivables by the invoice date is as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
0 - 30 days	**13,363**	16,902
31 - 90 days	**4,590**	4,339
91 - 180 days	**815**	572
181 - 365 days	**1,700**	257
Over 1 year	**283**	1,453
	20,751	23,523

The Group applies the HKFRS 9 simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group's trade and lease receivables are mainly denominated in RMB.

19. Inventories

The balance of inventories mainly consists of food, beverage, consumables and operating supplies.

20. Bank deposits and cash and cash equivalents

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Cash at banks and on hand	**1,294,763**	1,233,148
Bank deposits with original maturity of less than three months	**101,391**	184,579
Cash and cash equivalents	**1,396,154**	1,417,727
Bank deposits with original maturity of more than three months and less than twelve months	**50,000**	90,000
Bank deposits with original maturity of more than twelve months	**—**	20,000
Total	**1,446,154**	1,527,727
Maximum exposure to credit risk	**1,445,804**	1,527,377

As at 31 December 2024, included in the bank deposits and cash and cash equivalents of the Group are bank deposits of approximately RMB1,104,452,000 (2023: RMB1,289,621,000) denominated in RMB, which is not a freely convertible currency in the international market. The remittance of these funds out of Chinese Mainland is subject to exchange control restrictions imposed by the Chinese government.

The existing counterparties do not have defaults in the past.

The carrying amounts of bank deposits and cash and cash equivalents approximate to their fair values.

The effective interest rates (per annum) of the deposits at the balance sheet date were as follows:

	As at 31 December	
	2024	2023
Bank deposits with original maturity of more than twelve months	**—**	2.60%
Bank deposits with original maturity of less than twelve months	**1.25% to 4.15%**	1.70% to 4.90%

Bank deposits and cash and cash equivalents are denominated in the following currencies:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
RMB	**1,104,801**	1,289,971
HK$	**324,852**	221,353
USD	**16,501**	16,403
	1,446,154	1,527,727

21. Deferred tax liabilities

The movements in the net deferred tax liabilities are as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Beginning of the year	**5,521,648**	5,380,971
Deferred taxation charged to profit or loss (Note 10)	**24,646**	135,563
Deferred taxation (credited)/charged to reserves	**(23,002)**	5,114
End of the year	**5,523,292**	5,521,648

The movements in deferred tax assets (prior to offsetting the balances within the same taxation jurisdiction) during the year are as follows:

	Tax losses and others RMB'000
At 1 January 2023	18,633
Charged to profit or loss	(5,029)
At 31 December 2023	13,604
At 1 January 2024	13,604
Charged to profit or loss	(2,564)
At 31 December 2024	11,040

The movements in deferred tax liabilities (prior to offsetting the balances within the same taxation jurisdiction) during the year are as follows:

	Fair value change RMB'000	Withholding tax in respect of unremitted earnings of subsidiaries RMB'000	Accelerated depreciation allowance and others RMB'000	Total RMB'000
Year ended 31 December 2023				
At 1 January 2023	3,805,054	635,601	958,949	5,399,604
Charged to profit or loss	30,667	20,264	79,603	130,534
Charged to reserves	4,565	549	—	5,114
At 31 December 2023	3,840,286	656,414	1,038,552	5,535,252
Year ended 31 December 2024				
At 1 January 2024	3,840,286	656,414	1,038,552	5,535,252
(Credited)/charged to profit or loss	(72,546)	(467)	95,095	22,082
Credited to reserves	(20,532)	(2,470)	—	(23,002)
At 31 December 2024	3,747,208	653,477	1,133,647	5,534,332

22. Trade payables

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade payables	**16,517**	14,263

The aging analysis of the trade payables, based on their invoice date, is as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
0 - 30 days	**9,585**	7,796
31 - 90 days	**5,111**	3,443
91 - 180 days	**1,272**	970
180 - 365 days	**549**	761
Over 1 year	**—**	1,293
	16,517	14,263

All of the Group's trade payables are denominated in RMB.

23. Rental deposits, receipts in advance, accruals and other payables

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Rental deposits		
Current portion	**218,685**	216,442
Non-current portion	**163,143**	192,097
	381,828	408,539
Receipts in advance		
Current portion	**102,138**	111,392
Accrued urban real estate tax	**53,752**	54,137
Accrued withholding tax payable	**9,663**	7,050
Accrued surcharge tax	**21,659**	15,568
Construction payable	**121,852**	179,854
Transaction costs payable for the acquisition of Gain Force (the "Acquisition") (i)	**—**	7,731
Accrued interest expenses	**113,410**	93,106
Accruals for other operating expenses	**122,292**	132,065
Accruals and other payables	**442,628**	489,511
	926,594	1,009,442

(i) On 23 December 2021, the Group completed the acquisition of the 100% equity interests in Gain Force and its subsidiaries, which are engaged in the leasing of Yuexiu Financial Tower, an international Grade A office building located in Guangzhou.

(ii) The carrying amounts of rental deposits, receipts in advance and accruals and other payables approximate to their fair values. The majority of the Group's rental deposits, receipts in advance and accruals and other payables are denominated in RMB and HKD.

24. Borrowings

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Current		
Short-term bank borrowings		
– Unsecured	**530,000**	—
Current portion of long-term borrowings		
Bank borrowings		
– Secured (Note a)	**165,000**	165,000
– Unsecured	**3,912,000**	4,664,882
Other borrowings, unsecured (Note b)	**—**	1,014,799
	4,607,000	5,844,681
Non-current		
Long-term borrowings		
Bank borrowings		
– Secured (Note a)	**4,947,900**	5,110,233
– Unsecured	**10,727,544**	9,804,443
Other borrowings, unsecured (Note b)	**4,374,512**	5,339,880
Total long-term borrowings	**20,049,956**	20,254,556
Less: current portion of long-term borrowings	**(4,077,000)**	(5,844,681)
Non-current portion of long-term borrowings	**15,972,956**	14,409,875
Analysed into:		
Unsecured	**15,632,056**	15,144,323
Secured	**4,947,900**	5,110,233
	20,579,956	20,254,556

Note a:

As at 31 December 2024, bank loans of approximately RMB4,948 million (2023: RMB5,110 million) are secured by certain parts of Guangzhou IFC with a carrying value of RMB6,480 million (2023: RMB6,700 million).

The Group's borrowings are repayable as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Within one year	**4,607,000**	5,844,681
Between one year and five years	**15,972,956**	14,409,875
	20,579,956	20,254,556

The effective interest rates (per annum) of the borrowings at the balance sheet date were as follows:

	As at 31 December	
	2024	2023
RMB	**3.63%**	3.49%
HK$	**6.17%**	6.39%
USD	**2.72%**	2.72%

The carrying amounts of the borrowings are denominated in RMB, HK$ and USD and approximate to their fair values.

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
RMB	**12,330,465**	7,954,404
HK$	**5,373,870**	9,473,012
USD	**2,875,621**	2,827,140
	20,579,956	20,254,556

Note b:

On 2 February 2021, REIT MTN, a wholly owned subsidiary of Yuexiu REIT, issued and sold a total principal amount of USD$400 million of 2.65% notes due in February 2026 to investors under 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 amounts of 3.6% additional notes to investors under the MTN Programme, which were matured and have been repaid in 2024.

On 24 March 2023, MOON KING LIMITED, a wholly owned subsidiary of Yuexiu REIT, issued and sold a RMB1,500 million principal amount of 4.15% guaranteed notes due in March 2026.

25. Net assets attributable to unitholders

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Opening balance	**15,632,979**	16,104,395
Issuance of units	**141,954**	167,832
Transfer to the consolidated statement of profit or loss and other comprehensive income	**(611,600)**	(187,476)
Distributions paid during the year	**(333,955)**	(451,772)
Closing balance	**14,829,378**	15,632,979

The movements in the number of existing units are as follows:

	Year ended 31 December	
	2024	2023
Units in issue ('000)		
Opening balance	**4,915,738**	4,783,780
Manager's fee in form of units (Note a)	**155,000**	109,958
Issuance of deferred units during the year (Note b)	**20,000**	22,000
Closing balance	**5,090,738**	4,915,738

Note a:

During the year, 155,000,000 units were issued for payment of the manager's fee (2023: 109,957,846 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 a 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, 20,000,000 Deferred Units were issued on 31 December 2024 (2023: 22,000,000 Deferred Units).

Pursuant to the terms disclosed 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 announcement (being HK$3.67), which was made on 24 October 2021 in relation to the Acquisition, 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 adjusted Deferred Units Issue Price is HK$3.86 per unit and the number of Deferred Units to be issued was adjusted to 329,809,000 units following 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.

26. Capital commitments

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Capital commitments in respect of property, plant and equipment and investment properties		
Contracted but not provided for	**53,747**	35,588

27. Future minimum rental receivables

The future minimum rental receivables under non-cancellable operating leases are as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Within one year	**1,530,934**	1,106,763
Between one year and five years	**2,005,528**	1,448,178
Over five years	**34,734**	21,429
	3,571,196	2,576,370

By order of the board of directors of
Yuexiu REIT Asset Management Limited
(as manager of Yuexiu Real Estate Investment Trust)
LIN Deliang
Chairman

Hong Kong, 17 March 2025

As at the date of this announcement, the board of directors of the Manager is comprised as follows:

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*