
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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

Managed by



(1) CONTINUING CONNECTED PARTY TRANSACTIONS; AND

(2) NOTICE OF EXTRAORDINARY GENERAL MEETING AND CLOSURE OF REGISTER OF UNITHOLDERS

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



A letter to the Unitholders is set out on pages 11 to 29 of this Circular.

A notice convening the EGM to be held at Plaza 1 to 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 13 December 2023 at 2:00 p.m. is set out on pages N-1 to N-2 of this Circular. Whether or not you are able to attend and vote at the EGM in person, please complete and return the accompanying form of proxy to the Unit Registrar of Yuexiu Real Estate Investment Trust, Tricor Investor Services Limited of 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

22 November 2023

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CORPORATE INFORMATION

Yuexiu REIT	Yuexiu Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO subject to applicable conditions from time to time, or Yuexiu Real Estate Investment Trust and the companies controlled by it, as the context requires
Manager	Yuexiu REIT Asset Management Limited (in its capacity as manager of Yuexiu REIT) 17B Yue Xiu Building 160 Lockhart Road Wanchai, Hong Kong
Directors of the Manager	<i>Executive Directors:</i> Mr. Lin Deliang (<i>Chairman</i>) Ms. Ou Haijing <i>Non-executive Directors:</i> Mr. Li Feng Mr. Zeng Zhizhao <i>Independent Non-executive Directors:</i> Mr. Chan Chi On, Derek Mr. Chan Chi Fai, Brian Mr. Cheung Yuk Tong Mr. Chen Xiaoou
Trustee	HSBC Institutional Trust Services (Asia) Limited (in its capacity as trustee of Yuexiu REIT) 1 Queen's Road Central Hong Kong
Unit Registrar	Tricor Investor Services Limited 17/F Far East Finance Centre 16 Harcourt Road Hong Kong
Hong Kong Legal Advisers to the Manager	Baker & McKenzie 14th Floor, One Taikoo Place 979 King's Road Quarry Bay Hong Kong
Hong Kong Legal Advisers to the Trustee	Bryan Cave Leighton Paisner LLP 25th Floor, Dorset House Taikoo Place 979 King's Road Quarry Bay Hong Kong

CORPORATE INFORMATION

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

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

DEFINITIONS

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

2017 Extended Waiver	the extension of the existing continuing connected party transaction waiver for the three financial years ended 31 December 2018 to 2020, as fully described in the circular of Yuexiu REIT dated 15 November 2017
2020 Extended Waiver	has the meaning ascribed to it in the 2021 Acquisition Circular
2021 Acquisition Circular	has the meaning ascribed to it in the section headed “2.1 Background” of the “Letter to the Unitholders” in this Circular
Announcement	the announcement of Yuexiu REIT dated 22 November 2023 relating to, among other things, the CCPT Matters Requiring Approval
associate	has the meaning ascribed to this term in the REIT Code
Audit Committee	the audit committee of the Manager
Board	the board of Directors
Business Day	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between the hours of 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general business in Hong Kong
CCPT Matters Requiring Approval	the New Leasing Framework Agreement and the proposed New Annual Caps applicable thereto for the financial years ending 31 December 2024, 2025 and 2026
City Development Plaza	means a 24-storey office commercial building erected over a 4-storey retail commercial podium and 2-storey basement carpark, located at Nos. 185, 187 and 189 Ti Yu West Road, Tianhe District, Guangzhou, Guangdong Province, the PRC, of which Yuexiu REIT holds the strata units comprising a majority of the total gross floor area
Connected Leasing Transactions	has the meaning ascribed to this term in the section headed “2.2.1 New Leasing Framework Agreement” of the “Letter to the Unitholders” in this Circular

DEFINITIONS

Connected Naming Rights Agreement	the naming rights agreement dated 24 October 2021 entered into between Gain Force Investments Ltd. (being a wholly-owned subsidiary of Yuexiu REIT and the indirect owner of Yuexiu Financial Tower) and Yuexiu Property in respect of Yuexiu Financial Tower
connected person	has the meaning ascribed to this term in the REIT Code
Connected PMAs	has the meaning ascribed to this term in the section headed “2.3.1 New Property Management Framework Agreement” of the “Letter to the Unitholders” in this Circular
Connected TSAs	has the meaning ascribed to this term in the section headed “2.2.3 New Tenancy Services Framework Agreement” of the “Letter to the Unitholders” in this Circular
Director(s)	director(s) of the Manager
Dragon Yield	Dragon Yield Holding Limited, a BVI business company incorporated in the BVI and which is directly wholly-owned by Yuexiu Property and is a Substantial Unitholder of Yuexiu REIT holding approximately 30.81% of the issued Units as at the Latest Practicable Date
EGM	the extraordinary general meeting of Unitholders convened by and referred to in the EGM Notice
EGM Notice	the notice included in this Circular in respect of the EGM to consider and, if thought fit, approve the CCPT Matters Requiring Approval
EGM Record Date	13 December 2023, being the date by reference to which the eligibility of the Unitholders to participate in the EGM will be determined
EGM Resolution	the resolution to be passed at the EGM, as set out in the EGM Notice and explained in this Circular
Existing Framework Agreements	collectively, the Existing Leasing Framework Agreement, Existing Property Management Framework Agreement and Existing Tenancy Services Framework Agreement
Existing Leasing Framework Agreement	the framework agreement dated 24 October 2021 entered into by the Manager (on behalf of the Yuexiu REIT Group) and GZYY setting out the terms and conditions and pricing policy governing the Connected Leasing Transactions which are either in place or to be entered into or renewed from time to time for the period from 1 January 2022 to 31 December 2023

DEFINITIONS

Existing Property Management Framework Agreement	the framework agreement dated 24 October 2021 entered into by the Manager (on behalf of the Yuexiu REIT Group) and GZYX setting out the terms and conditions and pricing policy governing the Connected PMAs which are either in place or to be entered into or renewed from time to time for the period from 1 January 2022 to 31 December 2023
Existing Tenancy Services Framework Agreement	the framework agreement dated 24 October 2021 entered into by the Manager (on behalf of the Yuexiu REIT Group) and Yuexiu Property setting out the terms and conditions and pricing policy governing the Connected TSAs which are either in place or to be entered into or renewed from time to time for the period from 1 January 2022 to 31 December 2023
Fortune Plaza	means a 30-storey office tower (East Tower) and a 20-storey office tower (West Tower) erected over a 6-storey retail commercial podium and a 2-storey basement carpark, located at Nos. 114, 116 and 118 Ti Yu East Road, Tianhe District, Guangzhou, Guangdong Province, the PRC, of which Yuexiu REIT holds the strata units comprising a majority of the total gross floor area
Guangzhou IFC	means Guangzhou International Finance Center (廣州國際金融中心), located at No. 5 Zhujiang West Road, Tianhe District, Guangzhou, Guangdong Province, PRC
GZYX	Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團股份有限公司), a company established in the PRC with limited liability, which is majority owned by the Guangzhou Municipal People's Government of the PRC. GZYX is a connected person of Yuexiu REIT for the reasons stated in the section headed "2.2.1.6 Application of the REIT Code and the Listing Rules" of the "Letter to the Unitholders"
Hangzhou Property	means Hangzhou Victory Business Center Tower 2 (杭州維多利商務中心2幢) located in Qianjiang New Town, Jianggan District, Hangzhou, Zhejiang Province, PRC
HK\$	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	The Hong Kong Special Administrative Region of the People's Republic of China
Hong Kong Acquisition Announcement	the announcement of Yuexiu REIT dated 20 December 2022

DEFINITIONS

Hong Kong Properties	Units 1 to 3 on the 17th floor and Units 1 to 3 on the 23rd floor of Yue Xiu Building, Nos.160-174 Lockhart Road, Wanchai, Hong Kong and acquired by Yuexiu REIT on 20 December 2022, particulars of which were set out in the Hong Kong Acquisition Announcement
Independent Board Committee	the independent committee established by the Board to advise the Independent Unitholders on the CCPT Matters Requiring Approval, comprising Mr. CHAN Chi On, Derek, Mr. CHAN Chi Fai, Brian, Mr. CHEUNG Yuk Tong and Mr. CHEN Xiaou, being all of the INEDs
Independent Financial Adviser	Somerley Capital Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee, the Independent Unitholders and the Trustee on the CCPT Matters Requiring Approval
Independent Unitholders	Unitholders other than those who have a material interest in the relevant resolutions that is different from that of all other Unitholders, within the meaning of paragraph 8.7F of the REIT Code
INED(s)	independent non-executive Director(s)
Latest Practicable Date	16 November 2023, being the latest practicable date prior to the printing of this Circular for the purpose of ascertaining certain information contained in this Circular
Listing Rules	The Rules Governing the Listing of Securities on the Stock Exchange
Manager	Yuexiu REIT Asset Management Limited, in its capacity as manager of Yuexiu REIT, a company incorporated under the laws of Hong Kong, a licensed corporation to carry out Type 9 (asset management) regulated activity as defined in the SFO, which is directly wholly-owned by Yuexiu Property
Mainland Portfolio	means the Properties located in the PRC

DEFINITIONS

New Annual Cap(s)	the proposed new annual cap amount(s) for the three years ending 31 December 2024, 2025 and 2026 respectively, as set out in the section headed “2.2.1.3 Existing annual caps, historical transaction amounts and New Annual Caps” (in respect of the Connected Leasing Transactions), and the section headed “2.2.2.3 Existing annual caps, historical transaction amounts and New Annual Caps” (in respect of the Connected TSAs) of the “Letter to the Unitholders” in this Circular
New Framework Agreements	collectively, the New Leasing Framework Agreement, the New Property Management Framework Agreement and the New Tenancy Services Framework Agreement
New Leasing Framework Agreement	the framework agreement dated 22 November 2023 by the Manager (on behalf of the Yuexiu REIT Group) and GZYX setting out the terms and conditions and pricing policy governing the Connected Leasing Transactions which are either in place or to be entered into or renewed from time to time for the period from 1 January 2024 to 31 December 2026
New Property Management Framework Agreement	the framework agreement dated 22 November 2023 entered into by the Manager (on behalf of the Yuexiu REIT Group) and GZYX setting out the terms and conditions and pricing policy governing the Connected PMAs which are either in place or to be entered into or renewed from time to time for the period from 1 January 2024 to 31 December 2026
New Tenancy Services Framework Agreement	the framework agreement dated 22 November 2023 entered into by the Manager (on behalf of the Yuexiu REIT Group) and Yuexiu Property setting out the terms and conditions and pricing policy governing the Connected TSAs which are either in place or to be entered into or renewed from time to time for the period from 1 January 2024 to 31 December 2026
Ordinary Resolution	a resolution of Unitholders passed by a simple majority of the votes of those present, whether in person or by proxy, and entitled to vote, where the votes shall be taken by way of poll, but with a quorum of two or more Unitholders holding at least 10% of the Units in issue
PRC	The People’s Republic of China but excluding, for the purposes of this Circular, Hong Kong, Taiwan and the Macau Special Administrative Region
Properties	the properties or premises owned by Yuexiu REIT from time to time

DEFINITIONS

Property Companies	means the SPVs each of which is a subsidiary of Yuexiu REIT and a direct owner of a Property
REIT	real estate investment trust
REIT Code	the Code on Real Estate Investment Trusts published by the SFC as amended, supplemented or otherwise modified for the time being
RMB	Renminbi, the official currency of the PRC
SFC	the Securities and Futures Commission of Hong Kong
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
Shanghai Yue Xiu Tower	means “Yuexiu Tower” (越秀大厦), located at No. 388 Fushan Road, Lot No. Qiu 2/9 Jiefang 302, Weifang Xincun Street, Pudong New District, Shanghai, PRC
SPV	a special purpose vehicle that is owned and controlled by Yuexiu REIT in accordance with the REIT Code and the Trust Deed
Stock Exchange	The Stock Exchange of Hong Kong Limited
Substantial Unitholder	has the same meaning as “substantial holder” as defined under the REIT Code
Trust Deed	the trust deed constituting Yuexiu REIT dated 7 December 2005 and entered into between the Trustee and the Manager, as may be amended and supplemented from time to time
Trustee	HSBC Institutional Trust Services (Asia) Limited, in its capacity as trustee of Yuexiu REIT. All references to the Trustee in this Circular are, as the context may require, to the Trustee acting on behalf of Yuexiu REIT and on the instructions of the Manager
Unit	one undivided unit in Yuexiu REIT
Unitholder	any person registered as holding a Unit on the register of Unitholders

DEFINITIONS

Wuhan Property	the entire 68-storey office and commercial development known as “Wuhan Yuexiu Fortune Centre (武漢越秀財富中心)”, the entire 5-storey shopping arcade known as “Starry Victoria Shopping Centre (星匯維港購物中心)” and the carpark spaces as acquired by Yuexiu REIT on 21 December 2017, the particulars of which are described in the circular of Yuexiu REIT dated 15 November 2017
Yue Xiu	Yue Xiu Enterprises (Holdings) Limited (越秀企業(集團)有限公司), a company incorporated in Hong Kong with limited liability, and the indirect holding company of Yuexiu Property, which in turn directly wholly-owns the Manager and a Substantial Unitholder of Yuexiu REIT (being Dragon Yield). As the indirect holding company of the Manager and Dragon Yield, Yue Xiu is an associate of both entities and therefore a connected person of Yuexiu REIT.
Yuexiu Connected Persons Group	GZYSX and its subsidiaries and associates (which for the avoidance of doubt, excludes the Yuexiu REIT Group), all of which are associates of the Manager and/or Substantial Unitholder of Yuexiu REIT (being Dragon Yield) and hence connected persons of Yuexiu REIT
Yuexiu Connected Tenants	tenants and licensees of the Connected Leasing Transactions
Yuexiu Continuing CPTs	collectively, the Connected Leasing Transactions, Connected TSAs and Connected PMAs
Yuexiu Financial Tower	the property known as “Yuexiu Financial Tower (越秀金融大廈)” located at No. 28 Zhu Jiang East Road, Tianhe District, Guangzhou, Guangdong Province, the PRC
Yuexiu Property	Yuexiu Property Company Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 123). Yuexiu Property is a connected person of Yuexiu REIT for the reasons stated in the section headed “2.2.2.6 Application of the REIT Code and the Listing Rules” of the “Letter to the Unitholders” in this Circular
Yuexiu REIT	Yuexiu Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO subject to applicable conditions from time to time (whose Units are listed on the Stock Exchange), and the companies controlled by it, as the context requires
Yuexiu REIT Group	Yuexiu REIT and its subsidiaries

DEFINITIONS

% per cent or percentage

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

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

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

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

* *For identification purposes only.*

LETTER TO THE UNITHOLDERS



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

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

Managed by



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

Directors of the Manager:

Executive Directors:

Mr. Lin Deliang (*Chairman*)
Ms. Ou Haijing

Non-executive Directors:

Mr. Li Feng
Mr. Zeng Zhizhao

Independent Non-executive Directors:

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

Registered Office:

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

22 November 2023

To: Unitholders of Yuexiu REIT

Dear Sir/Madam,

(1) CONTINUING CONNECTED PARTY TRANSACTIONS; AND

**(2) NOTICE OF EXTRAORDINARY GENERAL MEETING
AND CLOSURE OF REGISTER OF UNITHOLDERS**

1 INTRODUCTION

Reference is made to the Announcement.

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

LETTER TO THE UNITHOLDERS

2 CONTINUING CONNECTED PARTY TRANSACTIONS

2.1 Background

On 13 November 2021, Yuexiu REIT published a circular (the “**2021 Acquisition Circular**”) in relation to, among other things, the entry into of the Existing Leasing Framework Agreement, Existing Tenancy Services Framework Agreement and Existing Property Management Framework Agreement on 24 October 2021. These agreements set out the framework terms governing the relevant Connected Leasing Transactions, Connected TSAs and Connected PMAs which were either in place or to be entered into or renewed from time to time during the term of the relevant agreement.

Each of the Existing Framework Agreements is for a term of two years from 1 January 2022 to 31 December 2023, which may be renewed for a successive period of two years (or for any other period which may be shorter or longer than two years as the parties may agree otherwise, provided that such other period will not be longer than three years). The Existing Framework Agreements were and continue to be, together with the Yuexiu Continuing CPTs contemplated thereunder, regulated with reference to Chapter 14A of the Listing Rules (modified as appropriate pursuant to the REIT Code) until the end of their term.

In anticipation of the expiries of the Existing Framework Agreements, on 22 November 2023, the relevant parties to the Existing Framework Agreements entered into corresponding New Framework Agreements for a new term of three years, commencing from 1 January 2024 and ending on 31 December 2026.

The principal terms and conditions of the New Framework Agreements are the same as those of the corresponding Existing Framework Agreements, save for their term (being three years, instead of two) and, with respect to the New Leasing Framework Agreement only, the scope of the Properties to which it pertains. In particular, while the Existing Leasing Framework Agreement covered only the Mainland Portfolio of Yuexiu REIT at that time (i.e. after completion of Yuexiu REIT’s acquisition of Yuexiu Financial Tower), the Manager, to align with market practice and to ensure consistent leasing standards across all of Yuexiu REIT’s portfolio, having regard to potential acquisitions that may be made by Yuexiu REIT from time to time (such as the acquisition of the Hong Kong Properties subsequently in December 2022), has agreed with GZYG (being the counterparty to the Existing Leasing Framework Agreement and the New Leasing Framework Agreement) that the scope of the New Leasing Framework Agreement shall cover leasing and licensing transactions pertaining to all the Properties owned by Yuexiu REIT from time to time regardless of their location.

For the principal terms of each of the New Framework Agreements, please refer to the sections headed “2.2.1 New Leasing Framework Agreement”, “2.2.2 New Tenancy Services Framework Agreement” and “2.2.3 New Property Management Framework Agreement” in this Circular.

Save for the New Leasing Framework Agreement, which is conditional upon the passing of the EGM Resolution, none of the New Framework Agreements are conditional upon the approval of Independent Unitholders under Chapter 14A of the Listing Rules (modified as appropriate pursuant to the REIT Code).

LETTER TO THE UNITHOLDERS

2.2 Non-exempt Continuing Connected Party Transactions with Yuexiu Connected Persons Group

Yuexiu REIT Group (through the Manager) entered into the following continuing connected party transactions which are subject to the reporting, announcement, and, in the case of the New Leasing Framework Agreement, the circular and Independent Unitholders' approval requirements under the REIT Code and Chapter 14A of the Listing Rules (modified as appropriate pursuant to the REIT Code):

2.2.1 New Leasing Framework Agreement

As part of Yuexiu REIT's ordinary and usual course of business, the Property Companies and members of the Yuexiu Connected Persons Group entered into, or will from time to time enter into or renew agreements relating to the leasing or licensing in respect of the Properties, including those pertaining to the naming rights of the Properties ("**Connected Leasing Transactions**"). As at 30 June 2023, other than leasing of premises within a building (such as an office unit or a shop), the Connected Leasing Transactions also include leasing of the carparks located at City Development Plaza, Fortune Plaza, Guangzhou IFC, Yuexiu Financial Tower, Wuhan Property, Shanghai Yue Xiu Tower, and Hangzhou Property, and licensing of signage spaces in the common areas and on the exterior of Yuexiu Financial Tower for displaying the names and logos of designated companies under the Connected Naming Rights Agreement.

As the Connected Leasing Transactions constitute continuing connected party transactions of Yuexiu REIT, the Manager (on behalf of the Yuexiu REIT Group) entered into the New Leasing Framework Agreement with GZYYX on 22 November 2023, which is conditional upon the passing of the EGM Resolution in relation to the CCPT Matters Requiring Approval. The Property Companies (as landlords) will enter into or renew individual leases or licences with the Yuexiu Connected Tenants and other members of the Yuexiu Connected Persons Group from time to time consistent with the New Leasing Framework Agreement.

The principal terms of the New Leasing Framework Agreement are set out below:

2.2.1.1 Term and termination

The New Leasing Framework Agreement is for a term of three years from 1 January 2024 to 31 December 2026, which renewable for a successive period of three years, subject to the compliance with the relevant requirements of the REIT Code and the Listing Rules. The New Leasing Framework Agreement is conditional on the passing of the EGM Resolution to approve the CCPT Matters Requiring Approval, failing which the New Leasing Framework Agreement shall automatically terminate pursuant to its terms.

Upon the renewal of the New Leasing Framework Agreement, Yuexiu REIT will re-comply with the applicable disclosure and/or Independent Unitholders' approval requirements and other requirements under the REIT Code and the Listing Rules. In the event that the term of the annual caps, to which the Connected Leasing Transactions entered into in accordance with the New Leasing

LETTER TO THE UNITHOLDERS

Framework Agreement are subject, expires prior to the end of the term of any Connected Leasing Transaction and is not renewed, Yuexiu REIT will comply in full with the applicable requirements under the REIT Code and the Listing Rules in respect of such Connected Leasing Transaction for the excess term.

The New Leasing Framework Agreement will be terminated where: (a) either party gives the other party not less than three months' prior written notice, provided that all the then-subsisting Connected Leasing Transactions have been terminated; (b) the Units cease to be listed on the Stock Exchange (except for temporary suspension of trading); (c) the Manager ceases to be a subsidiary of GZYG and GZYG ceases to be an associate of a Substantial Unitholder of Yuexiu REIT (being Dragon Yield); (d) the transactions under all the then-subsisting Connected Leasing Transactions cease to be connected party transactions and/or continuing connected party transactions as defined under the REIT Code and the Listing Rules (modified as appropriate pursuant to the REIT Code); (e) a party to the New Leasing Framework Agreement ceases to carry on business; or (f) a party to the New Leasing Framework Agreement commits a material breach of any material obligation thereunder and in the case of a breach that is capable of remedy, fails to remedy that breach within 30 days of receipt of a written notice from the other party stating the particulars of the breach and requiring it to be remedied.

2.2.1.2 Pricing policy

Pursuant to the New Leasing Framework Agreement, each party thereto agrees that, and agrees to procure the relevant contracting parties to the Connected Leasing Transactions to ensure that, each Connected Leasing Transaction shall be entered into or otherwise conducted: (a) in writing; (b) on an arm's length basis and in the ordinary and usual course of business of Yuexiu REIT; (c) on normal commercial terms or better (as defined under rule 14A.06(26) of the Listing Rules) that are fair and reasonable and in the best interests of the Unitholders; (d) at a rent that is determined by reference to the then current open market rent at the commencement date of the term of the relevant Connected Leasing Transaction which would be paid by a willing tenant to a willing landlord for similar premises in a similar development; and (e) in compliance with the terms of the New Leasing Framework Agreement and all applicable provisions of the REIT Code, the Listing Rules and the Trust Deed.

2.2.1.3 Existing annual caps, historical transaction amounts and New Annual Caps

The table below sets out: (i) the historical transaction amounts in respect of the Connected Leasing Transactions for the years ended 31 December 2020 to 2022 and for the six months ended 30 June 2023; (ii) the existing annual caps in respect of the Connected Leasing Transactions for the years ended 31 December 2020 to 2025; and (iii) the New Annual Caps for the Connected Leasing Transactions covered by the New Leasing Framework Agreement.

LETTER TO THE UNITHOLDERS

		For the year ended / ending						
		31 December 2020	31 December 2021	31 December 2022	31 December 2023	31 December 2024	31 December 2025	31 December 2026
		Existing Annual Caps / (Historical Transaction Amounts)						
		('000)						
Mainland Portfolio	Existing Annual Caps	RMB337,874 ⁽¹⁾	RMB394,186 ⁽²⁾	RMB583,994 ⁽³⁾	RMB649,195 ⁽³⁾	N/A	N/A	N/A
	Historical Transaction Amounts	(RMB247,583)	(RMB251,210)	(RMB349,155)	(RMB174,279 ⁽⁴⁾)			
Hong Kong Properties	Existing Annual Caps	N/A ⁽⁵⁾	N/A ⁽⁵⁾	HK\$308.4 ⁽⁵⁾	HK\$3,700.8 ⁽⁵⁾	HK\$2,620 ⁽⁵⁾	HK\$1,694 ⁽⁵⁾	N/A
	Historical Transaction Amounts			(HK\$84)	(HK\$1,834 ⁽⁴⁾)			
Total ⁽⁶⁾	Existing Annual Caps	RMB337,874	RMB394,186	RMB584,277	RMB652,595			
	Historical Transaction Amounts	(RMB247,583)	(RMB251,210)	(RMB349,232)	(RMB175,964)	RMB2,407	RMB1,556	N/A
		New Annual Caps⁽⁶⁾⁽⁷⁾						
		('000)						
All the properties of Yuexiu REIT	N/A	N/A	N/A	N/A	N/A	RMB545,918	RMB573,372	RMB603,203

Notes:

- (1) Pursuant to the 2017 Extended Waiver.
- (2) Pursuant to the 2020 Extended Waiver.
- (3) Pursuant to the Existing Leasing Framework Agreement.
- (4) Historical transaction amounts for the six months ended 30 June 2023.
- (5) As disclosed in the Hong Kong Acquisition Announcement.
- (6) To calculate the total amount of existing annual caps, historical transaction amounts and New Annual Caps in RMB, HK\$ received in respect of the Hong Kong Properties has been converted into RMB at the exchange rate of HKD1.00 to RMB0.91866, being the prevailing exchange rate as announced by the People's Bank of China as at the Latest Practicable Date. This exchange rate is for illustration purposes only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at that rate or any other rate at all.
- (7) For the reasons set out in the section headed "2.1 Background" in this Circular, the Connected Leasing Transactions covered by the New Leasing Framework Agreement will include, among others, those pertaining to the Hong Kong Properties. Accordingly, rather than having two separate sets of annual caps for the Mainland Portfolio and the Hong Kong Properties, the Manager proposes a combined annual cap for all Connected Leasing Transactions covered by the New Leasing Framework Agreement as set out above.

As the New Annual Caps overlap with the existing annual caps for the Hong Kong Properties for the years ending 31 December 2024 and 2025, the New Annual Caps shall replace the existing annual caps for the same period conditional upon the passing of the EGM Resolution, while the existing annual caps for the Hong Kong Properties shall apply until 31 December 2023.

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2.2.1.4 Basis of Calculation of New Annual Caps

The proposed caps in respect of the Connected Leasing Transactions were calculated on the following basis:

- (a) determining the actual rent payable to Yuexiu REIT under the subsisting Connected Leasing Transactions for each of the years ending 31 December 2024, 2025 and 2026. Where an existing Connected Leasing Transaction expires prior to 31 December 2026, the Manager has assumed that the Connected Leasing Transaction will be renewed at a new rental rate which is 5% higher than the last rental rate for the expired lease, and will increase by a further 5% for each subsequent year; and
- (b) applying a buffer of 20% for the total actual or assumed rent calculated on the above-mentioned basis. Such buffer is intended to: (i) cater for contingencies such as changes in rental rates or other market conditions; and (ii) provide flexibility for any new or additional Connected Leasing Transactions to be entered into or assumed by Yuexiu REIT as a result of, during the relevant financial periods: (x) members of the Yuexiu Connected Persons Group taking up the premises currently leased to independent third parties when such leases expire; and (y) new Properties (if any) being acquired by Yuexiu REIT).

The Manager's use of an assumed annual rental growth rate of 5% for determining the proposed caps for the Connected Leasing Transactions is based principally on the following factors: (a) the high volatility of rentals of properties in the PRC and Hong Kong; (b) the potential increases in rentals of comparable properties by reference to historical figures; and (c) inflation.

2.2.1.5 Reasons for, and benefits of, the New Leasing Framework Agreement

Given the sizeable and established operations of the members of the Yuexiu Connected Persons Group, the leasing of areas within the Properties to members of the Yuexiu Connected Persons Group has provided a stable source of rental income to Yuexiu REIT. The Manager takes the view that the leasing of these areas to members of the Yuexiu Connected Persons Group is in line with Yuexiu REIT's key investment objective to provide Unitholders with stable distributions through investing in income-producing real estate.

In addition, the Manager considers that the New Leasing Framework Agreement can set out a framework for and streamline and standardise the leasing processes in respect of all the properties or premises owned by Yuexiu REIT from time to time (including the Hong Kong Properties), and is therefore conducive to the continuous growth and operations of, and will generate recurrent rental income for, Yuexiu REIT. Further, the Manager is of the view that the New Leasing Framework Agreement can provide a basis on which Yuexiu REIT will comply with the relevant reporting, announcement and annual review requirements (to the extent applicable) in compliance with the REIT Code and the Listing Rules, thereby reducing the ongoing administrative and compliance costs upon Yuexiu REIT in respect of the Connected Leasing Transactions which are entered into in its ordinary and usual course of business. Accordingly, the Manager considers the New Leasing Framework Agreement to be beneficial to Yuexiu REIT and its Unitholders as a whole.

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2.2.1.6 Application of the REIT Code and the Listing Rules

GZYX is the ultimate holding company of the Manager and a Substantial Unitholder of Yuexiu REIT (being Dragon Yield), and therefore an associate of such entities and a connected person of Yuexiu REIT. Accordingly, the Connected Leasing Transactions constitute continuing connected party transactions of Yuexiu REIT pursuant to the REIT Code and the Listing Rules. As the highest applicable percentage ratio for the transactions contemplated under the New Leasing Framework Agreement is, on an annual basis, expected to exceed 5%, these transactions will be subject to the reporting, annual review, announcement, circular and Independent Unitholders' approval requirements under Chapter 14A of the Listing Rules (modified as appropriate pursuant to the REIT Code). The Connected Leasing Transactions do not constitute a transaction as defined under Chapter 14 of the Listing Rules.

2.2.2 New Tenancy Services Framework Agreement

As part of Yuexiu REIT's ordinary and usual course of business, members of the Yuexiu Connected Persons Group and members of the Yuexiu REIT Group have entered into, or will from time to time enter into or renew, the tenancy services agreements for the Properties (collectively, the "**Connected TSAs**"). Under the Connected TSAs, members of the Yuexiu Connected Persons Group provide tenancy services to the Yuexiu REIT Group including, among other things: (i) lease management services; (ii) rental collection services; (iii) tenant relationship management services; and (iv) marketing services. As consideration for these services, an annual leasing agent fee ranging from approximately 3% to approximately 4% of the annual gross rental of the relevant Property is typically charged by the relevant member of the Yuexiu Connected Persons Group. Such fee was and will be determined based on arms' length negotiation, and was and will be no less favourable than the fees which independent third parties would charge in comparison for provision of similar services.

As the Connected TSAs constitute continuing connected party transactions of Yuexiu REIT, the Manager (on behalf of the Yuexiu REIT Group) entered into the New Tenancy Services Framework Agreement to set out the framework for the entry into and renewal of, individual Connected TSAs from time to time.

The principal terms of the New Tenancy Services Framework Agreement are set out below.

2.2.2.1 Term and termination

The New Tenancy Services Framework Agreement is for a term of three years from 1 January 2024 to 31 December 2026, which is renewable for a successive period of three years, subject to the compliance with the relevant requirements of the REIT Code and the Listing Rules.

Upon renewal of the New Tenancy Services Framework Agreement, Yuexiu REIT will re-comply with the applicable disclosure and/or Independent Unitholders' approval requirements and other requirements under the REIT Code and the Listing Rules. In the event that the term of the annual caps, to which the Connected TSAs entered into in accordance with the New Tenancy Services Framework Agreement are subject, expires prior to the end of the term of any Connected TSA and is not renewed, Yuexiu REIT will comply in full with the applicable requirements under the REIT Code and the Listing Rules in respect of such Connected TSA for the excess term.

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The New Tenancy Services Framework Agreement will be terminated where: (a) either party gives the other party not less than three months' prior written notice, provided that all the then-subsisting Connected TSAs have been terminated; (b) the Units cease to be listed on the Stock Exchange (except for temporary suspension of trading); (c) the Manager ceases to be a subsidiary of GZYZ and GZYZ ceases to be an associate of a Substantial Unitholder of Yuexiu REIT (being Dragon Yield); (d) the transactions under all the then-subsisting Connected TSAs cease to be connected party transactions and/or continuing connected party transactions as defined under the REIT Code and the Listing Rules (modified as appropriate pursuant to the REIT Code); (e) a party to the New Tenancy Services Framework Agreement ceases to carry on business; or (f) a party to the New Tenancy Services Framework Agreement commits a material breach of any material obligation thereunder and in the case of a breach that is capable of remedy, fails to remedy that breach within 30 days of receipt of a written notice from the other party stating the particulars of the breach and requiring it to be remedied.

2.2.2.2 Pricing policy

Pursuant to the New Tenancy Services Framework Agreement, each party thereto agrees that, and agrees to procure the relevant contracting parties to the Connected TSAs to ensure that, each Connected TSA shall be entered into or otherwise conducted: (a) in writing; (b) on an arm's length basis and in the ordinary and usual course of business of Yuexiu REIT; (c) on normal commercial terms or better (as defined under rule 14A.06(26) of the Listing Rules) that are fair and reasonable and in the best interests of the Unitholders; (d) at the prevailing market rate generally offered by independent third parties in respect of similar services; and (e) in compliance with the terms of the New Tenancy Services Framework Agreement and all applicable provisions of the REIT Code, the Listing Rules and the Trust Deed.

2.2.2.3 Existing annual caps, historical transaction amounts and New Annual Caps

The table below sets out: (i) the existing annual caps in respect of the Connected TSAs for the years ended 31 December 2020 to 2023; (ii) the historical transaction amounts during this period; and (iii) the New Annual Caps in respect of the Connected TSAs entered into in accordance with the New Tenancy Services Framework Agreement.

	For the year ended/ending						
	31 December 2020	31 December 2021	31 December 2022	31 December 2023	31 December 2024	31 December 2025	31 December 2026
	Existing Annual Caps / (Historical Transaction Amounts)						
	<i>RMB'000</i>						
Existing Annual Caps	76,794 ⁽¹⁾	59,824 ⁽²⁾	78,945 ⁽³⁾	86,313 ⁽³⁾	N/A	N/A	N/A
Historical Transaction Amounts	(43,973)	(43,861)	(46,713)	(24,743) ⁽⁴⁾			
	New Annual Caps						
	<i>RMB'000</i>						
	N/A	N/A	N/A	N/A	62,352	65,470	68,743

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Notes:

- (1) Pursuant to the 2017 Extended Waiver.
- (2) Pursuant to the 2020 Extended Waiver.
- (3) Pursuant to the Existing Leasing Framework Agreement.
- (4) Historical transaction amounts for the six months ended 30 June 2023.

2.2.2.4 Basis of Calculation of New Annual Caps

The New Annual Cap for the year ending 31 December 2024 has been calculated on the following basis:

- (a) annualising the amount of actual fees paid by Yuexiu REIT for the Connected TSAs for the six months ended 30 June 2023;
- (b) applying an increment of 5% to the amount resulting from paragraph (a) above, as assumed rental growth rate over the year (noting that the fees are charged as a percentage of annual gross rental), with some minor rounding up of figures; and
- (c) applying an increment of 20% to the amount resulting from paragraph (b) above, as a buffer for contingencies such as: (i) changes in rental or other market conditions; and (ii) increase in tenancy services transaction activities.

The proposed caps for the years ending 31 December 2025 and 2026 in relation to the Connected TSAs have been determined by applying an increment of 5% to the proposed cap for the preceding year, as assumed growth rate over the year, with some minor rounding up of figures. The Manager's use of an assumed annual rental growth rate of 5% for determining the proposed caps for the Connected TSAs is based on expected inflationary increases in tenancy works expenses and the historical growth of transaction amounts.

2.2.2.5 Reasons for, and benefits of, the New Tenancy Services Framework Agreement

Over the course of the operation of Yuexiu REIT, the Property Companies have from time to time entered into or renewed tenancy services agreements with members of the Yuexiu Connected Persons Group to provide tenancy services to tenants of the Properties. The Manager believes that these members of the Yuexiu Connected Persons Group are well-positioned to provide tenancy services to tenants given the established business relationship with the Property Companies and understanding of the operations, standards and specific needs of the Property Companies.

The Manager considers that the New Tenancy Services Framework Agreement can provide a basis on which Yuexiu REIT will comply with the relevant reporting, announcement and annual review requirements (to the extent applicable) in compliance with the REIT Code and the Listing Rules, and thereby enhances administrative efficiency and saves costs for Yuexiu REIT in complying with such requirements. Accordingly, it is expected that the arrangements under the New Tenancy Services Framework Agreement would be cost-efficient and in the interests of Yuexiu REIT and its Unitholders.

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2.2.2.6 Application of the REIT Code and the Listing Rules

Yuexiu Property, which wholly-owns the Manager and a Substantial Unitholder of Yuexiu REIT (being Dragon Yield), is an associate of the Manager and Dragon Yield and hence a connected person of Yuexiu REIT. Accordingly, the transactions under the New Tenancy Services Framework Agreement constitute continuing connected party transactions of Yuexiu REIT pursuant to the REIT Code and the Listing Rules. As the highest applicable percentage ratio for the transactions contemplated under the New Tenancy Services Framework Agreement is, on an annual basis, expected to exceed 0.1% but be less than 5%, these transactions will be exempt from the circular (including the opinion and recommendations from an independent financial adviser) and Independent Unitholders' approval requirements, but will be subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules (modified as appropriate pursuant to the REIT Code).

2.3 Fully-exempt Continuing Connected Party Transactions with Yuexiu Connected Persons Group

Yuexiu REIT Group entered into the following continuing connected party transactions which are fully exempt from the reporting, annual review, announcement and Independent Unitholders' approval requirements under the REIT Code and Chapter 14A of the Listing Rules (modified as appropriate pursuant to the REIT Code):

2.3.1 New Property Management Framework Agreement

As part of the Yuexiu REIT's ordinary and usual course of business, members of the Yuexiu Connected Persons Group and members of the Yuexiu REIT Group have entered into, or will from time to time enter into or renew, the property management agreements in respect of the Properties (collectively, the "**Connected PMAs**"). The property management services provided by the members of the Yuexiu Connected Persons Group under the Connected PMAs include, among other things, upkeep, repair and maintenance services of the common areas and facilities of the Properties, monitoring and security services, obtaining the relevant insurances required for the Properties, drawing up a user manual and establishing local rules for the properties, as well as producing annual property management plans. Under the existing Connected PMAs, the relevant property manager is entitled to collect a monthly property management fee from tenants which ranges from RMB12.5 to RMB55.0 per square metre, depending on the nature of the relevant Property.

As the Connected PMAs constitute continuing connected party transactions of Yuexiu REIT, the Manager (on behalf of the Yuexiu REIT Group) entered into the New Property Management Framework Agreement to set out the framework for the entering and renewal of individual Connected PMAs from time to time.

The principal terms of the New Property Management Framework Agreement are set out below.

2.3.1.1 Term and termination

The New Property Management Framework Agreement is for a term of three years from 1 January 2024 to 31 December 2026, which is renewable for a successive period of three years, subject to the compliance with the relevant requirements of the REIT Code and the Listing Rules.

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Upon renewal of the New Property Management Framework Agreement, Yuexiu REIT will re-comply with the applicable disclosure and/or Independent Unitholders' approval requirements and other requirements under the REIT Code and the Listing Rules. In the event that the term of the annual caps, to which the Connected PMAs entered into in accordance with the New Property Management Framework Agreement are subject, expires prior to the end of the term of any Connected PMA and is not renewed, Yuexiu REIT will comply in full with the applicable requirements under the REIT Code and the Listing Rules in respect of such Connected PMA for the excess term.

The New Property Management Framework Agreement will be terminated where: (a) either party gives the other party not less than three months' prior written notice, provided that all the then-subsisting Connected PMAs have been terminated; (b) the Units cease to be listed on the Stock Exchange (except for temporary suspension of trading); (c) the Manager ceases to be a subsidiary of GZYG and GZYG ceases to be an associate of a Substantial Unitholder of Yuexiu REIT (being Dragon Yield); (d) the transactions under all the then-subsisting Connected PMAs cease to be connected party transactions and/or continuing connected party transactions as defined under the REIT Code and the Listing Rules (modified as appropriate pursuant to the REIT Code); (e) a party to the New Property Management Framework Agreement ceases to carry on business; or (f) a party to the New Property Management Framework Agreement commits a material breach of any material obligation thereunder and in the case of a breach that is capable of remedy, fails to remedy that breach within 30 days of receipt of a written notice from the other party stating the particulars of the breach and requiring it to be remedied.

2.3.1.2 Pricing policy

Pursuant to the New Property Management Framework Agreement, each party thereto agrees that, and agrees to procure the relevant contracting parties to the Connected PMAs to ensure that, each Connected PMA shall be entered into or otherwise conducted: (a) in writing; (b) on an arm's length basis and in the ordinary and usual course of business of Yuexiu REIT; (c) on normal commercial terms or better (as defined under rule 14A.06(26) of the Listing Rules) that are fair and reasonable and in the best interests of the Unitholders; and (d) in compliance with the terms of the New Property Management Framework Agreement and all applicable provisions of the REIT Code, the Listing Rules and the Trust Deed.

2.3.1.3 Annual caps and historical transaction amounts

As the property management fees payable under the Connected PMAs are paid by tenants, rather than Yuexiu REIT or the Property Companies, the historical transaction amounts since 1 January 2020 have been nil. For the same reason, the annual caps for the New Property Management Framework Agreement for each of the years ending 31 December 2024, 2025 and 2026 will be nil.

2.3.1.4 Application of the REIT Code and the Listing Rules

GZYG is the ultimate holding company of the Manager and a Substantial Unitholder of Yuexiu REIT (being Dragon Yield), and therefore an associate of such entities and a connected person of Yuexiu REIT. Accordingly, the transactions under the New Tenancy Services Framework Agreement therefore constitutes continuing connected party transactions of Yuexiu REIT pursuant to the REIT Code and the Listing Rules.

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As the property management fees payable under the Connected PMAs will be paid by the relevant tenants and no property management fees will be paid by the Yuexiu REIT Group, the transactions contemplated under the New Property Management Framework Agreement will be within the *de minimis* threshold under rule 14A.76(1) of the Listing Rules (modified as appropriate pursuant to the REIT Code) and be fully exempt from the reporting, annual review, announcement and Independent Unitholders' approval requirements under Chapter 14A of the Listing Rules (modified as appropriate pursuant to the REIT Code).

2.4 Internal controls

The Manager has established an internal control system to ensure that connected party transactions between the Yuexiu REIT Group and the Yuexiu Connected Persons Group are monitored and that such transactions are undertaken on terms in compliance with the REIT Code. As required by the REIT Code, all connected party transactions must, among other things, be carried out at arm's length, on normal commercial terms and in the interests of Unitholders. The following internal control measures are in place to ensure that such transactions satisfy the foregoing criteria:

- (a) For the Connected Leasing Transactions, the Manager shall engage an independent valuer (whom may be the then principal valuer of Yuexiu REIT, or if the principal valuer is unavailable, an independent property consultancy firm which is able to satisfy the requisite criteria under Chapter 6 of the REIT Code) to opine on whether any lease or licence agreement is on normal commercial terms, and whether the rental amount thereunder is fair and reasonable and represent the prevailing market rent for similar properties in the locality that are used for similar purposes, before any such agreement is entered into or when it is renewed (except where it is conducted on standard or published rates).
- (b) For the Connected TSAs, before entering into or renewing transactions for tenancy services, the Manager shall obtain three quotations (where practicable) from different service providers, including one from the relevant member of the Yuexiu Connected Persons Group and two from independent third parties (where practicable), to conduct a comparison of the fees before the transaction is entered into, to ensure that such fees are at the then prevailing market rate.
- (c) For the Connected PMAs, given property management fees were historically borne by tenants rather than Yuexiu REIT or the Property Companies, the Manager will ensure that such arrangement remains the same with respect to all existing Connected PMAs and any Connected PMAs entered into from time to time.
- (d) The Manager maintains a register to record all connected party transactions which are entered into by members of the Yuexiu REIT Group and where applicable, the bases, including quotations from independent third parties and/or independent valuations obtained to support such bases, on which they are entered into. The Manager will review the quotations to ensure reasonableness having regard to the scale, scope and quality of services required, and the reputation, experience and track record of performance of the service providers.

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- (e) The register of connected party transactions is reviewed by the Manager on a quarterly basis to ensure the relevant annual caps are not exceeded.
- (f) As a general rule, the Manager will demonstrate to the Audit Committee of the Board that all connected party transactions are carried out at arm's length, on normal commercial terms and in the interests of Unitholders. In particular, the Audit Committee is provided with a summary of the connected party transactions including their transaction amounts on a half-yearly basis.
- (g) The internal auditor of the Manager will review all connected party transactions entered into by the Yuexiu REIT Group on an annual basis. The Manager will incorporate into its internal audit plan a review of all connected party transactions entered into by the Yuexiu REIT Group.

2.5 Review and reporting

The Yuexiu Continuing CPTs will be subject to the following review and reporting processes pursuant to paragraph 8.7A of the REIT Code and rules 14A.55 to 14A.59, 14A.71 and 14A.72 of the Listing Rules (as modified under the REIT Code):

2.5.1 Annual review by the INEDs

The INEDs shall review the Yuexiu Continuing CPTs annually and confirm in Yuexiu REIT's annual report for the relevant financial period that each of those transactions has been entered into: (a) in the ordinary and usual course of business of the Yuexiu REIT Group; (b) on normal commercial terms or better; and (c) in accordance with the relevant agreement governing it on terms that are fair and reasonable and in the interests of Yuexiu REIT and the Unitholders as a whole.

2.5.2 Annual review by the auditors

In respect of each relevant financial year, the Manager shall engage the auditors of Yuexiu REIT to report on the Yuexiu Continuing CPTs annually. The auditors of Yuexiu REIT must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that any such transactions: (a) have not been approved by the Board; (b) were not, in all material respects, in accordance with the pricing policies of the Yuexiu REIT Group; (c) were not entered into, in all material respects, in accordance with the relevant agreement governing it; and (d) have exceeded the applicable annual cap. The Manager shall provide a copy of such auditors' letter to the SFC at least 10 Business Days before the bulk printing of the annual report of Yuexiu REIT.

2.5.3 Auditors' access to records

The Manager shall allow, and ensure that the counterparties to the Yuexiu Continuing CPTs allow, the auditors of Yuexiu REIT sufficient access to their records for the purpose of reporting on such transactions.

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2.5.4 Notification to the SFC

The Manager shall promptly notify the SFC and publish an announcement if the INEDs and/or the auditors of Yuexiu REIT cannot confirm the matters set out in paragraphs 2.5.1 and 2.5.2 above, respectively above. The SFC may require the Manager to re-comply with the announcement and Unitholders' approval requirements and may impose additional conditions.

2.5.5 Annual reports

A brief summary of the Yuexiu Continuing CPTs containing the information specified in rules 14A.71 and 14A.72 of the Listing Rules shall be included in Yuexiu REIT's annual reports.

2.6 Views relating to the New Framework Agreements

Pursuant to rule 14A.40 of the Listing Rules, the Independent Board Committee (comprising all of the INEDs) has been established by the Board to advise the Independent Unitholders on the matters relating to the New Leasing Framework Agreement. Pursuant to rule 14A.44 of the Listing Rules, the Independent Financial Adviser has been appointed to make recommendations to the Independent Board Committee, the Independent Unitholders and the Trustee on the matters relating to the New Leasing Framework Agreement under rule 14A.45 of the Listing Rules.

2.6.1 Board

The Board considers that the Connected Leasing Transactions contemplated under the New Leasing Framework Agreement form an integral part of the normal business and operations of Yuexiu REIT, and having taken account of the duties of the Manager under the Trust Deed and the REIT Code, is of the view that:

- (a) the terms of the New Leasing Framework Agreement and the basis for the Connected Leasing Transactions contemplated thereunder, as well as the proposed New Annual Caps and the basis of arriving at the same, are fair and reasonable as far as the Independent Unitholders are concerned and are in the interests of Yuexiu REIT, the Independent Unitholders, as well as the Unitholders as a whole;
- (b) the Connected Leasing Transactions contemplated under the New Leasing Framework Agreement: (i) are and will be conducted in the ordinary and usual course of business of Yuexiu REIT and consistent with the investment objectives and strategy of Yuexiu REIT and in compliance with the REIT Code and the Trust Deed; (ii) are and will be conducted on terms which are and will be at arm's length and on normal commercial terms; and (iii) are and will be fair and reasonable and in the interests of Yuexiu REIT, the Independent Unitholders, as well as the Unitholders as a whole; and

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- (c) the Connected TSAs contemplated under the New Tenancy Services Framework Agreement and the Connected PMAs contemplated under the New Property Management Framework Agreement: (i) are consistent with the investment objectives and strategy of Yuexiu REIT and in compliance with the REIT Code and the Trust Deed; (ii) are on normal commercial terms, in the ordinary and usual course of business of the Yuexiu REIT Group and will be carried out at arm's length; and (iii) are fair and reasonable and in the interests of Yuexiu REIT and the Unitholders as a whole.

Accordingly, the Board recommends that the Independent Unitholders vote at the EGM in favour of the EGM Resolution to approve the New Leasing Framework Agreement and the proposed New Annual Caps applicable thereto.

2.6.2 Independent Financial Adviser

The Independent Financial Adviser has confirmed that it is of the view that:

- (a) the terms of the New Leasing Framework Agreement and the basis for the Connected Leasing Transactions contemplated thereunder, as well as the proposed New Annual Caps and the basis of arriving at the same, are fair and reasonable as far as the Independent Unitholders are concerned and are in the interests of Yuexiu REIT, the Independent Unitholders, as well as the Unitholders as a whole; and
- (b) the Connected Leasing Transactions contemplated under the New Leasing Framework Agreement: (i) are and will be conducted in the ordinary and usual course of business of Yuexiu REIT and consistent with the investment objectives and strategy of Yuexiu REIT and in compliance with the REIT Code and the Trust Deed; (ii) are and will be conducted on terms which are and will be at arm's length and on normal commercial terms; and (iii) are and will be fair and reasonable and in the interests of Yuexiu REIT, the Independent Unitholders, as well as the Unitholders as a whole.

Your attention is drawn to the Letter from the Independent Financial Adviser appended to this Circular which contains the Independent Financial Adviser's opinion and recommendation (including the reasons for its opinion and the factors that it has taken into consideration in forming its opinion).

2.6.3 Independent Board Committee

The Independent Board Committee, having taken into account the opinion and recommendation of the Independent Financial Adviser, is of the view that:

- (a) the terms of the New Leasing Framework Agreement and the basis for the Connected Leasing Transactions contemplated thereunder, as well as the proposed New Annual Caps and the basis of arriving at the same, are fair and reasonable as far as the Independent Unitholders are concerned and are in the interests of Yuexiu REIT, the Independent Unitholders, as well as the Unitholders as a whole; and

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- (b) the Connected Leasing Transactions contemplated under the New Leasing Framework Agreement: (i) are and will be conducted in the ordinary and usual course of business of Yuexiu REIT and consistent with the investment objectives and strategy of Yuexiu REIT and in compliance with the REIT Code and the Trust Deed; (ii) are and will be conducted on terms which are and will be at arm's length and on normal commercial terms; and (iii) are and will be fair and reasonable and in the interests of Yuexiu REIT, the Independent Unitholders, as well as the Unitholders as a whole.

Accordingly, the Independent Board Committee recommends that the Independent Unitholders vote at the EGM in favour of the EGM Resolution to approve the New Leasing Framework Agreement and the proposed New Annual Caps applicable thereto.

Your attention is drawn to the Letter from the Independent Board Committee appended to this Circular which contains the Independent Board Committee's opinion and recommendation.

2.6.4 Trustee

Based and in sole reliance on: (1) the opinion of the Board in this letter to the Unitholders and the information and assurances provided by the Manager; (2) the Letter from the Independent Financial Adviser; and (3) the Letter from the Independent Board Committee, in each case, as set out in this Circular, the Trustee, having taken into account its duties in the Trust Deed and the REIT Code is of the view that:

- (a) the terms of the New Leasing Framework Agreement and the basis for the Connected Leasing Transactions contemplated thereunder, as well as the proposed New Annual Caps and the basis of arriving at the same, are fair and reasonable and in the interests of Yuexiu REIT, the Independent Unitholders, as well as the Unitholders as a whole;
- (b) the Connected Leasing Transactions contemplated under the New Leasing Framework Agreement are: (i) consistent with the investment objectives and strategy of Yuexiu REIT and in compliance with the REIT Code and the Trust Deed; (ii) on normal commercial terms; and (iii) fair and reasonable and in the interests of Yuexiu REIT, the Independent Unitholders, as well as the Unitholders as a whole;
- (c) the Connected TSAs contemplated under the New Tenancy Services Framework Agreement and the Connected PMAs contemplated under the New Property Management Framework Agreement are: (i) consistent with the investment objectives and strategy of Yuexiu REIT and in compliance with the REIT Code and the Trust Deed; (ii) on normal commercial terms; and (iii) fair and reasonable and in the interests of Yuexiu REIT and the Unitholders as a whole; and
- (d) Independent Unitholders' approval is required for the New Leasing Framework Agreement, but Independent Unitholders' approval is not required under the REIT Code or the Trust Deed for the entry into of the New Tenancy Services Framework Agreement and the New Property Management Framework Agreement.

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Subject to such Independent Unitholders' approval of the CCPT Matters Requiring Approval, the Trustee does not have any objection to the entry into of the Connected Leasing Transactions, the Connected TSAs and the Connected PMAs in accordance with the terms of the New Leasing Framework Agreement, the New Tenancy Services Framework Agreement and the New Property Management Framework Agreement respectively (and the New Annual Caps applicable thereto).

The Trustee has not made any assessment of the merits or impact of the New Leasing Framework Agreement, the Connected Leasing Transactions contemplated under the New Leasing Framework Agreement and the proposed New Annual Caps applicable thereto, other than for the purposes of fulfilling its duties in the Trust Deed and the REIT Code. The Trustee's view is not to be taken as a recommendation or representation by the Trustee of the merits or impact of the terms of the New Leasing Framework Agreement, the Connected Leasing Transactions contemplated under the New Leasing Framework Agreement and the proposed New Annual Caps applicable thereto. **Accordingly, the Trustee urges all Unitholders, including those who are in any doubt as to the merits or impact of the terms of the New Leasing Framework Agreement, the Connected Leasing Transactions contemplated under the New Leasing Framework Agreement and the proposed New Annual Caps applicable thereto, to seek their own financial or other professional advice.**

3 EXTRAORDINARY GENERAL MEETING, CLOSURE OF REGISTER OF UNITHOLDERS AND RESTRICTIONS ON VOTING

3.1 Extraordinary General Meeting

The EGM will be held at Plaza 1 to 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 13 December 2023 at 2:00 p.m., for the purpose of considering and, if thought fit, passing with or without amendments, the resolution set out in the EGM Notice, which is set out on pages N-1 to N-2 of this Circular. You can vote at the EGM if you are a Unitholder on Wednesday, 13 December 2023 which is referred to in this Circular as the EGM Record Date. You will find enclosed with this Circular the EGM Notice (see pages N-1 to N-2 of this Circular) and a form of proxy for use for the EGM.

3.2 Closure of Register of Unitholders

In order to determine which Unitholders will qualify to attend and vote at the EGM, the register of Unitholders of Yuexiu REIT will be closed from Friday, 8 December 2023 to Wednesday, 13 December 2023 (both days inclusive). During this period, no transfers of Units will be effected. For those Unitholders who are not already on the register of Unitholders, in order to qualify to attend and vote at the EGM, all Unit certificates accompanied by the duly completed transfer forms must be lodged with the Unit Registrar, Tricor Investor Services Limited of 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 7 December 2023.

LETTER TO THE UNITHOLDERS

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

3.3 Restrictions on Voting

Paragraphs 8.7F and 9.9(f) of the REIT Code provides that where a Unitholder has a material interest in the resolutions tabled for approval, and that interest is different from that of all other Unitholders, such Unitholder shall abstain from voting. Further, under paragraph 3.2 of Schedule 1 to the Trust Deed, where a Unitholder has a material interest in the resolutions tabled for approval at a general meeting of the Unitholders, and that interest is different from the interests of other Unitholders, such Unitholder shall be prohibited from voting its Units or being counted in the quorum for the general meeting.

As (i) Mr. Zeng Zhizhao, a non-executive Director, holds a senior management position with Yuexiu Property, and (ii) Mr. Li Feng, a non-executive Director, holds a senior management position with GZYY, each of them has abstained from voting on the board resolutions of the Manager in relation to the New Framework Agreements. Save as disclosed above, no Director had a material interest in the New Framework Agreements thus was required to abstain from voting on the board resolutions of Yuexiu REIT in relation to the New Framework Agreements.

Members of the Yuexiu Connected Persons Group are or will be counterparties to the New Leasing Framework Agreement and the transactions contemplated thereunder, and as such, are considered to have a material interest or deemed material interest in the EGM Resolution relating to the CCPT Matters Requiring Approval that will be tabled for approval, different from that of other Unitholders. Pursuant to the REIT Code and the Trust Deed, each of Yuexiu Property and Yue Xiu has agreed that it will abstain, and will procure that other members of the Yuexiu Connected Persons Group will abstain, from voting on such EGM Resolution.

For the avoidance of doubt, this does not prevent any of the above person or entity from voting on the EGM Resolution provided that such person or entity is appointed as a proxy of an Independent Unitholder which gives a specific voting direction.

So far as the Manager is aware, as at the Latest Practicable Date, the parties mentioned above as needing to abstain from voting are interested or deemed to be interested in 2,322,722,092 Units representing approximately 47.46% of the Units in issue.

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

LETTER TO THE UNITHOLDERS

4 ADDITIONAL INFORMATION

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

Yours faithfully,
By Order of the Board
Yuexiu REIT Asset Management Limited
(as Manager of Yuexiu Real Estate Investment Trust)
YU Tat Fung
Company Secretary



(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



22 November 2023

To: The Independent Unitholders of Yuexiu REIT

Dear Sir or Madam,

CONTINUING CONNECTED PARTY TRANSACTIONS

We have been appointed as members of the Independent Board Committee to advise you in respect of the CCPT Matters Requiring Approval, details of which are set out in the “Letter to the Unitholders” in the circular dated 22 November 2023 from the Manager to the Unitholders (the “**Circular**”), of which this letter forms a part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context otherwise requires.

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

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

- (a) the terms of the New Leasing Framework Agreement and the basis for the Connected Leasing Transactions contemplated thereunder, as well as the proposed New Annual Caps and the basis of arriving at the same, are fair and reasonable as far as the Independent Unitholders are concerned and are in the interests of Yuexiu REIT, the Independent Unitholders, as well as the Unitholders as a whole; and

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

- (b) Connected Leasing Transactions contemplated under the New Leasing Framework Agreement: (i) are and will be conducted in the ordinary and usual course of business of Yuexiu REIT and consistent with the investment objectives and strategy of Yuexiu REIT and in compliance with the REIT Code and the Trust Deed; (ii) are and will be conducted on terms which are and will be at arm's length and on normal commercial terms; and (iii) are and will be fair and reasonable and in the interests of Yuexiu REIT, the Independent Unitholders, as well as the Unitholders as a whole.

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

Yours faithfully,

For and on behalf of Independent Board Committee of

Yuexiu REIT Asset Management Limited
(as Manager of Yuexiu Real Estate Investment Trust)

Mr. CHAN Chi On,	Mr. CHAN Chi Fai,	Mr. CHEUNG Yuk Tong	Mr. CHEN Xiaoou
Derek	Brian		
<i>Independent</i>	<i>Independent</i>	<i>Independent</i>	<i>Independent</i>
<i>non-executive Director</i>	<i>non-executive Director</i>	<i>non-executive Director</i>	<i>non-executive Director</i>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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



SOMERLEY CAPITAL LIMITED

20th Floor

China Building

29 Queen's Road Central

Hong Kong

22 November 2023

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

Dear Sirs,

CONTINUING CONNECTED PARTY TRANSACTIONS

We refer to our appointment to advise the Independent Board Committee, the Independent Unitholders and the Trustee as regards the CCPT Matters Requiring Approval, details of which are set out in the letter to Unitholders contained in the circular of Yuexiu REIT to its Unitholders dated 22 November 2023 (the “**Circular**”), of which this letter forms part. Unless otherwise defined, capitalised terms used in this letter shall have the same meanings as defined in the Circular.

The Manager (on behalf of the Yuexiu REIT Group) entered into the New Leasing Framework Agreement with GZYX on 22 November 2023 to set out the framework for entering into of and renewal of individual leases or licenses with the Yuexiu Connected Tenants and other members of the Yuexiu Connected Persons Group (the “**Connected Leases**”). GZYX is the ultimate holding company of the Manager and a Substantial Unitholder of Yuexiu REIT (being Dragon Yield), and therefore an associate of such entities and a connected person of Yuexiu REIT. Accordingly, the Connected Leasing Transactions constitute continuing connected party transactions of Yuexiu REIT pursuant to the REIT Code and the Listing Rules. As the highest applicable percentage ratio for the transactions contemplated under the New Leasing Framework Agreement is, on an annual basis, expected to exceed 5%, these transactions will be subject to the reporting, annual review, announcement, circular and Independent Unitholders’ approval requirements under Chapter 14A of the Listing Rules (modified as appropriate pursuant to the REIT Code).

The Independent Board Committee, comprising Mr. Chan Chi On, Derek, Mr. Chan Chi Fai, Brian, Mr. Cheung Yuk Tong and Mr. Chen Xiaou, being all of the INEDs, has been established by the Board to advise the Independent Unitholders on the CCPT Matters Requiring Approval. We have been appointed as Independent Financial Adviser to provide our opinion in the same regard to the Independent Board Committee (as well as the Independent Unitholders and the Trustee).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Somerley Capital Limited is independent from, and not associated with, (i) Yuexiu REIT; (ii) the Manager; (iii) the Trustee; (iv) the Yuexiu Connected Persons Group; and (v) their respective associates. Apart from normal professional fees payable to us in connection with this appointment and other similar engagements, no arrangement exists whereby we will receive any fees or benefits from the aforementioned parties.

During the past two years, Somerley Capital Limited (“**Somerley**”) has acted as the independent financial adviser to the independent board committee and independent shareholders/unitholders of Yuexiu REIT, Yuexiu Property, Yuexiu Transport Infrastructure Limited (“**Yuexiu Transport**”) and Yuexiu Services Group Limited (“**Yuexiu Services**”) in relation to connected transactions/connected party transactions and/or continuing connected transactions/continuing connected party transactions (the “**Past Engagements**”). GZYZ is a controlling shareholder of each of Yuexiu Property, Yuexiu Transport and Yuexiu Services as well. Details of those announced transactions we have been engaged as the independent financial adviser therefor in the past two years have been set out in Yuexiu REIT’s announcements dated 22 November 2022 and 20 December 2022, Yuexiu Property’s announcements dated 31 December 2021 and 5 January 2022, Yuexiu Transport’s announcement dated 17 October 2022, and Yuexiu Services’ announcements dated 20 May 2022, 23 November 2022 and 30 December 2022. The Past Engagements were limited to providing independent advisory services for each of Yuexiu REIT, Yuexiu Property, Yuexiu Transport and Yuexiu Services pursuant to the Listing Rules and/or the REIT Code, as the case may be, and Somerley, in return, received fixed normal advisory fees from them. Notwithstanding the Past Engagements, as at the Latest Practicable Date, there were no relationships or interests between Somerley on one hand and Yuexiu REIT, the Manager, the Trustee, the Yuexiu Connected Persons Group, and their respective associates on the other hand that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Independent Board Committee, the Trustee and Independent Unitholders in connection with the CCPT Matters Requiring Approval.

In formulating our opinion, we have reviewed, amongst others, the information as set out in the Circular, the New Leasing Framework Agreement and Yuexiu REIT’s interim report for the six months ended 30 June 2023 (the “**Interim Report**”). We have also relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Manager and have assumed that the information, facts and opinions provided to us are true and accurate. We have also sought and received confirmation from the Directors and management of the Manager that no material factors have been omitted from the information supplied and opinions expressed. We have no reason to doubt the truth, accuracy and completeness of the information provided to us or to believe that any material fact or information has been omitted or withheld. We have not, however, conducted an independent investigation into the affairs of the Manager, Yuexiu REIT and its Properties. We consider that we have been provided with and have reviewed sufficient information to reach an informed view. We have also assumed that the statements and representations made or referred to in the Circular were accurate and not misleading at the time they were made and continue to be accurate and not misleading up to the date of the EGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS TAKEN INTO ACCOUNT

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

1. INFORMATION ON YUEXIU REIT

Yuexiu REIT, listed since December 2005, is principally engaged in the business of leasing of commercial properties in the PRC and Hong Kong with the primary objective of generating long-term and steady distributions to Unitholders through actively managing its assets and expanding its operations. As stated in the Interim Report, as at 30 June 2023, the ten properties currently owned by Yuexiu REIT comprised (i) White Horse Building units, Fortune Plaza units and certain carpark spaces, City Development Plaza units and certain carpark spaces, Victory Plaza units, Guangzhou IFC, Yuexiu Financial Tower located in Guangzhou; (ii) Shanghai Yue Xiu Tower located in Shanghai; (iii) Wuhan Property located in Wuhan; (iv) Hangzhou Property units and certain carpark spaces located in Hangzhou; and (v) Hong Kong Properties located in Hong Kong.

2. Reasons for and benefits of the New Leasing Framework Agreement

As set out in the letter to the Unitholders, given the sizeable and established operations of the members of the Yuexiu Connected Persons Group, the leasing of areas within the Properties to members of the Yuexiu Connected Persons Group has provided a stable source of rental income to Yuexiu REIT. The Manager takes the view that the leasing of these areas to members of the Yuexiu Connected Persons Group is in line with Yuexiu REIT's key investment objective to provide Unitholders with stable distributions through investing in income - producing real estate. In addition, the Manager considers that the New Leasing Framework Agreement is to set out a framework for and streamline and standardise the leasing processes in respect of all the properties or premises owned by Yuexiu REIT from time to time (including the Hong Kong Properties), and is therefore conducive to the continuous growth and operations of, and will generate recurrent rental income for, Yuexiu REIT. Further, the Manager is of the view that the New Leasing Framework Agreement can provide a basis on which Yuexiu REIT will comply with the relevant reporting, announcement and annual review requirements (to the extent applicable) in compliance with the REIT Code and the Listing Rules, thereby reducing the ongoing administrative and compliance costs upon Yuexiu REIT in respect of the Connected Leasing Transactions which are entered into in its ordinary and usual course of business. Accordingly, the Manager considers and we also concur that the New Leasing Framework Agreement is beneficial to Yuexiu REIT and its Unitholders as a whole.

3. The New Leasing Framework Agreement

Background and principal terms

As set out in the letter to the Unitholders, as part of Yuexiu REIT's ordinary and usual course of business, the Property Companies and members of the Yuexiu Connected Persons Group entered into, or will from time to time enter into or renew agreements relating to leasing or licensing in respect of the Properties, including those pertaining to the naming rights of the Properties ("**Connected Leasing Transactions**"). As at 30 June 2023, other than leasing of premises within a building (such as an office unit or a shop), the Connected Leasing Transactions also include leasing

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

of the carpark located at City Development Plaza, Fortune Plaza, Guangzhou IFC, Yuexiu Financial Tower, Wuhan Property, Shanghai Yue Xiu Tower and Hangzhou Property, and licensing of signage spaces in the common areas and on the exterior of Yuexiu Financial Tower for displaying the names and logos of designated companies under the Connected Naming Rights Agreement. In anticipation of the expiry of the Existing Leasing Framework Agreement, the New Leasing Framework Agreement was entered into between the Manager (on behalf of the Yuexiu REIT Group) and GZYZ on 22 November 2023 to set out a framework for entering into of and renewal of Connected Leases for a term of three years from 1 January 2024 to 31 December 2026, renewable for a successive period of three years subject to the compliance with the relevant requirements of the REIT Code and the Listing Rules. The principal terms and conditions of the New Leasing Framework Agreement are the same as those of the existing one, save for their term (being three years, instead of two) and the scope of the Properties to which it pertains (extended from Mainland Portfolio to all the Properties owned by Yuexiu REIT from time to time regardless of their locations) to align the market practice, ensure consistent leasing standards across all of Yuexiu REIT's portfolio and provide flexibility for potential acquisitions in the future.

Pursuant to the New Leasing Framework Agreement, each party thereto agrees that, and agrees to procure the relevant contracting parties to the Connected Leasing Transactions to ensure that, each Connected Leasing Transaction shall be entered into or otherwise conducted: (a) in writing; (b) on an arm's length basis and in the ordinary and usual course of business of Yuexiu REIT; (c) on normal commercial terms or better (as defined under rule 14A.06(26) of the Listing Rules) that are fair and reasonable and in the best interests of the Unitholders; (d) at a rent that is determined by reference to the then open market rent at the commencement date of the term of the relevant Connected Leasing Transaction which would be paid by a willing tenant to a willing landlord for similar premises in a similar development; and (e) in compliance with the terms of the New Leasing Framework Agreement and all applicable provisions of the REIT Code, the Listing Rules and the Trust Deed.

More details on the principal terms of the New Leasing Framework Agreement have been set out in the letter to the Unitholders.

Our assessment

As set out in the letter to the Unitholder and based on a schedule of all Connected Leases which have contributed historical Connected Leasing Transaction amounts in the past three years (the "**Connected Lease Schedule**") as provided by the Manager, we noted that they can be mainly categorised into offices/shops, carpark spaces, and naming rights by property types.

Offices/shops:

We have randomly selected Connected Leases relating to offices and shops in each of the Properties (the "**Connected Office/Shop Leases**") and noted that rents and lease periods of those Connected Office/Shop Leases agreed to those set out in the Connected Lease Schedule. Given that the samples selected have covered all the Properties, we consider them sufficient and appropriate. We have also been provided with (i) independent rental valuation reports issued by independent property valuers for those Connected Office/Shop Leases; and (ii) independent office/shop leases (the "**Independent Office/Shop Leases**") entered into with independent third parties in respect of the same floor or adjacent floor, and noted that (i) the independent valuation reports had confirmed that

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

those Connected Office/Shop Leases were entered into at market rates; and (ii) the terms (e.g. rental fees, deposit and break clauses) of those Connected Office/Shop Leases were no less favourable than those of the Independent Office/Shop Leases. On this basis, we consider the Connected Leasing Transactions in relation to offices and shops have been carried out at arm's length and on normal commercial terms, and are consistent with the investment objective and strategy of Yuexiu REIT and fair and reasonable and in the interests of Yuexiu REIT and its Unitholders as a whole.

Carpark spaces:

Currently, Yuexiu REIT has 8 carpark master lease agreements entered into with the Yuexiu Connected Persons Group (the "**Connected Carpark Leases**"). We have randomly selected two Connected Carpark Leases and noted that the rents and lease periods of randomly selected Connected Carpark Leases agreed to those set out in the Connected Lease Schedule. We have also been provided with independent rental valuation reports issued by independent property valuers for the two Connected Carpark Leases and noted that the independent valuation reports had confirmed that the Connected Carpark Leases were entered into at market rates. We noted that there is no independent carpark leases entered into between the Property Companies and independent third parties and, alternatively, have reviewed the rental rates of carpark spaces of office buildings or commercial complexes in nearby regions as provided by the independent property valuer engaged by Yuexiu REIT (the "**Market Carpark Rents**"). It is noted that the rents of the two Connected Carpark Leases fall within the range of the Market Carpark Rents. On this basis, we consider the Connected Leasing Transactions in relation to carpark spaces have been carried out at arm's length and on normal commercial terms, and are consistent with the investment objective and strategy of Yuexiu REIT and fair and reasonable and in the interests of Yuexiu REIT and its Unitholders as a whole.

Naming rights:

In the past three years, only two naming rights leases were entered into between the Property Companies and members of the Yuexiu Connected Persons Group (the "**Connected Naming Rights Leases**"), one relating to Yuexiu Financial Tower with a lease period of 3 years and a total consideration of RMB60 million (i.e. Connected Naming Rights Agreement) and the other relating to Wuhan Property with a lease period of 1 year (expired in 2021) and a consideration of RMB14 million. We have reviewed the Connected Naming Rights Leases and noted that the rents and lease periods of those Connected Naming Rights Leases agreed to those set out in the Connected Lease Schedule. We have discussed with the Manager and are advised that the considerations for the Connected Naming Rights Leases were determined with reference to the terms under similar naming rights arrangement previously entered into relating to the acquisition of Guangzhou IFC in 2012. The consideration for the naming rights of Guangzhou IFC was RMB50 million at that time and the grantee should continue to enjoy such right unless it ceased to be one of the top ten tenants of Guangzhou IFC. It was a one-off transaction. In addition, Guangzhou IFC remains being named as it was without "Yuexiu" which is different from the case relating to Yuexiu Financial Tower, and therefore may only serve as general reference only. Apart from Guangzhou IFC case, we have also discussed with the independent property valuer engaged by Yuexiu REIT and were advised by the independent property valuer that no details of other similar transactions are available in the public domain in recent three years.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Furthermore, those Connected Naming Rights Leases either require the relevant member of the Yuexiu Connected Persons Group to remain as the top 10 tenants of the subject Property or the relevant member of the Yuexiu Connected Persons Group together with its associates to be one of the top tenants of the subject Property. We have discussed this with the independent property valuer and were advised that (i) naming rights can be used as an inducement by landlords when negotiating with potential tenants; and (ii) to their best knowledge, it is not uncommon in Hong Kong for top tenants to enjoy complimentary naming rights to the subject building which would not be charged separately. On this basis, we consider that the granting of the building naming rights is an inducement normally used by landlords to secure a reliable and major tenant in a commercial building and the Manager considers, and we concur, that the granting of naming rights to members of the Yuexiu Connected Persons Group, which are one of the anchor tenants of the subject Properties, generates an additional stream of income to Yuexiu REIT. Having taken into account the above factors, we are of the view that the Connected Naming Rights Leases were (i) carried out at arm's length and on normal commercial terms; (ii) consistent with the investment objectives and strategy of Yuexiu REIT; and (iii) fair and reasonable and in the interests of Yuexiu REIT and its Unitholders as a whole.

4. *The proposed New Annual Caps*

The historical transaction amounts and annual caps in respect of the Connected Leasing Transactions for 2020 — 2022 and the six months ended 30 June 2023 are set out in the table below:

<i>RMB'000</i>	Historical transaction amount			For the six months ended
	For the year ended 31 December			30 June
	2020 ⁽¹⁾	2021 ⁽²⁾	2022 ⁽³⁾	2023 ⁽³⁾
Connected Leasing Transactions	247,583.0	251,210.0	349,232.0	175,964.0
<i>Year-on-year change</i>	<i>(10.7)%</i>	<i>1.5%</i>	<i>39.0%</i>	<i>n.a.</i>
Existing aggregate annual caps	337,874.0	394,186.0	584,277.0	652,595.0⁽⁴⁾

Notes:

- (1) Pursuant to the 2017 Extended Waiver.
- (2) Pursuant to the 2020 Extended Waiver.
- (3) Pursuant to the Existing Leasing Framework Agreement and Hong Kong Acquisition Announcement.
- (4) It refers to the annual caps for the year ending 31 December 2023.
- (5) To calculate the total amount of existing annual caps and historical transaction amounts in RMB, HK\$ received in respect of the Hong Kong Properties has been converted into RMB at the exchange rate of HKD1.00 to RMB0.91866, being the prevailing exchange rate as announced by the People's Bank of China as at the Latest Practicable Date. This exchange rate is for illustration purposes only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at that rate or any other rate at all.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have discussed with the Manager and were advised that the historical Connected Leasing Transaction amount registering a 10.7% decrease in 2020 and being stagnant in 2021 were mainly due to the outbreak and resurgence of COVID-19 pandemic. As further advised by the Manager, no Connected Leasing Transaction amounts in respect of White Horse Building units have been recorded since November 2021 as the previous Yuexiu Connected Tenant in respect of White Horse Building units terminated the leases. The historical transaction amount increased by 39.0% year-on-year to RMB349 million mainly due to the acquisitions of Yuexiu Financial Tower and Hong Kong Properties in 2022. The historical transaction amount for the six months ended 30 June 2023 is RMB176 million, approximately half of the historical transaction amount for the year ended 31 December 2022.

The proposed New Annual Caps for the three financial years ending 31 December 2024, 2025 and 2026 under the New Leasing Framework Agreement are set out in the below table:

<i>RMB'000</i>	For the year ending 31 December		
	2024	2025	2026
Projected Connected Leasing Transaction amounts	454,932	477,810	502,669
Buffer (20%)	90,986	95,562	100,534
New Annual Caps	545,918	573,372	603,203

We have discussed with the Manager the basis of the New Annual Caps for the Connected Leasing Transactions, which have been determined by:

- (I) the actual rent payable to Yuexiu REIT under the Connected Leasing Transactions which will be subsisting during the relevant periods. Where a Connected Lease expires prior to 31 December 2026, the Manager has assumed that the Connected Lease will be renewed at a new rental rate which is 5% higher than the last rental rate under the expiring lease, and will increase by a further 5% for each subsequent year; and
- (II) applying a buffer of 20% for the total actual or assumed rent calculated in (a) above. Such buffer is intended to (i) cater for contingencies such as changes in rental rates or other market conditions; and (ii) provide flexibility for any new or additional Connected Leasing Transactions to be entered into or assumed by Yuexiu REIT as a result of, during the relevant financial periods (a) members of the Yuexiu Connected Persons Group taking up the premises currently leased to independent third parties when such leases expire; and (b) new Properties (if any) being acquired by Yuexiu REIT.

In assessing the aforesaid basis of the New Annual Caps, we have reviewed the terms of certain existing Connected Leases and we noted that the computation of projected Connected Leasing Transaction amounts for 2024 — 2026 agreed to the rental of aforesaid existing Connected Leases and, where a Connected Lease expires prior to 31 December 2024-2026, the Manager has assumed that the Connected Lease will be renewed at a new rental rate which is 5% higher than the last rental rate under the expiring Connected Lease and will increase by a further 5% for each subsequent year. Given that the 5% annual increment is within the range of the rental rate increase of the randomly selected Connected Leases, we consider the adoption of an annual increment of 5% to be reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In determining the New Annual Caps for the three years ending 31 December 2026, the Manager applies a buffer of 20% on top of the estimated rental income as discussed above after having considered the expiring independent leases in 2024 - 2026. Based on the information provided by the Manager, in terms of basic monthly rental, 30.9%, 25.8% and 10.6% of the leases of the Properties will expire in 2024, 2025 and 2026, respectively, of which independent leases accounts for 19.4%, 20.8% and 2.2%. Such expiring independent leases, if renewed, are expected to generate rental income of RMB363.2 million, RMB752.5 million and RMB794.3 million for 2024, 2025 and 2026, respectively. As advised by the Manager, the Yuexiu Connected Persons Group might take up additional spaces when certain existing leases with independent third parties expire. The buffer of 20% for each of 2024, 2025 and 2026 translates into an additional expected rental income of RMB90.99 million, RMB95.56 million and RMB100.53 million, respectively, from the Yuexiu Connected Persons Group, representing approximately 25.1%, 12.7% and 12.7% of income to be generated from the expiring independent leases as aforementioned.

Apart from facilitating any additional Connected Leasing Transactions to be entered into by Property Companies during the relevant financial periods for its existing properties, such buffer could be used for the property(ies) that may be acquired by it in the future and to accommodate possible fluctuations resulted from any changes in rental or other market conditions. After taking into account the above factors, we consider the inclusion of a buffer of 20% for the purpose of determining the New Annual Caps to be reasonable.

OPINION

We consider that (i) the terms of the New Leasing Framework Agreement and the basis for the Connected Leasing Transactions contemplated thereunder, as well as the proposed New Annual Caps and the basis of arriving at the same, are fair and reasonable as far as the Independent Unitholders are concerned and in the interests of Yuexiu REIT, the Independent Unitholders as well as the Unitholders as a whole; and (ii) the Connected Leasing Transactions contemplated under the New Leasing Framework Agreement (a) are and will be conducted in the ordinary and usual course of business of Yuexiu REIT and consistent with the investment objectives and strategy of Yuexiu REIT and in compliance with the REIT Code and the Trust Deed; (b) are and will be conducted on terms which are and will be at arm's length basis and on normal commercial terms, and (c) are and will be fair and reasonable and in the interests of Yuexiu REIT, the Independent Unitholders as well as the Unitholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, Independent Unitholders to vote in favour of the resolutions in respect of the CCPT Matters Requiring Approval at the EGM.

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

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

1. RESPONSIBILITY STATEMENTS

The Manager and the Directors, collectively and individually, accept full responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Circular misleading.

2. INFORMATION ON PARTIES TO THE YUEXIU FRAMEWORK AGREEMENTS**(a) Yuexiu REIT and Manager**

Yuexiu REIT is a Hong Kong collective investment scheme constituted as a unit trust by the Trust Deed, and is authorised under section 104 of the SFO. Yuexiu REIT is principally engaged in the business of leasing of commercial properties in the PRC and Hong Kong with the primary objective of generating long-term and steady distributions to Unitholders through actively managing its assets and expanding its operations. The Manager is Yuexiu REIT Asset Management Limited, a subsidiary of Yuexiu Property, and the principal business activity of the Manager is being the manager of Yuexiu REIT.

(b) Yuexiu Property and GZYX

Yuexiu Property is a Hong Kong listed company (Stock Code: 123) principally engaged in property development and investment, mainly focusing on properties in Guangzhou, the Pearl River Delta, Yangtze River Delta, Bohai Rim Economic Zone and Central Region.

GZYX is a company established in the PRC with limited liability, which is majority owned by the Guangzhou Municipal People's Government of the PRC. GZYX is the holding company of Yue Xiu and, through its indirect ownership of approximately 43.4% of the issued shares of Yuexiu Property, the ultimate holding company of Yuexiu Property and its subsidiaries which includes the Manager and a Substantial Unitholder of Yuexiu REIT (being Dragon Yield). GZYX and its subsidiaries are engaged in various businesses, including (i) real estate and property development business; (ii) commercial banking, asset management, finance leasing, futures, business investment and other financial services; (iii) transportation, infrastructure and construction business; and (iv) livestock breeding, dairy industry, food processing and other businesses.

3. DISCLOSURE OF INTERESTS IN UNITS

As at the Latest Practicable Date, so far as is known to, or can be ascertained after reasonable enquiry by, the Manager, the interests and short positions of the Manager and each Director and chief executive of the Manager in Units and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Manager and the Stock Exchange pursuant to the provisions of Part XV of the SFO as deemed to be applicable by virtue of Schedule 3 of the Trust Deed, or which were recorded in the register required to be kept by the Manager pursuant to Schedule 3 of the Trust Deed, were as follows:

Interests and short positions in the Units:

Name of Directors	As at the Latest Practicable Date		
	Nature of Interest	Beneficial interests in Units	Approximate % of interest
Mr. Lin Deliang ⁽¹⁾	—	Nil	—
Ms. Ou Haijing	Beneficial	54,606	0.001116%
Mr. Li Feng	Beneficial	5,287	0.000108%
Mr. Zeng Zhizhao	—	Nil	—
Mr. Chan Chi On, Derek	—	Nil	—
Mr. Chan Chi Fai, Brian	—	Nil	—
Mr. Cheung Yuk Tong	—	Nil	—
Mr. Chen Xiaoou	—	Nil	—

Note:

(1) Mr. Lin Deliang is also the chief executive officer of the Manager.

4. DIRECTORSHIP OR EMPLOYMENT WITH SUBSTANTIAL UNITHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Manager, the following Director was the director or employee of a company which had an interest or short position in the Units, where the underlying Units would fall to be disclosed to the Manager and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

	As at the Latest Practicable Date
Name of Director	Name of companies which had such discloseable interest or short position / Position held by the Director in such companies
Mr. Zeng Zhizhao	Yuexiu Property (<i>Deputy General Manager</i>)
Mr. Li Feng	GZYX (<i>Chief Capital Officer</i>) Yue Xiu (<i>Chief Capital Officer</i>)

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

Save as disclosed in this Circular, as at the Latest Practicable Date:

- (a) none of the Directors or proposed Directors had any direct or indirect interest in any assets which had since 31 December 2022, being the date to which the latest published audited financial statements of Yuexiu REIT were made up, been acquired or disposed of by (or leased to) or are proposed to be acquired or disposed of by or leased to Yuexiu REIT;
- (b) none of the Directors or proposed Directors was materially interested in any contract or arrangement entered into by Yuexiu REIT and subsisting at the date of this Circular which was significant in relation to Yuexiu REIT's business; and
- (c) none of the Directors or proposed Directors or any of their close associates had interests in a business which competes or is likely to compete, either directly or indirectly, with Yuexiu REIT's business, or had or may have had any other conflicts of interest with Yuexiu REIT pursuant to rule 8.10 of the Listing Rules.

6. STATEMENT IN RELATION TO FINANCIAL POSITION

The Manager confirms that, as at the Latest Practicable Date, there had not been any material adverse change in the financial or trading position of Yuexiu REIT since the date that the latest published audited accounts of Yuexiu REIT were prepared.

7. EXPERT AND CONSENT

The Independent Financial Adviser has given and has not withdrawn its written consent to the inclusion of its name in this Circular. The Independent Financial Adviser where relevant has also given its consent to the inclusion of its name in this Circular and/or its appendices and all references thereto, in the form and context in which they are included in this Circular.

The following is the qualification of the expert who has been named in this Circular and has given opinion or advice which is contained in this Circular.

Somerley Capital Limited	A licensed corporation under the SFO licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance)
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As at the Latest Practicable Date, the Independent Financial Adviser did not have any interest in Yuexiu REIT or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in Yuexiu REIT.

As at the Latest Practicable Date, the Independent Financial Adviser did not have any direct or indirect interest in any assets which have been, since the date to which the latest published audited financial statements of Yuexiu REIT were made up (being 31 December 2022), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to Yuexiu REIT.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and Yuexiu REIT (www.yuexiureit.com), from the date in this Circular, up to and including the date of the EGM for at least 14 days:

- (a) the New Leasing Framework Agreement;
- (b) the letter from the Independent Board Committee;
- (c) the letter from the Independent Financial Adviser; and
- (d) the written consent referred to in the paragraph headed “Expert and Consent” in this Appendix.

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

9. MISCELLANEOUS

The English text of this Circular shall prevail over its Chinese text.

NOTICE OF EXTRAORDINARY GENERAL MEETING



(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



NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the unitholders (“Unitholders”) of Yuexiu Real Estate Investment Trust (“**Yuexiu REIT**”) will be held at Plaza 1 to 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 13 December 2023 at 2:00 p.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the resolution below.

Words and expressions that are not expressly defined in this notice of extraordinary general meeting shall bear the same meaning as that defined in the circular to Unitholders dated 22 November 2023 (“**Circular**”).

ORDINARY RESOLUTION

”**THAT:**

- (a) approval (where relevant, shall include approval by way of ratification) be and is hereby given for the CCPT Matters Requiring Approval, as more fully described in the Circular; and
- (b) authorisation be granted to the Manager, any director of the Manager, the Trustee and any authorised signatory of the Trustee to complete and to do all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager, the Trustee or such authorised signatory of the Trustee, as the case may be, may consider expedient or necessary or in the interest of Yuexiu REIT to give effect to all matters in relation to the CCPT Matters Requiring Approval generally.”

Yours faithfully,
By Order of the Board
Yuexiu REIT Asset Management Limited
(as Manager of Yuexiu Real Estate Investment Trust)
YU Tat Fung
Company Secretary

Hong Kong, 22 November 2023

NOTICE OF EXTRAORDINARY GENERAL MEETING

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

Notes:

- (a) A Unitholder is entitled to attend and vote at the Extraordinary General Meeting and is entitled to appoint one or more proxies to attend and, on a poll, vote in his/her stead. The person appointed to act as a proxy need not be a Unitholder.
- (b) In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the registered office of the unit registrar of Yuexiu REIT, Tricor Investor Services Limited of 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of the proxy will not preclude you from attending and voting in person should you so wish. In the event that you attend the meeting or adjourned meeting (as the case may be) after having lodged a form of proxy, the form of proxy will be deemed to have been revoked.
- (c) Where there are joint registered Unitholders of a unit, any one of such Unitholders may vote at the meeting either personally or by proxy in respect of such unit as if he/she were solely entitled thereto, but if more than one of such Unitholders is present at the meeting personally or by proxy, that one of such Unitholders so present whose name stands first on the register of Unitholders of Yuexiu REIT in respect of such unit shall alone be entitled to vote in respect thereof.
- (d) In order to determine which Unitholders will qualify to attend and vote at the Extraordinary General Meeting, the register of Unitholders of Yuexiu REIT will be closed from Friday, 8 December 2023 to Wednesday, 13 December 2023, both days inclusive, during which period no transfer of units will be registered. For those Unitholders who are not on the register of Unitholders, in order to be qualified to attend and vote at the Extraordinary General Meeting of Yuexiu REIT, all unit certificates accompanied by the duly completed transfer forms must be lodged with the unit registrar of Yuexiu REIT, Tricor Investor Services Limited of 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 7 December 2023.

As at the date of this notice, 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 Xiaou