



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)



YUEXIU
REIT

2005-2024

VISION FOR A STEADY FORTUNE

INTERIM REPORT

2024



19 YUEXIU
REIT
2005-2024



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PERFORMANCE SUMMARY

The following is a summary of Yuexiu REIT's financial results during the six months ended 30 June 2024 (the "Interim Period") together with comparative figures for the six months ended 30 June 2023 and year ended 31 December 2023:

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

	Six months ended 30 June		Change Decrease
	2024	2023	
Gross income	1,034,091,000	1,060,864,000	(2.5)%
Net property income	742,665,000	762,573,000	(2.6)%
Net (loss)/profit after tax before transactions with Unitholders	(40,529,000)	87,549,000	(146.3)%
Interim distribution	185,247,000	261,462,000	(29.1)%
(Loss)/earnings per unit	(0.0062)	0.0198	(131.3)%
Distribution per unit	0.0371	0.0541	(31.4)%
Equivalent to HK\$	0.0405	0.0590	(31.4)%

	As at		Change Decrease
	30 June 2024	31 December 2023	
Property portfolio valuation	42,537,546,000	42,559,146,000	(0.1)%
Net assets attributable to Unitholders	15,494,507,000	15,632,979,000	(0.9)%
Net assets attributable to Unitholders per unit	3.10	3.18	(2.5)%

CHAIRMAN'S STATEMENT

DEAR UNITHOLDERS OF YUEXIU REIT,

ON BEHALF OF THE MANAGEMENT TEAM OF YUEXIU REIT ASSET MANAGEMENT LIMITED ("MANAGER"), THE MANAGER OF YUEXIU REAL ESTATE INVESTMENT TRUST ("YUEXIU REIT"), I AM VERY PLEASED TO PRESENT TO YOU THE INTERIM REPORT OF YUEXIU REIT FOR THE FIRST HALF OF 2024.



LIN DELIANG
Chairman

RESULTS AND DISTRIBUTION

In the first half of 2024, the domestic economy continued to recover slowly and its long-term positive fundamental remained unchanged despite the slowdown of economic growth in the second quarter. Through formulating more appropriate and targeted leasing policies, together with the portfolio of premium properties and the outstanding efforts put in by all members of the management team, all operating indicators of Yuexiu REIT were still within a reasonable range.



CHAIRMAN'S STATEMENT (CONTINUED)

As at 30 June 2024, the ten properties currently owned by Yuexiu REIT comprised White Horse Building Units ("White Horse Building"), Fortune Plaza Units and certain carpark spaces ("Fortune Plaza"), City Development Plaza Units and certain carpark spaces ("City Development Plaza"), Victory Plaza Units ("Victory Plaza"), Guangzhou International Finance Centre ("GZIFC"), Yuexiu Financial Tower ("Yuexiu Financial Tower") located in Guangzhou, Yue Xiu Tower ("Shanghai Yue Xiu Tower") located in Shanghai, Wuhan Yuexiu Fortune Centre, Starry Victoria Shopping Centre and certain carpark spaces ("Wuhan Properties") located in Wuhan, Hangzhou Victory Business Centre Units and certain carpark spaces ("Hangzhou Victory") located in Hangzhou, and 17th and 23rd Floors of Yue Xiu Building Units ("17th and 23rd Floors of Hong Kong Yue Xiu Building") located in Hong Kong, with a total rentable area of 803,984.1 sq.m..

As at 30 June 2024, the occupancy rate of properties under Yuexiu REIT remained generally stable, with an overall occupancy rate of 84.0%. During the Interim Period, Yuexiu REIT recorded a total operating revenue of approximately RMB1,034 million. The operation results of each of its properties fluctuated slightly, but remained within a reasonable range.

During the Interim Period, Yuexiu REIT recorded a total distributable income of approximately RMB185 million (total distributable income for the corresponding period of the previous year: RMB261 million). The policy of the Manager is to distribute 100% of the entire distributable income during the Reporting Period to the Unitholders. Each Unitholder will receive a distribution amount of approximately HK\$0.0405 per Unit (the distribution amount for the corresponding period of the previous year: HK\$0.0590). Based on the closing price of HK\$0.95 on 28 June 2024, the yield was approximately 4.26%. This represents an annualised distribution yield of 8.52%.

MACRO ECONOMY

Since the beginning of this year, the momentum of global economic growth has been weak, and issues such as geopolitical conflicts and international trade frictions have occurred frequently. Against the backdrop of continuously complex, severe and uncertain external environment, China's economic performance has been generally stable and transformation and upgrading have made steady progress. According to the preliminary calculations, GDP for the first half of the year was RMB61,683.6 billion, representing an increase of 5.0% year-on-year, which was a hard-won result. However, domestic effective demand remains insufficient, and enterprises are under great operating pressure. Consequently, there are still numerous difficulties and challenges in promoting stable economic operation.

In the first half of the year, the economic growth of Guangzhou slowed down in the face of the intertwined challenges of market cyclical issues such as sluggish domestic and foreign demand and structural issues such as the transformation of traditional pillar industries. The city GDP was RMB1,429.766 billion, representing an increase of 2.5% year-on-year. Since the beginning of this year, the introduction of a series of policies to stabilise growth in Guangzhou has played a positive role in promoting the recovery of market demand and boosting the confidence of market players.

In the first half of the year, the economic operation of Shanghai stayed on track, with employment and prices generally stable, new drivers continuing to grow, and high-quality development continuing to progress. The city GDP was RMB2,234.559 billion, representing an increase of 4.8% year-on-year. In particular, the fixed asset investment in Shanghai increased by 10.2% year-on-year and the total retail sales of consumer goods decreased by 2.3% year-on-year.

In the first half of the year, the economic development of Wuhan showed a trend of steady growth with improved quality and positive development under pressure. The city GDP was RMB997.519 billion, representing an increase of 5.3% year-on-year. The resilience of industrial production was strengthened, with the added value of high-tech manufacturing industry above the designated size increasing by 23.4% year-on-year. The consumer market recovered steadily, with the total retail sales of consumer goods increasing by 3.7% year-on-year in the first half of the year, and the growth rate turning from negative to positive in June.

In the first half of the year, Hangzhou's economy continued to recover steadily. The city GDP was RMB1,013.7 billion, representing an increase of 4.8% year-on-year, marking the first time that Hangzhou's GDP exceeded RMB1 trillion in the first half of the year, with the service industry accounting for more than 70% of the total. As a "golden business card" for Hangzhou, the digital economy saw the revenue of the information transmission, software and information technology service industry above the designated size increased by 11.6% from January to May this year.

MARKET REVIEW

In the first half of the year, transactions in the office market in Guangzhou were driven by relocation demand, which accounted for 73% of the city's total transaction area, the highest in recent years. The city-wide vacancy rate was reported at 18.5% at the end of the second quarter, with Zhujiang New Town at 13.0% and Sports Centre at 7.8%. The city-wide net absorption was 95,000 sq.m. in the first half of the year. Emerging business districts became the main areas for destocking due to their advantage of "high cost-effectiveness", with Pazhou and International Finance City accounting for 84% of the absorption. Tenants' leasing policies remained conservative, and controlling rent costs was an important consideration factor in transaction activities. As a result, rents were on a downward trend. In terms of industry performance, TMT remained the top performer in transactions, and the refurbishment, relocation and integration of commercial software development and e-commerce were relatively active.

In the first half of the year, the office market in Shanghai saw a new supply of 480,000 sq.m., representing a decrease of 9.4% year-on-year. The net absorption in the first half of the year was 144,000 sq.m., representing a decrease of 34.0% year-on-year. The net absorption in the second quarter rebounded as compared to the previous quarter, but was still lower than in the same period last year, resulting in a rise in the city-wide vacancy rate to 21.1%. The consumer goods manufacturing and consumer service industry drove new demand, of which domestic institutional transactions accounted for more than 60% of the total. Due to the combined effects of increased supply and insufficient effective demand, the city-wide rents continued to decline. While the rent decline in the core business districts was relatively small, the rent decline in most submarkets showed a widening trend.

In the first half of 2024, the prime office market in Wuhan saw a new supply of 173,000 sq.m. in total, representing an increase of 17.6% as compared to the same period last year, pushing the city-wide volume up to 7,590,000 sq.m.. The momentum of demand recovery was insufficient, and demand for refurbishment, driven by lower rent costs, remained dominant. Landlords had to make more concessions on rents in order to maintain the stability of existing tenants and accelerate the leasing of vacant units, resulting in a decline in the city-wide rents by 4.0% year-on-year in the first half of the year. The downward trend in rents led to a steady release of demand for refurbishment, with demand from the IT and service industries being the two main drivers.



CHAIRMAN'S STATEMENT (CONTINUED)

In the first half of 2024, the office market in Hangzhou saw limited delivery supply, and the volume of leasing transactions in the market rebounded significantly as compared to the same period last year. The demand side performed well, with domestic tenants continuing to dominate demand in Hangzhou's market, and relocation demand accounting for 60% of the total. Although leasing transactions rebounded, there was also a certain scale of lease reduction, lease termination and self-occupancy relocation. In terms of rents, the market was still in a period of price-for-volume conversion, and the city-wide rents were still on a downward trend.

In the first half of the year, affected by the economic downturn and weak recovery in consumption, the apparel industry experienced insufficient growth momentum, and market competition in similar channels heated up. The domestic apparel industry lacked growth momentum, and apparel exports in the second quarter saw negative year-on-year growth. Although the market prosperity index, the total business volume index, and the customer flow index were all above the threshold, they showed a continuous downward trend after peaking in January, indicating generally unstable operations. In the first half of the year, Guangzhou experienced thunderstorms for several consecutive months, which significantly reduced the number of on-site buyers. The market was characterised by "a sluggish peak season and an early off-season", resulting in a substantial drop in overall wholesale customer flow and shipment volume. Merchants relied on orders from existing customers to sustain their operations. Market competition and the competition for tenants intensified as competitor markets continued to adopt low-price and rent-free policies.

In the first half of 2024, there was no new supply in the prime retail property market in Guangzhou. Affected by the contraction of traditional department stores and supermarkets, education and training institutions, and restaurants, the city-wide vacancy rate in Guangzhou reached 8.4% at mid-year, substantially in line with the end of last year. In terms of transactions across the city, specialty catering sector performed positively, with new store transactions in the catering and retail sectors accounting for 45% and 39% respectively in the first half of the year. In terms of rent performance, well-known retailers are currently focusing primarily on improving the performance of individual stores, with high standards of site selection and strict control over rent costs. Landlords are also confronted with a slowdown in the opening of new energy vehicle stores and the rapid leasing of vacant space. Therefore, the room for negotiation on shop rents continues to expand.

In the first half of the year, the prime retail property market in Wuhan saw the opening of two projects, pushing the city-wide volume up to 8,280,000 sq.m.. The new projects opened at nearly full occupancy, contributing to a net absorption of 413,000 sq.m. in the first half of the year, marking a significant improvement in demand as compared to the negative absorption for the same period last year. In addition to the high-end cosmetics brands brought by the newly opened projects, the leasing demand for retail space in existing projects was concentrated on trendy apparel and sports categories. In the first half of the year, under the influence of the holiday economy during the "May Day" and Dragon Boat Festival holidays, the city's overall rents remained stable.

Last year's revenue travel has become a past trend, with a noticeable downgrade in tourism consumption. The average spending per customer generally declined, indicating that the overall market had returned to rationality. According to the STR report, as of May 2024, the revenue per available room (RevPAR) index for hotels nationwide had only recovered to 95% of the level in 2019, with the mid-market being the main contributor. During this year's May Day holiday, the average room rate for luxury hotels nationwide increased by 19% compared to 2019, but decreased by 17% compared to 2023. The luxury hotel market in Guangzhou recorded an occupancy rate of 71%, substantially in line with 2023, and the average room rate and revenue per available room were RMB1,313.94 and RMB932.41, respectively, both approximately 4.5% and 2.0% higher than the levels in the corresponding period of 2023. Starting from the second quarter, due to the combination of multiple factors such as the downward in the macroeconomic environment, frequent rainfall in south China, and the diversion of outbound tourism, the impact on top luxury hotels in the Guangzhou market, where leisure travellers (non-essential travel) dominate, was more pronounced compared to mid-to-high-end hotels with a larger base of business travellers (essential travel).

BUSINESS OPERATING STRATEGIES

While the domestic macro-economy witnessed a moderate recovery in the first half of the year, there was a lack of effective demand. Focusing on the annual business objectives, the Manager strived to achieve a dynamic balance between property valuations, rental rates and customer structure by fully exploring the business potential of various formats and formulating flexible and effective leasing strategies in line with market conditions, thereby effectively stabilising the overall business situation.

In terms of **office buildings**, the Manager adhered to the core strategy of "optimising the tenant structure of office buildings to ride out economic downturns", and adopted a three-pronged approach in terms of new leases, lease renewals and product offerings, so as to continuously expand the scale of high-quality office tenants. Specifically, in terms of new leases and lease renewals, the Manager adopted a more aggressive pricing strategy for premium and large-area customers to boost occupancy rates, optimised cash flow to preserve property values, and proactively restructured leases in advance to maintain the rental rates for renewals. In terms of product upgrades, the Manager established a mechanism for adjusting inventory and actively adjusted lease terms for renewals and new leases to ensure the availability of potential whole-floor spaces to attract high-quality customers. Meanwhile, the Manager rigorously enforced the fulfillment of restoration obligations to reduce the leftover renovations, and matched the market demand for small and medium-sized units with minor renovations, thereby expediting the destocking. In terms of risk management and control, the Manager took proactive measures to replace and eliminate risks by strengthening daily monitoring of risky tenants and assessing the quality of customer for replacement options.

In terms of **retail shopping malls**, the Manager was committed to mitigating operation risk and capturing business opportunities in the new economic environment to create room for future growth. In terms of operations, the Manager implemented appropriate phased rental support policies for anchor tenants, key tenants and quality brands that need to be retained, aiming to mitigate the risk of lease termination and stabilise the basic project operations. In terms of business solicitation, the Manager focused on introducing brand merchants with customer flow and customer recognition by exploiting business opportunities within the industry to boost overall sales. In terms of promotion, the Manager formed a tiered and orderly distribution of events such as project anniversary celebrations, innovative flash mobs, and aesthetic display collaborations. In terms of product offerings, the Manager identified the pain points of the product offerings and implemented targeted transformation to improve customer experience.



CHAIRMAN'S STATEMENT (CONTINUED)

In terms of **specialised market**, the Manager implemented the business strategy of “improving operational efficiency, optimising structure, customer-centricity, lean management and industrial empowerment” to continuously expand its influence and further consolidate the position of White Horse Building as a benchmark leader in the industry. First, set a benchmark by improving quality and enhancing efficiency, to reinforce the position of “China Brand Apparel International Trading Centre” and strengthen the value proposition of “Fashion in White Horse Building, Prime Choice of Quality” (時尚白馬品質首選), thus consolidating the status of a benchmark leader. Second, establish a platform through industrial empowerment, to build an integrated platform for the fashion industry by empowering the industrial chain, omni-channel operations and value-added services, thereby enhancing the ability to create professional value.

In terms of **hotel room services**, the Manager struck a balance between consolidating the core sales channels and operating new media publicity channels to continuously explore structural growth opportunities to expand the segmentation of tracks and target consumer groups. Responding to the diverse and high-quality service demands of the core target customer groups for accommodation and travel, the hotel iterated and upgraded its product offerings, channels, and marketing strategies, aiming to provide a more refined and distinctive service experience. For **hotel catering services**, in addition to introducing new and improved cuisines, the hotel leveraged resources such as Michelin-starred restaurants under the Four Seasons Group and Asia's 50 Best Barto to launch “Piano Duet” activities to maintain its topicality and influence in the local market and cultivate high-net-worth customers with high consumption frequency.

In terms of **serviced apartments**, the Manager capitalised on the increase in overseas customer sources to maintain its long-stay target base, and focused on tapping new business opportunities from main customer groups with its flexible product portfolio, thereby maintaining its structural advantage as a long-stay stabiliser. Moreover, the Manager continued to expand the management layout of the private domain traffic pool in the short-stay market, effectively boosting the repurchase rate through refined operations, with a view to quickly elevating its brand momentum in the short-stay market.

INVESTMENT AND FINANCIAL STRATEGIES

In the first half of 2024, the Manager implemented proactive and prudent investment strategies, continued to search for high-quality business projects and supporting resources in the core areas of tier-1 cities and major tier-2 cities in China. The Manager is of the opinion that continuous improvement in the quality of the portfolio and the scale of assets will inject new growth momentum into Yuexiu REIT, which in turn will bring continuous and steady returns to Unitholders.

Yuexiu REIT implemented stable and prudent financial policies, as at 30 June 2024, the ratio of total borrowings to total assets of Yuexiu REIT maintained at the level of 46.7%, which was below the upper limit of 50% as stipulated in the REIT Code. The Manager paid close attention to the changes in interest rates and exchange rates, proactively expanded capital channels, made reasonable planning for overseas loans as they fall due in future and sought to obtain an appropriate average rate of financing cost.

In response to the impact of exchange rate fluctuations on the operating results of Yuexiu REIT, the Manager continued to strengthen research and conduct thorough analysis on the exchange rate, interest rate and hedging instruments, as well as on the hedging schemes, and timely introduced exchange rate hedging instruments. The foreign exchange risk exposure was approximately 45% at the end of June 2024. The Manager continuously paid close attention to the trend in foreign exchange market while seeking effective control over exchange rate risk at a reasonable cost.

The Manager continued its work in maintaining a stable credit rating of Yuexiu REIT. Based on the confidence in Yuexiu REIT's relatively strong operating capability and stable cash flow expectation, the rating agency granted Yuexiu REIT an investment-grade rating with a stable outlook.

ASSET ENHANCEMENT STRATEGIES

The Manager continues to implement strategic asset enhancement plans and explore opportunities for asset appreciation by reviewing the property portfolio of Yuexiu REIT on a regular basis, thereby maintaining a competitive advantage in the market and increasing returns of the projects. Meanwhile, the Manager has targeted at the contact points of customers to carry out asset optimisation to improve customer satisfaction and experience, achieving continuous enhancement in rental value of the properties of Yuexiu REIT.

PROSPECTS

Due to the elevated complexity, severity and uncertainty of the global economy, the overall global economic environment will affect China more in the second half of the year than in the first half. In the face of the major challenges of insufficient domestic consumer demand, a sluggish real estate market and a declining contribution of exports to economic growth, China's economic growth may slow down slightly on a stable basis.

Guangzhou has released 20 new policies to attract investment, aiming to improve the business environment with a more proactive attitude, promote investment attraction for key industry chains, and increase efforts to attract and utilise foreign capital. This will, to some extent, stimulate the demand for new establishments and expansions of enterprises in Guangzhou's office market. It is expected that 460,000 sq.m. of office area will be put on the market in Guangzhou in the second half of the year, with 90% located in Pazhou and International Finance City. The ever-increasing rentable area gives tenants greater bargaining power, and the downward trend in rents is expected to continue. In a market environment with increasingly fierce competition, landlords will continue to offer concessions such as rent discounts and decoration subsidies, and the provision of diversified and high-quality services in buildings is the general trend.

In the second half of the year, only one high-quality retail commercial project of approximately 57,000 sq.m. will enter the market in Guangzhou. In terms of demand, the transition between old and new tenants in the current retail market is still ongoing. This is partly due to the delayed and concentrated release of previously accumulated adjustment demand, and partly due to the spontaneous behaviour of landlords, especially those in core areas, to adjust their tenant mix with the aim of enhancing the overall rental value and the attractiveness of their brand portfolio. Therefore, in the short term, the increase in rentable area will exert pressure on rents.

In terms of specialised market, the global fashion industry is expected to grow at a low rate of 2% to 4% in 2024, with slower year-on-year growth in the Chinese market. Upstream Chinese cotton mills witnessed a slow decline in operating rates from March to June, with the industrial chain transmission reflecting sluggish downstream order growth in the future, with the industry maintaining a low growth rate. Volatility in consumer spending is likely to exacerbate widespread fluctuations in the supply chain, leading to idle factory capacity, layoffs, and delays in infrastructure investment.



CHAIRMAN'S STATEMENT (CONTINUED)

Although Guangzhou's luxury market performed slightly better than the national average in the first half of the year, the overall revenue of the hotel industry nationwide continued to decline. Sanya experienced a surprisingly sluggish performance during the summer season, while the outbound travel gradually recovered. With only the Mid-Autumn Festival and National Day extended holidays remaining in the second half of the year, the overall forecast for the tourism market remains cautious. Various types of core enterprises across the country are cutting budgets to achieve cost reductions and efficiencies. As such, the market as a whole is still showing a lack of demand. The "average room rate" first recovered to a rational level following the wake of retaliatory spending in 2023. The contraction and downgrading of the traditional business market has been the biggest driver, directly leading to fierce competition among medium-to-high end business hotels. Despite the decline in overall consumption, there are still structural opportunities. The desire to travel among the ultra-high-income population is pronounced, and they have an exceptionally high demand for quality and low price sensitivity. Ultra-high-end and luxury hotels should seize the opportunity and continue to strengthen their revenue management.

The office market in Shanghai will see a concentrated supply of 780,000 sq.m. in the second half of the year, which increases tenant choice and brings opportunities for cost reduction and efficiency enhancement, but at the same time exacerbates the overall market supply-demand imbalance. Landlords need to adjust to their leasing strategies in a timely manner by adopting solutions such as more flexible rental pricing and more diversified comprehensive leasing conditions to attract and retain quality tenants.

Wuhan is expected to see a new supply of nearly 500,000 sq.m. of office space in the second half of the year, and the annual volume of high-quality office space is likely to exceed 8,000,000 sq.m. by the end of the year. The supply of high-quality projects will intensify the destocking pressure in the market. Landlords may optimise their leasing policies and launch diverse product offerings where appropriate to increase the competitiveness of buildings and stabilise existing tenants. The Action Plan for Promoting the Innovative Development of the Metaverse Industry in Wuhan was recently issued, and industries such as IT, industrial manufacturing and biomedicine are all expected to generate new momentum for office leasing supported by favourable policies.

On the whole, Hangzhou's office market is presenting a favourable trend of rising domestic and foreign investment demand, accompanied by active upgrading by small and medium-sized enterprises (SMEs). With limited new supply in the second half of the year, the market is entering the stage of inventory destocking, and the vacancy rate is expected to gradually decline. The flourish development of enterprises in emerging industries will contribute to sustained and robust demand in the office market and act as a significant driving force for the future development of the market.

We are cautiously optimistic that with the combination of its premium portfolio of properties coupled with its professional management team, Yuexiu REIT will actively seize potential investment opportunities, proactively plan for debt restructuring, and expand financing opportunities in the capital markets to effectively reduce the financing costs, aiming at continuously generating stable returns for the Unitholders through the implementation of proactive and prudent leasing strategies coordinating with effective asset appreciation measures.

APPRECIATION

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

LIN DELIANG

Chairman

Hong Kong, 15 August 2024



YUEXIU REIT PROFILE

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

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

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

DISTRIBUTION

In accordance with the Trust Deed, Yuexiu REIT is required to distribute no less than 90% of Total Distributable Income to the Unitholders. The Manager has intended to distribute to the Unitholders an amount equal to 100% of Yuexiu REIT's Total Distributable Income and Additional Item (as defined in the Offering Circular issued to Unitholders dated 30 June 2012) for the Interim Period of 2024.

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

In light of the above, the Manager has determined that an interim distribution to Unitholders for the Interim Period will be approximately RMB0.0371 which is equivalent to Hong Kong Dollars ("HK\$") 0.0405 (June 2023: approximately RMB0.0541 which was equivalent to HK\$0.0590) per unit. Such interim distribution per unit, however, is subject to adjustment once new units are issued to the Manager (in satisfaction of the Manager's fee) prior to the record date for the 2024 interim distribution. A further announcement will be made to inform Unitholders of the interim distribution per unit for the six months ended 30 June 2024.

The total 2024 interim distribution amounted to approximately RMB185,247,000 which is equivalent to HK\$202,036,000 (June 2023: approximately RMB261,462,000 which was equivalent to HK\$285,400,000), includes an amount of approximately RMB85,136,000 (June 2023: RMB83,432,000), that is capital in nature. The total distribution amount for the Interim Period comprises the distributable amount calculated pursuant to the formula set out in the Trust Deed plus a further distribution of approximately RMB10,615,000 having regard to the abovementioned discretion of the Manager under the Trust Deed to distribute excess amounts where it has surplus funds. Further details regarding the breakdown of the total distributable amount are set out in the Distribution Statement of this announcement.

Distribution payable to Unitholders is paid in Hong Kong dollar. The exchange rate adopted by the Manager is the average central parity rate, as announced by the People's Bank of China, for the five business days preceding the date of declaration of distribution.

DISTRIBUTION PER UNIT

Distribution to Unitholders for the Interim Period is HK\$0.0405 per unit (June 2023: HK\$0.0590), representing a yield of approximately 4.26% (30 June 2023: 3.54%) based on the closing price of HK\$0.95 per unit as at 28 June 2024 (30 June 2023: HK\$1.67). This represents an annualized distribution yield of 8.52%.

CLOSURE OF REGISTER OF UNITHOLDERS

The record date for the interim distribution will be 12 September 2024. The register of Unitholders will be closed from 12 September 2024 to 13 September 2024, during which period no transfer of units will be effected. In order to qualify for the distribution, all Unit certificates with the completed transfer forms must be lodged with Yuexiu REIT's unit registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Center, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on 11 September 2024. The 2024 interim distribution will be paid on 25 October 2024 to the Unitholders whose names appear on the register of Unitholders on 12 September 2024.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

TAPPING INTO DEMANDS TO FIND OPPORTUNITIES, ANALYSING PROBLEMS TO SEEK BREAKTHROUGHS

In the first half of this year, domestic economic growth was mainly driven by the supply side, while the overall effective demand was insufficient and social expectations remained weak. Specifically, the mainstream of the office buildings tenants were more inclined to cut costs and suspend expansion. Brands were cautious in scaling up due to the decrease in consumer expenditure in retail business. Business demand for hotels decreased, with a shrinkage in business conferences coupled with events held with reduced budgets. The specialised market in apparel recorded unsatisfactory performance in the traditional peak season, and the off-peak season arrived early, tenants experienced fluctuations in their operations. Nevertheless, with a focus on three core business sectors, namely, office buildings, retail business and hotels and serviced apartments, the Manager tapped into demands to find opportunities in light of market trends, conducted analyses in relevant challenges and difficulties encountered in different business sectors to work out resolutions and seek breakthroughs, and implemented effective leasing strategies and operational measures to navigate through the competitive market conditions, gearing up all efforts to achieve satisfactory results for Unitholders.

PROPERTY PORTFOLIO

As of 30 June 2024, Yuexiu REIT's portfolio of properties consisted of ten properties, namely, White Horse Building Units ("White Horse Building"), Fortune Plaza Units and certain Carpark Spaces ("Fortune Plaza"), City Development Plaza Units and certain Carpark Spaces ("City Development Plaza"), Victory Plaza Units ("Victory Plaza"), Guangzhou International Finance Centre ("GZIFC"), Yuexiu Financial Tower ("Yuexiu Financial Tower"), located in Guangzhou; Yue Xiu Tower ("Shanghai Yue Xiu Tower"), located in Shanghai; Wuhan Yuexiu Fortune Centre, Starry Victoria Shopping Centre and certain Carpark Spaces ("Wuhan Properties"), located in Wuhan; Hangzhou Victory Business Center Units and certain Carpark Spaces ("Hangzhou Victory"), located in Hangzhou; and 17th and 23rd Floors of Yue Xiu Building Units ("17th and 23rd Floors of Hong Kong Yue Xiu Building"), located in Hong Kong. The aggregate area of ownership of the properties was approximately 1,184,156.5 sq.m. and the total rentable area was 803,984.1 sq.m. (excluding 70.4 sq.m. of common facilities area of White Horse Building; 1,408.3 sq.m. of parking space of Fortune Plaza; 2,104.3 sq.m. of parking space of City Development Plaza; 435.9 sq.m. of common facilities area of Victory Plaza ; 91,460.9 sq.m. of hotel, 51,102.3 sq.m. of serviced apartments, 76,512.3 sq.m. of parking space, and 7,752.5 sq.m. and 261.9 sq.m. of other ancillary facilities area of the office building and the shopping mall, respectively, of GZIFC; 13,502.6 sq.m. of parking space and 2,610.4 sq.m. of specific purpose area of Shanghai Yue Xiu Tower; 62,785.7 sq.m. of parking space and 12,415.1 sq.m. of common facilities area of Wuhan Properties; 17,663.6 sq.m. of parking space of Hangzhou Victory; 10,289.1 sq.m. of parking space and 29,797.1 sq.m. of common facilities area of Yuexiu Financial Tower, and the following statistics of both aggregate rented area and occupancy rate have excluded the above areas).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

PROPERTY VALUATION

On 30 June 2024, revaluation of the portfolio of properties of Yuexiu REIT was carried out by Savills Valuation and Professional Services Limited (“Savills”), an independent professional valuer, and the revalued market value was approximately RMB42.538 billion.

The following table summarises the valuation of each of the properties as at 30 June 2024 and 31 December 2023:

Name of Property	Valuation as at 30 June 2024 RMB million	Valuation as at 31 December 2023 RMB million	Increase/ (Decrease) percentage
White Horse Building	4,815	4,805	0.2%
Fortune Plaza	1,244	1,248	(0.3)%
City Development Plaza	1,029	1,028	0.1%
Victory Plaza	959	956	0.3%
GZIFC	19,044	19,001	0.2%
Shanghai Yue Xiu Tower	2,972	2,992	(0.7)%
Wuhan Properties	3,431	3,481	(1.4)%
Hangzhou Victory	624	624	—%
Yuexiu Financial Tower	8,316	8,315	—%
17th and 23rd Floors of Hong Kong Yue Xiu Building	104	109	(4.6)%
Total	42,538	42,559	(0.05)%

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Particulars of the properties are as follows:

Name of Property	Type	Location	Year of Completion	Area of Ownership (sq.m.)	Total Rentable Area (sq.m.)	Property Occupancy Rate ⁽¹⁾	Number of Lease ⁽¹⁾	Unit Rent ⁽¹⁾ (RMB/sq.m./month)
White Horse Building	Wholesale mall	Yuexiu District, Guangzhou	1990	50,199.3	50,128.9 ⁽²⁾	95.6%	861	452.5
Fortune Plaza	Grade A office	Tianhe District, Guangzhou	2003	42,763.5	41,355.2 ⁽³⁾	94.2%	109	147.7
City Development Plaza	Grade A office	Tianhe District, Guangzhou	1997	44,501.7	42,397.4 ⁽⁴⁾	95.7%	82	137.4
Victory Plaza	Retail shopping mall	Tianhe District, Guangzhou	2003	27,698.1	27,262.3 ⁽⁵⁾	97.8%	30	204.2
GZIFC	Commercial complex	Tianhe District, Guangzhou	2010	457,356.8	230,266.9	87.5%	251	221.2
Including:	Grade A office			267,804.4	183,539.6 ⁽⁶⁾	84.7%	191	235.5
	Retail shopping mall			46,989.2	46,727.3 ⁽⁷⁾	98.4%	60	172.8
	Hotel			91,460.9 ⁽⁸⁾	N/A	N/A	N/A	N/A
	Serviced apartments			51,102.3	N/A	N/A	N/A	N/A
Shanghai Yue Xiu Tower	Commercial complex	Pudong New District, Shanghai	2010	62,139.4	46,026.3 ⁽⁹⁾	84.6%	112	217.0
Wuhan Properties	Commercial complex	Qiaokou District, Wuhan		248,194.2	172,993.3	67.8%	229	68.1
Including:	Grade A office		2016	139,937.1	129,446.7 ⁽¹⁰⁾	60.8%	137	78.1
	Retail shopping mall		2015	45,471.4	43,546.6 ⁽¹¹⁾	88.7%	92	47.7
	Commercial parking spaces		2015-2016	47,182.9	N/A	N/A	N/A	N/A
	Residential parking spaces		2014-2016	15,602.8	N/A	N/A	N/A	N/A
Hangzhou Victory	Grade A office	Shangcheng District, Hangzhou	2017	40,148.4	22,484.8 ⁽¹²⁾	95.1%	31	126.6
Yuexiu Financial Tower	Grade A office	Tianhe District, Guangzhou	2015	210,282.9	170,196.8 ⁽¹³⁾	82.9%	185	201.9
17th and 23rd Floors of Hong Kong Yue Xiu Building	Office	Wanchai, Hong Kong	1985	872.2	872.2	100%	4	321.2
Total				1,184,156.5	803,984.1	84.0%	1,894	193.9

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Notes:

- (1) As at 30 June 2024;
- (2) Excluding 70.4 sq.m. of common facilities area;
- (3) Excluding 1,408.3 sq.m. of parking space;
- (4) Excluding 2,104.3 sq.m. of parking space;
- (5) Excluding 435.9 sq.m. of common facilities area;
- (6) Excluding 76,512.3 sq.m. of parking space and 7,752.5 sq.m. of other ancillary facilities area;
- (7) Excluding 261.9 sq.m. of common facilities area;
- (8) Including 2,262.0 sq.m. of hotel ancillary facilities area and refuge floor area;
- (9) Excluding 13,502.6 sq.m. of parking space and 2,610.4 sq.m. of specific purpose area (management office, owners' committee office, bicycle parking space and refuge floor);
- (10) Excluding 10,490.3 sq.m. of common facilities area and refuge floor area;
- (11) Excluding 1,924.8 sq.m. of common facilities area;
- (12) Excluding 17,663.6 sq.m. of parking space;
- (13) Excluding 10,289.1 sq.m. of parking space and 29,797.1 sq.m. of common facilities area.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

OCCUPANCY RATE REMAINED STABLE

As at 30 June 2024, the overall occupancy rate of the properties was approximately 84.0%.

The following table sets out a comparison of occupancy rates in respect of all the properties between the Interim Period and the corresponding period of previous year:

Name of Property	Occupancy rate as at 30 June 2024	Occupancy rate as at 30 June 2023	Percentage increase/ (decrease) as compared to 30 June 2023
White Horse Building	95.6%	90.5%	5.1%
Fortune Plaza	94.2%	93.6%	0.6%
City Development Plaza	95.7%	82.9%	12.8%
Victory Plaza	97.8%	93.5%	4.3%
GZIFC Office	84.7%	83.3%	1.4%
GZIFC Shopping Mall	98.4%	98.1%	0.3%
Shanghai Yue Xiu Tower	84.6%	86.2%	(1.6)%
Wuhan Properties Office	60.8%	61.6%	(0.8)%
Wuhan Properties Shopping Mall	88.7%	86.0%	2.7%
Hangzhou Victory	95.1%	99.2%	(4.1)%
Yuexiu Financial Tower	82.9%	89.1%	(6.2)%
17th and 23rd Floors of Hong Kong Yue Xiu Building	100%	100.0%	0.0%
Total	84.0%	84.0%	0.0%

Operational Property	Type	Commencement of Operation	Area of Ownership (sq.m.)	No. of Units (units)	Average Occupancy Rate ⁽¹⁾	Average Room Rate ⁽¹⁾ (RMB)
Four Seasons Hotel Guangzhou ⁽²⁾	Five-star hotel	August 2012	91,460.9	344	79.0%	2,214
Ascott Serviced Apartments ⁽²⁾	High-end serviced apartments	September 2012	51,102.3	314	90.5%	1,134

Notes:

(1) From 1 January 2024 to 30 June 2024;

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

SLIGHT FLUCTUATION IN REVENUE

During the Interim Period, the properties of Yuexiu REIT recorded total revenue of approximately RMB1.0341 billion, representing a decrease of 2.5% as compared to the corresponding period of the previous year. White Horse Building, Fortune Plaza, City Development Plaza, Victory Plaza, GZIFC, Shanghai Yue Xiu Tower, Wuhan Properties, Hangzhou Victory, Yuexiu Financial Tower and 17th and 23rd Floors of Hong Kong Yue Xiu Building accounted for approximately 10.8%, 4.0%, 3.6%, 3.9%, 48.8%, 4.7%, 4.9%, 1.6%, 17.6% and 0.1% of the total revenue, respectively.

The following table sets out a comparison of revenue in respect of the Properties between the Interim Period and the corresponding period of 2023:

Name of Property	Revenue for the Interim Period of 2024 RMB million	Revenue for the Interim Period of 2023 RMB million	Increase/ (Decrease) Compared to the Interim Period of 2023 RMB million	Increase/ (Decrease) in Revenue from the Property percentage
White Horse Building	111.4	107.7	3.7	3.4%
Fortune Plaza	41.5	42.2	(0.7)	(1.7)%
City Development Plaza	36.9	39.7	(2.8)	(7.1)%
Victory Plaza	40.5	41.8	(1.3)	(3.1)%
GZIFC				
Office	215.1	214.6	0.5	0.2%
Retail shopping mall	34.9	33.0	1.9	5.8%
Hotel	194.4	198.3	(3.9)	(2.0)%
Serviced apartment	60.0	57.9	2.1	3.6%
Shanghai Yue Xiu Tower	49.0	52.9	(3.9)	(7.4)%
Wuhan Properties	50.8	54.4	(3.6)	(6.6)%
Hangzhou Victory	16.4	16.6	(0.2)	(1.2)%
Yuexiu Financial Tower	181.7	200.2	(18.5)	(9.2)%
17th and 23rd Floors of Hong Kong Yue Xiu Building	1.5	1.6	(0.1)	(6.3)%
Total	1,034.1	1,060.9	(26.8)	(2.5)%



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

GZIFC – OFFICE: SECURING LEASE RENEWALS AND EXPEDITING THE REDUCTION IN RENTAL VACANCY; SHOPPING MALL: ADJUSTING TENANT CATEGORIES TO ATTRACT QUALITY TENANTS

In the face of the downward trend in the office market, GZIFC successfully renewed leases with a number of key tenants such as the British Consulate, Zurich General Insurance, Youngy Group and the CBD Administrative Committee, attained a renewal rate of 88.2%, thereby effectively securing high-quality customer resources. Taking into account the prevailing market demand, it created products that met market demand and enhanced the competitiveness of small-sized tenancy to expedite the leasing of vacant units. It continued to optimise the tenant structure by introducing a number of renowned enterprises in the first half of the year, including Celue Law Firm, Shengang Securities and CPEP, and also brought about a further expansion of an existing tenant, Guan Ling Law Firm by taking up an additional area of 1,071 sq.m.. In order to bring in quality customers demanding large-area space, GZIFC proactively promoted units integration and improved the leasing efficiency of high-rise floors. Currently, there is an entire-floor unit with a total area of approximately 10,000 sq.m. in which business negotiations with potential clients are in progress.

GZIFC Shopping Mall actively adjusted its business categories, took the initiative to remove tenants with low effectiveness in generating the anticipated market rental, and optimised its specialised catering mix. In the first half of the year, it brought in the first novel bakery brand "INCUBATOR" in Zhujiang New Town, the first directly operated "Subway" flagship store in Guangzhou, the high-end business chain of coffee brand "M Stand", and the trendy snack retailer "CURIOUS SNACKS", continuously enhancing the diversity and popularity of the brands in the shopping mall. In terms of promotion, GZIFC Shopping Mall organised a marketing campaign of "Cantonese Music Festival & Liquor Bazaar & Dancing Party (粵語音樂節&微醺市集&搖擺舞會)" to celebrate its eighth anniversary, while at the same time expanding its promotional influence and coverage. The shopping mall recorded a year-on-year increase of 5% in customer flow in the first half of the year.

FOUR SEASONS HOTEL/ASCOTT SERVICED APARTMENTS

Benefiting from the notable increase in the average room rate, Four Seasons Hotel maintained its leading position in the local luxury market and was awarded the "Forbes Travel Guide Five-star Hotel" by Forbes Travel Guide for nine consecutive years. The first half of the year saw a significant increase in the proportion of international customers, which effectively offset the decrease in domestic market demand. The core restaurants of the hotel won multiple Michelin awards, and recorded the peak revenue in the last seven years during the Spring Canton Fair. Ascott Serviced Apartments achieved its competitive advantage in product differentiation for large-sized apartments in the short-term rental market, accomplished a vital breakthrough with a record-high overall operating revenue. With a high RevPAR competitive index of 146.3, the Apartments maintained a leading position in the competitive market and remained as a top player among peers.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

YUEXIU FINANCIAL TOWER – SECURING RENEWALS OF EXISTING LEASES AND OPTIMISING PRODUCT MATCHING

In the first half of the year, Yuexiu Financial Tower concluded contracts to renew leases of a total of 7,454 sq.m., successfully secured the lease renewals of key quality tenants such as Everbright Securities, Guoyuan Securities, SHZQ Futures and Minmetals Land. Additionally, it also successfully retained three customers not renewing their leases upon expiration by providing alternative solutions such as relocating to another floor and reducing leased area, thereby effectively mitigating operational losses. The project kept refining product delivery standards, and set up standard units and floors for demonstration to effectively enhance the visiting experience of potential tenants brought by business solicitation, thereby continuously enhancing both product competitiveness and operational capabilities, which in turn promoted the successful conversion rate of tenant solicitation and improved customer satisfaction. In the first half of the year, the renovated vacant units recorded a high sell-through rate of 86%, with the successful introduction of a major law firm brand “Digtech Law Firm” and two renowned premium financial institutions, marking a continuous improvement in the tenant structure.

WHITE HORSE BUILDING - STABILISING OPERATIONS WITH A DUAL-DRIVER STRATEGY AND EXPANDING INFLUENCE THROUGH INTERNAL AND EXTERNAL EFFORTS

Facing the challenging market environment, White Horse Building benchmarked against high-quality brands in the competitive market, stepped up its efforts in customer engagement and reserves, with a focus on the operation and optimisation of floors and units at risk of vacancy. Driven by the dual-driver of tenant solicitation and stabilisation, the average occupancy rate maintained at a high level of 95.7% in the first half of the year. From different dimensions including product sources, business practices, sales channels and design teams, the project conducted “product portrait” research on tenants to discover the directions for improving the product competitiveness of existing customers. In the first half of the year, White Horse Building innovated its marketing strategy, continued to collaborate government and industry resources, and implemented a series of projects to expand its brand influence. By participating in CHIC Shanghai and organising the Infinite Form 2024 Autumn/Winter Order Fair, the White Horse brand has been expanding its coverage at home and abroad, with a cumulative exposure of 10,340,700 times.

FORTUNE PLAZA, CITY DEVELOPMENT PLAZA – GREATER EFFORTS IN TENANT SOLICITATION YIELDED SATISFACTORY RESULTS, FOSTERED STEADY INCREASE IN OCCUPANCY RATES

Fortune Plaza further optimised its tenant structure as it successfully introduced C&S Paper, an industry-leading company, as well as the “Ke Jun” Hong Kong-style restaurant to seamlessly take up a street-facing shop on the first floor; City Development Plaza successfully introduced a government-owned sports service agency, renting out vacant area of approximately 2,500 sq.m., which led to an increase of 5.8 percentage points in occupancy rate. In addition, leases with key customers such as Konica Minolta and WUYIGE Certified Public Accountants were successfully renewed, contributing to a relatively high renewal rate of 87.9% in the first half of the year.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

VICTORY PLAZA – RENTING OUT EFFORT-CONSUMING UNITS AND BOOSTING SALES

Victory Plaza made a breakthrough in concluding a lease renting out a specific unit requiring greater efforts in business solicitation, it successfully introduced a financially-sound beauty brand, recording a newly contracted area of 1,033 sq.m. in the first half of the year. The management team actively sought external resources for Victory Plaza to facilitate new product launches and promotion arrangements of its major tenants, assisted in boosting the business performance of Uniqlo. Based on the consumption patterns during holidays in the first half of the year, the team managed to stimulate in-store consumption, resulting in a year-on-year increase of 14% in customer flow in the first half of the year.

SHANGHAI YUE XIU TOWER – ENHANCING PRODUCT COMPETITIVENESS, RENEWING LEASES WITH KEY CUSTOMERS

In view of the insufficient effective leasing demand and small number of visitors in Zhuyuan area, Shanghai Yue Xiu Tower proactively expanded its tenant solicitation channels, and optimised and improved its products by selecting key units for fine decoration with furniture, as well as refurbishing undecorated units, thereby increasing the number of visitors and elevating the signing rate. In the first half of the year, the project recorded newly contracted area of 3,400 sq.m., successfully introduced well-known companies including Chang'an Ford and Taiping Insurance, and renewed leases with high-quality customers including Access World and Sulzer.

WUHAN PROPERTIES – EXPANDING CUSTOMER SOURCES AMID MARKET DOWNTURN, OPTIMISING BUSINESS FORMATS TO STIMULATE CONSUMPTION

Facing various tough conditions in Wuhan market with a low net absorption rate and a high vacancy rate, Yuexiu Fortune Centre timely reviewed its leasing policies and pricing strategies, adjusted the commission policy and actively expanded business solicitation channels, focusing on identifying high-quality customers in the same area and attracting more visitors through the channels of the five major banks. At the same time, it strengthened risk control. Firstly, it conducted due diligence on the admission of newly contracted tenants, and specified more stringent contract terms for customers with possible performance risks. Secondly, it paid particular attention to early termination of leases, and retained customers through various methods including lease restructuring. In the first half of the year, the project recorded newly contracted area of 17,000 sq.m., and successfully renewed leases with high-quality customers including Luzhou Laojiao, AVIVA-COFCO and Guangdong Guangxin.

Starry Victoria Shopping Centre continued to optimise different business formats for its portfolios. In the first half of the year, it successfully contracted with brands including Xiaomi, Yinxingkong (隱星空) and New Oriental, leading to a higher proportion of training/education and retail area. By continuously optimising different business formats for its portfolios, it not only activated the overall retail atmosphere, but also improved the business ambiance of Hall A and the brand level of the first floor of Hall B. The shopping mall recorded a year-on-year increase of 37.6% in customer flow and a year-on-year increase of 16.2% in sales in the first half of the year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

HANGZHOU VICTORY – BRINGING IN FINANCIALLY-SOUND TENANTS, RENEWING LEASES WITH HIGH-QUALITY CUSTOMERS

Hangzhou Victory effectively resolved the risk in relation to the termination of large-area leases as it managed to acquire tenants to conclude new contracts taking up two entire floors in the first half of the year, with the effective rents being 20% and 12% higher respectively than the last contracts. In terms of managing lease renewal, it successfully renewed leases with existing high-quality customers including Shanxi Road & Bridge, Bank of China and Yiqiwan, ensuring the stable operation of the existing high-quality customers.

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

The Manager continued to invest in a number of asset upgrading and renovation projects. Projects completed in the first half of the year included the renovation project of bathrooms in Room 10, Room 11 and Room 01 at Ascott GZIFC, and the upgrading and renovation project of public area on typical floors at Wuhan Yuexiu Fortune Centre.

In the second half of the year, the Manager will carry out the following projects: the renovation of public area on third floor and the upgrading and renovation project of air-conditioning system at White Horse Building; the retrofit of certain air-conditioning system terminal and the upgrading and renovation project of elevator system in the podium at Fortune Plaza; the upgrading and renovation project of central air-conditioning equipment in the podium at Victory Plaza; the replacement of facade film of the signboard at GZIFC, the renovation of ceiling lighting in the kitchens and digital transformation of surveillance system of the logistics areas at Four Seasons Hotel, and the upgrading and renovation project of mosquito screens in guest rooms at Ascott GZIFC; the renovation project of cooling source system at Yuexiu Financial Tower; the renovation projects of No. L9 and No. L10 elevator systems, the B1 floor parking space and the peripheral flowerbeds near Fushan Road at Shanghai Yue Xiu Tower; the renovation projects of underground garage and facilities at Hangzhou Victory, and the retrofit project of vacant units of the office projects. The expected investment for the above projects amounts to more than RMB38 million.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

ACTIVE MANAGEMENT IN FINANCIAL RISKS AND EFFECTIVE REDUCTION IN FINANCING COST

In terms of liquidity management, with regard to the bonds of HK\$1.12 billion due in May, the syndicated loan of HK\$1.2 billion (HK\$350 million remaining) and the syndicated loan of HK\$4.8 billion due in December 2024, the Manager planned ahead, introduced the offshore revolving loan of RMB530 million with a fixed interest rate of 3.70% in February, and introduced the offshore loan of HK\$1.12 billion from domestic banks in May, for the purpose of refinancing the maturing financing during the year so as to ensure effective monitor on the liquidity risk.

As for interest rate management, with prevailing high interest rates in offshore markets and financing costs remaining high, the RMB interest rate was on a downward trend to support domestic economic recovery. Taking advantage of the window in the spread of the RMB financing cost, the Manager has been replacing the existing offshore foreign currency financing with RMB loans since 2023, thereby reducing the overall financing cost and narrowing the risk exposure in interest rate. As of the end of June 2024, a total of RMB7.38 billion of financing has been introduced and used to replace Hong Kong dollar financing. At the end of June 2024, the financing interest rate exposure of Yuexiu REIT was approximately 45%, with the average financing cost of 4.55%, representing a year-on-year decrease of 35 basis points from 4.90% at the end of June 2023.

With regard to foreign exchange management, RMB has depreciated significantly against US dollar since 2022 due to the combined effect of continuous US dollar interest rate hikes and RMB entering an interest rate cut cycle. The Manager continued its focus on the market dynamics by adopting effective management strategies and tools for hedging foreign exchange at reasonable cost to monitor foreign exchange exposure. RMB financing has been continuously introduced to replace Hong Kong dollar financing since 2023. At the end of June 2024, Yuexiu REIT RMB financing reached approximately RMB8,404 million, accounted for 41% of total financing (corresponding period of 2023: RMB financing of approximately RMB4,197 million, accounted for 19% of total financing). At the end of June 2024, the foreign exchange exposure of Yuexiu REIT was equivalent to approximately RMB12,075 million, accounted for 59% of total financing. Currently, the functional currency of major offshore financing entities has been changed to Hong Kong dollars to mitigate the impact on REIT's profit level due to financing exchange gains and losses from exchange rate fluctuations. The Manager has also continued to further narrow the exchange rate exposure by adjusting the financing structure and increasing the proportion of low-cost RMB financing when appropriate.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

FINANCIAL RESULTS

During the Interim Period, gross income was lower than the corresponding period of 2023. The following is a summary of Yuexiu REIT's financial results during the Interim Period:

	Six months ended 30 June		
	2024 Unaudited RMB'000	2023 Unaudited RMB'000	(Decrease)/ Increase
Gross income	1,034,091	1,060,864	(2.5)%
Hotel and serviced apartments direct expenses	(156,242)	(161,558)	(3.3)%
Leasing agents' fee	(24,212)	(24,743)	(2.1)%
Property related taxes (Note 1)	(108,949)	(109,788)	(0.8)%
Other property expenses (Note 2)	(2,023)	(2,202)	(8.1)%
Total property operating expenses	(291,426)	(298,291)	(2.3)%
Net property income	742,665	762,573	(2.6)%
Withholding tax	(23,020)	(23,239)	(0.9)%
Depreciation and amortization	(70,487)	(70,399)	0.1%
Manager's fees	(85,136)	(83,432)	2.0%
Trustee's fees	(6,350)	(6,351)	(0.0)%
Other trust expenses (Note 3)	(5,622)	9,763	157.6%
Total non-property operating expenses	(190,615)	(173,658)	9.8%
Profit before finance income, finance expenses and tax	552,050	588,915	(6.3)%
Finance income	16,013	14,265	12.3%
Finance expenses	(476,243)	(548,243)	(13.1)%
Profit before tax	91,820	54,937	67.1%
Income tax expenses	(89,520)	(131,457)	(31.9)%
Net profit/(loss) after tax before fair value (loss)/gains on investment properties and fair value gain on derivative financial instruments	2,300	(76,520)	103.0%
Fair value (loss)/gains on investment properties	(69,471)	666	(10,531.1)%
Fair value gain on derivative financial instruments	26,642	163,403	(83.7)%
Net (loss)/profit after tax before transactions with unitholders	(40,529)	87,549	(146.3)%

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

- Note 1 Property related taxes include real estate tax, land use right tax, urban construction and maintenance tax, education surcharge, local education surcharge and stamp duties etc.
- Note 2 Other property expenses include valuation fee, insurance premium, trade receivable loss allowance and other expenses incurred at the level of the properties.
- Note 3 Other trust expenses include audit fees, printing charges, unit registrar 's fees, listing fees, legal advisory fees, exchange differences from operation, value added tax, Manager's fee adjustment in 2023 and miscellaneous expenses.

Gross income comes from office, wholesales, retails, hotel and serviced apartments. The following table shows an analysis of gross income:

(RMB'000)	Mainland		Six months ended 30 June	
	China	Hong Kong	2024	2023
Office	580,241	1,500	581,741	612,326
Wholesales	111,381	—	111,381	107,702
Retails	86,583	—	86,583	84,583
Hotel and serviced apartments	254,386	—	254,386	256,253
Total	1,032,591	1,500	1,034,091	1,060,864

During the Interim Period, net property income amounted to approximately RMB742,665,000 (June 2023: RMB762,573,000), being the income after deduction of hotel and serviced apartments direct expenses, property related taxes, leasing agents' fees and other property operating expenses, representing approximately 71.8% (June 2023: 71.9%) of total gross income. The table below sets out an analysis of net property income:

(RMB'000)	Mainland		Six months ended 30 June	
	China	Hong Kong	2024	2023
Office	485,953	1,500	487,453	515,315
Wholesales	93,848	—	93,848	90,756
Retails	73,034	—	73,034	71,939
Hotel and serviced apartments	88,330	—	88,330	84,563
Total	741,165	1,500	742,665	762,573

Hotel and serviced apartments direct expenses were RMB156,242,000 (including depreciation expense of approximately RMB5,951,000 incurred in connection with right-of-use assets and interest expense of RMB424,000 incurred in connection with lease liabilities), a decrease of 3.3% as compared with six months ended 30 June 2023. It was mainly due to a decrease in the gross income and occupancy rate from hotel.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Leasing agents' fee decreased by approximately 2.1% as compared with six months ended 30 June 2023. It was mainly due to a decrease of rental income.

Property related taxes decreased by approximately 0.8% as compared with six months ended 30 June 2023. It was mainly due to a decrease of rental income.

As the hotel and serviced apartments were booked as fixed assets, they incurred the depreciation and amortization charge.

The finance income received for the Interim Period amounted to approximately RMB16,013,000 (June 2023: RMB14,265,000).

As RMB depreciated against HK\$ and USD for the Interim Period, the bank borrowings denominated in Hong Kong Dollar and guaranteed medium term notes denominated in Hong Kong Dollar and United States Dollar resulted in an exchange loss of approximately RMB10,615,000. Excluding the exchange loss, the finance expenses incurred for the Interim Period amounted to approximately RMB465,628,000 (June 2023: Excluding the exchange loss, the finance expenses were approximately RMB423,501,000). The average one-month Hong Kong Interbank Offered Rate ("HIBOR") for the first half of 2024 was 4.51%, which was higher than that of the first half of 2023 by approximately 99 basis points and led to an increase of interest expenses on the floating portion of debt.

Loss after tax before transactions with Unitholders amounted to approximately RMB40,529,000 (June 2023: profit of approximately RMB87,549,000), which represented a decrease of approximately 146.3%, mainly due to a fair value loss on investment properties.

NEW UNITS ISSUED AND UNIT ACTIVITY

In respect of the settlement of Manager's fee for the period from 1 July 2023 to 31 December 2023, Yuexiu REIT issued 80,000,000 new units at HK\$1.05 per unit on 24 March 2024. The rest of the units will be deferred to be settled at the applicable market price at such later date which the REIT Manager considers is in the interests of the independent Unitholders, and the number of units is no more than 3,438,546, which is prescribed in the Announcement dated 24 March 2024. Please refer to the aforementioned Announcement for details.

As at 30 June 2024, a total of 4,995,738,171 units were issued by Yuexiu REIT.

The unit price of Yuexiu REIT reached a high of HK\$1.26 and a low of HK\$0.80 during the Interim Period. The average trading volume amounted to approximately 3,307,000 units per day (June 2023: 4,420,000 units) during the Interim Period.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

DEFERRED UNITS

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

As stated in the circular dated 13 November 2021 ("2021 Circular"), in light of the subscription price of the Rights Issue (being HK\$3.20) being at a discount greater than 10% of the average of the daily closing prices of the Units for the five consecutive trading days preceding the date of the 2021 Announcement (being HK\$3.67), the Deferred Units Issue Price shall be adjusted by multiplying the current Deferred Units Issue Price (being HK\$4.00 per Unit) by the fraction as set out under the Indebtedness Agreement and further described in the 2021 Circular (the "Deferred Units Issue Price Adjustment"). The Deferred Units Issue Price Adjustment has taken effect upon the completion of the Rights Issue, which has taken place on 26 January 2022.

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

NET ASSET VALUE

The net assets (including net assets attributable to deferred Unitholders) attributable to existing Unitholders per unit as at 30 June 2024 was approximately RMB3.10 (as at 31 December 2023: RMB3.18).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

CAPITAL AND FINANCIAL STRUCTURE

Yuexiu REIT's borrowings are as follows:

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000
Bank borrowings and notes		
Denominated in RMB	8,404,388	7,954,404
Denominated in HK\$	9,226,905	9,473,012
Denominated in USD	2,847,901	2,827,140
Total bank borrowings and notes	20,479,194	20,254,556
Maturity analysis		
Within one year	6,992,492	5,844,681
Two to five years	13,486,702	14,409,875
Beyond five years	—	—
The effective interest rate (per annum) of the bank borrowings and notes at the balance sheet date		
RMB	3.51%	3.49%
HK\$	6.07%	6.39%
USD	2.72%	2.72%

The overall effective interest rate (per annum) of the bank borrowings and notes at the balance sheet date was 4.55% (as at 31 December 2023: 4.74%).

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Following the pace of US dollar interest rate hikes, the HIBOR level has risen significantly since the second half of 2022. Through reasonable arrangement of financing structure (including maintaining the financing ratio between fixed and floating interest rates, and establishing interest rate hedging), the Manager has effectively mitigated the impact of the fluctuating interest rate market on the operating results of Yuexiu REIT;

At the end of June 2024, the average financing cost of Yuexiu REIT was 4.55%, approximately 6bp lower than the HIBOR(1m) of 4.61% at the end of the month. The average interest payment rate for the first half of the year was 4.56% (June 2023: 4.19%), approximately 5bp slightly higher than the average daily HIBOR(1m) of 4.51% (June 2023: 3.52%), but lower than the financing cost level of overseas loans;

In light of the general market expectation of slow interest rate cuts in 2024, and the fact that interest rate would remain higher than the existing RMB financing cost even if interest rate cuts take place, the refinancing strategy will therefore continue to focus on replacing foreign currency financing with low-cost domestic RMB financing.

As at 30 June 2024, total borrowings of Yuexiu REIT amounted to approximately RMB20,479,194,000 which represented approximately 46.7% of total assets of Yuexiu REIT (as at 31 December 2023: 46.2%). The above said gearing ratio was below the maximum borrowing limit of 50% as stipulated in the REIT Code.

As at 30 June 2024, total liabilities of Yuexiu REIT (excluding net assets attributable to Unitholders) amounted to approximately RMB27,186,881,000, representing approximately 62.0% of total assets of Yuexiu REIT.

CASH POSITION

As at 30 June 2024, cash and cash equivalents, short-term deposit balance of Yuexiu REIT amounted to approximately RMB1,614,530,000. Yuexiu REIT has sufficient financial resources to satisfy its financial commitments and working capital requirements.

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

REVIEW OF FINANCIAL RESULTS

The results of Yuexiu REIT for the Interim Period have been reviewed by the Disclosures Committee and Audit Committee of the Manager and by Yuexiu REIT's auditor in accordance with Hong Kong Standards on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

ISSUANCE OF 2024 INTERIM REPORT

The interim report of Yuexiu REIT for the six months ended 30 June 2024 will be published on the websites of the Stock Exchange and Yuexiu REIT, and will be sent to Unitholders on or before 31 August 2024.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

REPURCHASE, SALE OR REDEMPTION OF UNITS

Yuexiu REIT may, subject to the fulfillment of certain requirements, purchase its own Units on the Stock Exchange. During the Interim Period, there was no repurchase, sale or redemption of units of Yuexiu REIT by Yuexiu REIT or any of its subsidiaries.

SUMMARY OF ALL REAL ESTATE SALES AND PURCHASES

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

EMPLOYEES

As at 30 June 2024, Yuexiu REIT employed 585 and 132 employees in China for hotel operation and for serviced apartments operation through its subsidiaries respectively, mainly to fulfill its operating functions and provision of service for hotel and serviced apartments.

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

CORPORATE GOVERNANCE

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

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

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

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

AUTHORISATION STRUCTURE

Yuexiu REIT is a unit trust authorised by the SFC under section 104 of the SFO and regulated by the provisions of the REIT Code. The Manager has been authorised by the SFC under section 116 of the SFO to conduct the regulated activity of asset management. During the Interim Period, Mr. Lin Deliang, Mr. Kwan Chi Fai and Ms. Ou Haijing are Responsible Officers.

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

ROLES OF THE TRUSTEE AND MANAGER

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

DEALING IN SECURITIES OF YUEXIU REIT BY DIRECTORS OR THE MANAGER

The Manager has adopted the "Code Governing Dealings in Units by Directors or the Manager" (the "Units Dealing Code") governing dealings in the units of Yuexiu REIT as set out in the Compliance Manual, on terms no less exacting than the required standards of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). The Units Dealings Code may be extended to senior executives, officers and other employees of the Manager as the board may determine. Following specific enquiries by the Manager, the Directors of the Manager and the Manager have confirmed that they have complied with the required standards under the Model Code and the Units Dealing Code during the Interim Period.

FUNCTIONS OF THE BOARD

The board of Directors of the Manager (the “Board”) currently comprises eight members, four of whom are INEDs.

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

BOARD COMMITTEES

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

The committees of the Board are as follows:

AUDIT COMMITTEE

The Audit Committee comprises INEDs only (at least one of whom must have appropriate professional qualifications or accounting or related financial management expertise) and should have at least three members. Among other matters, it reviews the completeness, accuracy and fairness of Yuexiu REIT’s financial statements and considers the scope, approach and nature of internal and external audit reviews, and is responsible for the overall risk management.

FINANCE AND INVESTMENT COMMITTEE

The Finance and Investment Committee comprises seven Directors, including the Chairman, the Chief Executive Officer, Deputy CEO and at least one INED. It is responsible for, among other matters, evaluating and making recommendations on proposed acquisitions and disposals of assets proposed by the Manager and Yuexiu REIT, approving budgets and reviewing actual expenses on all key expenditures and reviewing the quarterly financial performance, forecasts and annual financial plan of the Manager and Yuexiu REIT. The Finance and Investment Committee also reviews and recommends changes to financial authorities, policies or procedures in areas such as accounting, taxes, treasury, distribution payout, investment appraisal, management and statutory reporting.



CORPORATE GOVERNANCE (CONTINUED)

DISCLOSURES COMMITTEE

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

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee comprises the Chairman and at least three other Directors, one of whom must be an INED. Among other matters, it reviews the terms and conditions of employment of all staff and Directors (other than the members of the Remuneration and Nomination Committee, whose remuneration is determined by the Board) and recommends the manpower deployment plan (including the succession plan for the management of the Manager and the Board), remuneration and retirement policies and packages. It ensures that no Director is involved in deciding his own remuneration. It is also responsible for reviewing the structure, size and composition of the Board and its committees on an ongoing basis as well as nominating and providing recommendations on nominees for appointment, re-appointment or removal as Directors. If a member of the Remuneration and Nomination Committee is subject to re-appointment or removal, then such Director will abstain from participating in such discussions.

CONFLICT OF INTEREST

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

- 1) The REIT Manager does not manage any other real estate investment trust or involve in any other real estate business;
- 2) All connected party transactions are monitored and undertaken according to the procedures and/or terms in compliance with the REIT Code;
- 3) At least one-third of the Board comprise INEDs.

PUBLIC FLOAT

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

CONNECTED PARTY TRANSACTIONS

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

CONTINUING CONNECTED PARTY TRANSACTIONS

LEASING TRANSACTIONS

Date	Connected Person	Relationship with Yuexiu REIT	Nature of Transaction	Aggregate Transaction Value for the 2024 Interim Period (RMB)
22 November 2023	Guangzhou Yue Xiu Holdings Limited ("GZYX")	An associate of the Manager	On 22 November 2023, the Manager (on behalf of Yuexiu REIT Group) entered into the Yuexiu Leasing Framework Agreement with GZYX setting out the terms and conditions and pricing policy governing the connected leasing transactions between Yuexiu REIT Group and Yuexiu connected persons group (being GZYX and its subsidiaries and associates) ("Yuexiu Connected Persons Group") 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, subject to the annual caps of RMB545,918,000, RMB573,372,000 and RMB603,203,000 for the years ending 31 December 2024, 2025 and 2026, respectively.	186,045,000

CONNECTED PARTY TRANSACTIONS (CONTINUED)

PROPERTY MANAGEMENT TRANSACTIONS

Date	Connected Person	Relationship with Yuexiu REIT	Nature of Transaction	Aggregate Transaction Value for the 2024 Interim Period (RMB)
22 November 2023	GZYX	An associate of the Manager	On 22 November 2023, the Manager (on behalf of Yuexiu REIT Group) entered into the Yuexiu Property Management Framework Agreement with GZYX setting out the terms and conditions and pricing policy governing the connected property management transactions with the Yuexiu Connected Persons Group 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.	N/A

TENANCY SERVICES TRANSACTIONS

Date	Connected Person	Relationship with Yuexiu REIT	Nature of Transaction	Aggregate Transaction Value for the 2024 Interim Period (RMB)
22 November 2023	Yuexiu Property	An associate of the Manager	On 22 November 2023, the Manager (on behalf of Yuexiu REIT Group) entered into the Yuexiu Tenancy Services Framework Agreement with Yuexiu Property setting out the terms and conditions and pricing policy governing the connected tenancy services transactions with the Yuexiu Connected Persons Group 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, subject to the annual caps of RMB62,352,000, RMB65,470,000 and RMB68,743,000 for the years ending 31 December 2024, 2025 and 2026, respectively.	24,212,000

CONNECTED PARTY TRANSACTIONS (CONTINUED)

STAFF QUARTERS SUBLEASE

The following table sets forth information in relation to the sublease entered into between a connected person of Yuexiu REIT and Guangzhou Yue Xiu City Construction International Finance Centre Co., Ltd., Four Seasons Hotel Branch* (廣州越秀城建國際金融中心有限公司四季酒店分公司) (being a branch company of a subsidiary of Yuexiu REIT):

Tenant	Location of unit	Relationship with Yuexiu REIT	GFA (sq.m.)	Sublease commencement/renewal date	Monthly rent (RMB)	Monthly rent per sq.m. (RMB)	Rent free period (days)	Term (Years)	Interim Period (RMB)	Sublease payment during the 2024
Guangzhou Yuexiu Star Apartment Management Co., Ltd.* (廣州越秀星寓公寓管理有限公司)	Guangzhou Tianhe District	An associate of the Manager 邦華名悅	7,411.05	1 December 2022	930,161	126	0	3	5,804,000	

TRADE MARK LICENCE AGREEMENTS

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

Grantor	Relationship with Yuexiu REIT	Property	Nature of Transaction	Amount paid/ payable for the 2024	Interim Period	Licence maturity date
Baima BM	An associate of the Manager	White Horse Building	Trade Mark Licence Agreement (6)	—	27 November 2026,	6 December 2026,
					13 January 2027,	13 December 2026,
					20 January 2027	27 November 2026
Yue Xiu Enterprises (Holdings) ("Yue Xiu") ⁽¹⁾	An associate of the Manager	Fortune Plaza	Trade Mark Licence Agreement	—	Perpetuity (subject to early termination terms)	

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

CONNECTED PARTY TRANSACTIONS (CONTINUED)

CONSTRUCTION SETTLEMENT AGENCY AGREEMENT

The following table sets forth information for the 2024 Interim Period in relation to the prepaid construction payable by Yuexiu REIT to a connected person and the interest charged on the balance of prepaid construction payable:

Engineering Settlement Agent	Relationship with Yuexiu REIT	Date of the Agreement	Balance of Prepaid Construction Payable for the 2024 Interim Period (RMB)	Nature of Transaction	Amount received/receivable for the 2024 Interim Period (RMB)
GCCD	An associate of the Manager	4 May 2012	40,106,000	Interest on the balance of construction payable	1,722,000

FINANCING OF THE DEFERRED COMPLETION PAYMENT

Name	Relationship with Yuexiu REIT	Date of agreement	Principal amount (RMB)	Amount of fees paid/payable within the 2024 Interim Period	Amount of interest paid/payable within the 2024 Interim Period (RMB)
Guangzhou Construction & Development Holdings (China) Limited ("GCD (China)") ⁽¹⁾	An associate of the Manager	21 December 2017	20,000	—	—

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

CORPORATE FINANCE TRANSACTIONS

Name	Nature of Transaction	Date of the Agreement	Amount of fees paid/payable/amortized within the 2024 Interim Period
Yue Xiu Securities	Bond ⁽¹⁾	17 March 2023	RMB28,000

(1) Yue Xiu Securities was one of the underwriters.

CONNECTED PARTY TRANSACTIONS (CONTINUED)

CHONG HING BANK GROUP

The following table sets forth information for the period in relation to the ordinary banking services and corporate finance transactions made between the Chong Hing Bank Group and Yuexiu REIT within the 2024 Interim Period:

ORDINARY BANKING SERVICES

Name	Nature of Transaction	Relationship with Yuexiu REIT	The balance of bank deposits amount as at 30 June 2024 (RMB)	The highest daily aggregate amount of bank deposits within the 2024 Interim Period (RMB)	Amount of interest received/receivable within the 2024 Interim Period (RMB)
Chong Hing Bank Limited ("Chong Hing Bank")	Bank deposits	An associate of the Manager	4,707,166	75,383,614	223,000

Name	Nature of Transaction	Relationship with Yuexiu REIT	Date of the Agreement	Total fees paid within the 2024 Interim Period
Chong Hing Insurance Company Ltd. ("Chong Hing Insurance")	Commercial insurance	An associate of the Manager	7 December 2023	HK\$9,000

CORPORATE FINANCE TRANSACTIONS

Name	Nature of Transaction	Date of the Agreement	Amount of fees paid/payable/amortized within the 2024 Interim Period
Chong Hing Bank	Bond ⁽¹⁾	17 March 2023	RMB22,000

(1) Chong Hing Bank was one of the underwriters.



CONNECTED PARTY TRANSACTIONS (CONTINUED)

TRANSFER OF LOAN, RIGHTS AND OBLIGATIONS BY AN EXISTING LENDER TO A CONNECTED PERSON UNDER A FACILITY AGREEMENT

Yuexiu REIT Secure Shell Limited (being a wholly-owned subsidiary of Yuexiu REIT) (as borrower) (the "Borrower") entered into a facility agreement with several banks (as lenders) on 31 October 2019 in respect of HK\$5,200,000,000 term loan facilities (the "Facility Agreement"). The facilities were fully drawn down. The Borrower was notified that, on 17 August 2023, one of the lenders (being an independent third party) had sold and transferred by novation its interest, rights and obligations in respect of HK\$260,000,000 advanced under the Facility Agreement to Yue Xiu Investment Consultants Limited ("YXIC") (the "Transfer"). YXIC is a connected person of Yuexiu REIT by virtue of being an indirect wholly-owned subsidiary of Yue Xiu Enterprises (Holdings) Limited ("YXE"), which is the indirect holding company of the Manager and a substantial unitholder of Yuexiu REIT.

The Transfer was effected pursuant to the Facility Agreement, which allows a lender to, without the Borrower's consent, transfer by novation of any of its rights and obligations thereunder to another bank or financial institution or any other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans. For the avoidance of doubt, Yuexiu REIT and the Borrower were not parties to or otherwise involved in the Transfer, and the terms of the Facility Agreement remain unchanged.

HSBC GROUP*

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

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

CONNECTED PARTY TRANSACTIONS (CONTINUED)

ORDINARY BANKING SERVICES AND CORPORATE FINANCE TRANSACTIONS

The following table sets forth information for the period in relation to the ordinary banking services and corporate finance transactions made between the HSBC Group and Yuexiu REIT within the 2024 Interim Period:

ORDINARY BANKING SERVICES

Name	Nature of transaction	Date of agreement	Principal amount	Amount of interest paid/payable within the 2024 Interim Period
HSBC Group	Loan ⁽¹⁾	November 2019	HK\$343,752,000	RMB9,646,000

Name	Nature of transaction	Date of agreement	Nominal amount	Amount received within the 2024 Interim Period
HSBC Group	Foreign Exchange Hedging ⁽²⁾	October 2022	HK\$320,000,000	HK\$10,581,000

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

(2) HSBC Group was one of the participating banks, and the foreign exchange hedging transaction with Yuexiu REIT has been completed during the 2024 Interim Period.

CORPORATE FINANCE TRANSACTIONS

Name	Nature of Transaction	Date of agreement	Amount of fees paid/payable/ amortized within the 2024 Interim Period
HSBC Group	Bond ⁽¹⁾	26 January 2021	RMB1,000

(1) HSBC Group was one of the underwriters.

GZI REIT (Holding) 2005 Company Limited, Partat, Keen Ocean, Full Estates, Moon King, Ever Joint Investment International Limited ("Ever Joint"), Long Grace Holdings Limited ("Long Grace"), Profit Link Investment International Limited ("Profit Link"), San Bright Holdings Limited ("San Bright") and Yuexiu REIT MTN Company Limited have maintained interest bearing accounts with HSBC at arm's length and on commercial terms for deposits during the 2024 Interim Period.

CONNECTED PARTY TRANSACTIONS (CONTINUED)

WAIVER FROM STRICT COMPLIANCE

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

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

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

CONFIRMATION BY THE AUDIT COMMITTEE AND THE INEDS

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

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

MANAGER'S FEES

During the 2024 Interim Period, the aggregate amount of fees payable by Yuexiu REIT to the Manager under the Trust Deed was approximately RMB85,136,000, all of which was settled by the issuance of new Units. For the avoidance of doubt, the services provided by the Manager pursuant to the Trust Deed are not treated as connected party transactions of Yuexiu REIT.

TRUSTEE'S FEES

During the 2024 Interim Period, the aggregate amount of fees payable by Yuexiu REIT to the Trustee under the Trust Deed was approximately RMB6,350,000. For the avoidance of doubt, the services provided by the Trustee pursuant to the Trust Deed are not treated as connected party transactions of Yuexiu REIT.

CONNECTED PARTY TRANSACTIONS (CONTINUED)

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

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

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

Interests and short positions in the Units:

Name of Director	As at 1 January 2024			As at 30 June 2024		
	Nature of Interest	Beneficial interests in Units	Approximate % of interest	Beneficial interests in Units	Approximate % of interest	% Change in Holdings
Mr. Lin Deliang	—	Nil	—	Nil	—	—
Ms. Ou Haijing	Beneficial	54,606	0.001111	54,606	0.001093	(0.000018)
Mr. Li Feng	Beneficial	5,287	0.0001078	5,287	0.0001058	(0.000002)
Mr. Zeng Zhizhao	—	Nil	—	Nil	—	—
Mr. Chan Chi On, Derek	—	Nil	—	Nil	—	—
Mr. Chan Chi Fai, Brian	—	Nil	—	Nil	—	—
Mr. Cheung Yuk Tong	—	Nil	—	Nil	—	—
Mr. Chen Xiaou	—	Nil	—	Nil	—	—

CONNECTED PARTY TRANSACTIONS (CONTINUED)

HOLDINGS OF SUBSTANTIAL HOLDERS

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

Long position in the Units:

Name of Substantial Unitholder	Nature of Interest	As at 1 January 2024		As at 30 June 2024		% Change of interest
		Interests in Units	Approximate % of interest	Interests in Units	Approximate % of interest	
GZYY ⁽¹⁾	Deemed	2,577,525,389	52.43 ⁽⁴⁾	2,660,963,935 ⁽³⁾	53.26 ⁽⁵⁾	0.83
	Total	2,577,525,389	52.43 ⁽⁴⁾	2,660,963,935 ⁽³⁾	53.26 ⁽⁵⁾	0.83
Yue Xiu	Beneficial	37,428	—	37,428	—	—
	Deemed	2,577,487,961	52.43 ⁽⁴⁾	2,660,926,507 ⁽³⁾	53.26 ⁽⁵⁾	0.83
	Total	2,577,525,389	52.43 ⁽⁴⁾	2,660,963,935 ⁽³⁾	53.26 ⁽⁵⁾	0.83
YXP ⁽²⁾	Beneficial	2,425,640	0.049	2,425,640	0.05	0.001
	Deemed	2,092,900,109	42.57 ⁽⁴⁾	2,176,338,655 ⁽³⁾	43.56 ⁽⁵⁾	0.99
	Total	2,095,325,749	42.62 ⁽⁴⁾	2,178,764,295 ⁽³⁾	43.61 ⁽⁵⁾	0.99
Dragon Yield Holding Limited ("Dragon Yield")	Beneficial	1,762,700,787	35.86 ⁽⁴⁾	1,762,700,787 ⁽³⁾	35.28 ⁽⁵⁾	(0.58)
	Deemed	—	—	—	—	—
	Total	1,762,700,787	35.86 ⁽⁴⁾	1,762,700,787 ⁽³⁾	35.28 ⁽⁵⁾	(0.58)
Beyond Best Global Limited ("BBG")	Beneficial	225,000,000	4.58	225,000,000	4.5038	(0.076)
	Deemed	2,352,525,389	47.86	2,435,963,935	48.761	0.901
	Total	2,577,525,389 ⁽⁴⁾	52.43	2,660,963,935 ⁽⁴⁾	53.26	0.83
Radiant World Investment Limited	Deemed	2,577,525,389	52.43	2,660,963,935	53.26	0.83
	Total	2,577,525,389 ⁽⁴⁾	52.43	2,660,963,935 ⁽⁴⁾	53.26	0.83
Sun Advance Limited ("SA")	Deemed	2,577,525,389	52.43	2,660,963,935	53.26	0.83
	Total	2,577,525,389 ⁽⁴⁾	52.43	2,660,963,935 ⁽⁴⁾	53.26	0.83
TONG WING CHI	Deemed	2,577,525,389	52.43	2,660,963,935	53.26	0.83
	Total	2,577,525,389 ⁽⁴⁾	52.43	2,660,963,935 ⁽⁴⁾	53.26	0.83
Victory Success Consulting Limited	Deemed	2,577,525,389	52.43	2,660,963,935	53.26	0.83
	Total	2,577,525,389 ⁽⁴⁾	52.43	2,660,963,935 ⁽⁴⁾	53.26	0.83

CONNECTED PARTY TRANSACTIONS (CONTINUED)

- (1) Further information in relation to interests of corporations controlled by GZYX as at 30 June 2024:

Name of Controlled Corporation	Name of Controlling Shareholder	% Control	Direct interest (Y/N)	Number of Shares	
				Long Position	Short Position
Yue Xiu	GZYX	100.00	Y	37,428	—
Yue Xiu	GZYX	100.00	N	2,660,926,507	—
Bosworth International Limited	Yue Xiu	100.00	Y	84,564,548	—
YXP	Yue Xiu	43.39	N	2,176,338,655	—
YXP	Yue Xiu	43.39	Y	2,425,640	—
Dragon Yield	YXP	100.00	Y	1,762,700,787	—
Yue Xiu International Investment Limited ("YXII")	YXP	100.00	Y	413,637,868	—
Novena Pacific Limited	Yue Xiu	100.00	Y	17,703,885	—
Morrison Pacific Limited	Yue Xiu	100.00	Y	4,946,376	—
Greenwood Pacific Limited	Yue Xiu	100.00	Y	4,248,089	—
Goldstock International Limited	Yue Xiu	100.00	Y	1,102,672	—
Yuexiu Capital Holdings Limited ("YXCH")	Yue Xiu	100.00	Y	84,940,000	—
YXCH	Yue Xiu	100.00	N	51,274,376	—
Yue Xiu Finance Company Limited	Yue Xiu	100.00	Y	1,902,194	—
Golden Harbor Limited ("GH")	YXCH	100.00	N	51,274,376	—
Star Grid Limited	Yue Xiu	100.00	N	276,274,376	—
SA	Star Grid Limited	100.00	N	276,274,376	—
Golden Harbor Limited Partnership ("GHLP")	GH as general partner	0.00	Y	51,274,376	—
GHLP	SA as limited partner	100.00	Y	51,274,376	—
BBG	SA	50.00	Y	225,000,000	—

- (2) The deemed interest as at 30 June 2024 in 2,176,338,655 Units were held through Dragon Yield and YXII, both are wholly-owned subsidiaries of YXP.
- (3) The number of units includes 232,808,584 deferred units. Yuexiu REIT will, on 31 December of each year, issue a number of deferred units to YXP (or YXP's nominee) at an issue price of HK\$3.861652 per Unit. Further details are included in the circular dated 17 December 2021 of Yuexiu REIT.
- (4) After deducting the unissued deferred units, the approximate interest held by GZYX and Yue Xiu will be approximately 43.12%, while the approximate interest in Yuexiu REIT held by YXP and Dragon Yield will be approximately 37.89% and 31.122% respectively.
- (5) After deducting the unissued deferred units, the approximate interest held by GZYX and Yue Xiu will be approximately 44.032%, while the approximate interest in Yuexiu REIT held by YXP and Dragon Yield will be approximately 38.884% and 30.624% respectively.
- (6) On 16 June 2022, BBG, owned 50% by Radiant World Investment Limited, entered into a loan agreement with Yue Xiu which agreed to provide a loan of HK\$712 million to BBG to acquire 225 million Units. Such loan agreement falls under section 317(1)(b) of the SFO; BBG is deemed to be interested in Yue Xiu's interest of 55.05% in Units under section 318 of the SFO. On 20 June 2022, BBG entered into an agreement to purchase 225 million Units for HK\$3.20 per Unit from GHLP which was completed on 21 June 2022. Further details are included in the announcement on 20 June 2022.



CONNECTED PARTY TRANSACTIONS (CONTINUED)

HOLDINGS OF SENIOR EXECUTIVES OF THE MANAGER

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

Name of Senior Executive	Nature of interest	As at 1 January 2024		As at 30 June 2024		
		Interests in Units	Approximate % of interest	Interests in Units	Approximate % of interest	% Change of interest
Mr. Liu Bihong	Beneficial	225	0.0000046	225	0.0000045	(0.0000001)

HOLDINGS OF OTHER CONNECTED PERSON

Name of Senior Executive	Nature of interest	As at 1 January 2024		As at 30 June 2024		
		Interests in Units	Approximate % of interest	Interests in Units	Approximate % of interest	% Change of interest
Trustee	Deemed ⁽¹⁾	1,477,431	0.03	1,512,937	0.03	—

(1) Associate of the trustee (as defined in the REIT Code) had no beneficial interest in any units as at 30 June 2024.

Save as disclosed above, the Manager is not aware of any connected persons of Yuexiu REIT, including Savills Valuation and Professional Services Limited holding any Units as at 30 June 2024.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



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To the Board of Directors of Yuexiu REIT Asset Management Limited

(as the "Manager" of Yuexiu Real Estate Investment Trust)

INTRODUCTION

We have reviewed the interim financial information set out on pages 48 to 90, which comprises the condensed consolidated statement of financial position of Yuexiu Real Estate Investment Trust ("Yuexiu REIT") and its subsidiaries (the "Group") as at 30 June 2024 and the related condensed consolidated statement of comprehensive income, distribution statement, statement of net assets attributable to unitholders and changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Manager are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young

Certified Public Accountants

Hong Kong
15 August 2024

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Notes	Six months ended 30 June	
		2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Revenue	6	1,034,091	1,060,864
Operating expenses, net	7	(481,617)	(471,218)
Fair value (losses)/gains on investment properties	14	(69,471)	666
Net gains on derivative financial instruments	17	26,642	163,403
Finance income	9	16,013	14,265
Finance expenses	10	(476,667)	(548,974)
Profit before income tax and transactions with unitholders		48,991	219,006
Income tax expense	11	(89,520)	(131,457)
(Loss)/profit after income tax before transactions with unitholders		(40,529)	87,549
Transactions with unitholders	24	65,809	334,771
Profit after income tax and transactions with unitholders		25,280	422,320
Other comprehensive income/(loss) for the period			
<u>Items that will not be classified to profit or loss:</u>			
Change in fair value of property, plant and equipment			
– Gross		66,192	(808)
– Tax		(18,538)	226
		47,654	(582)
<u>Items that may be classified to profit or loss:</u>			
Exchange differences on translation of foreign operations		(82,187)	(429,380)
Other comprehensive loss for the period, net of tax		(34,533)	(429,962)
Total comprehensive loss for the period		(9,253)	(7,642)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to				Total (Unaudited) RMB'000
	Unitholders before transactions with unitholders (Unaudited) RMB'000	Transactions with unitholders (Note 24) (Unaudited) RMB'000	Unitholders after transactions with unitholders (Unaudited) RMB'000	Non- controlling interests (Unaudited) RMB'000	
Profit/(loss) for the period ended 30 June 2023	95,184	334,771	429,955	(7,635)	422,320
Other comprehensive income:					
<u>Items that will not be reclassified to profit or loss:</u>					
Change in fair value of property, plant and equipment, net of tax	(575)	—	(575)	(7)	(582)
<u>Items that may be reclassified to profit or loss:</u>					
Exchange differences on translation of foreign operations	(429,380)	—	(429,380)	—	(429,380)
Total comprehensive (loss)/income for the period ended 30 June 2023	<u>(334,771)</u>	<u>334,771</u>	<u>—</u>	<u>(7,642)</u>	<u>(7,642)</u>
(Loss)/profit for the period ended 30 June 2024	(30,779)	65,809	35,030	(9,750)	25,280
Other comprehensive income:					
<u>Items that will not be reclassified to profit or loss:</u>					
Change in fair value of property, plant and equipment, net of tax	47,157	—	47,157	497	47,654
<u>Items that may be reclassified to profit or loss:</u>					
Exchange differences on translation of foreign operations	(82,187)	—	(82,187)	—	(82,187)
Total comprehensive (loss)/income for the period ended 30 June 2024	<u>(65,809)</u>	<u>65,809</u>	<u>—</u>	<u>(9,253)</u>	<u>(9,253)</u>

Notes:

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2024

	Notes	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Non-current assets			
Property, plant and equipment	12	2,158,537	2,131,642
Right-of-use assets	13	1,125,768	1,156,361
Investment properties	14	37,726,546	37,771,146
Deferred assets, prepayments, deposits and other receivables	15	157,988	203,236
Goodwill	16	859,868	859,868
Total non-current assets		42,028,707	42,122,253
Current assets			
Inventories		2,881	3,077
Trade and lease receivables	18	47,022	22,229
Amounts due from related parties	26(b)	53,598	58,450
Deferred assets, prepayments, deposits and other receivables	15	116,836	88,967
Derivative financial instruments	17	—	12,015
Tax recoverable		14,122	11,363
Bank deposits	19	110,000	110,000
Cash and cash equivalents	19	1,504,530	1,417,727
Total current assets		1,848,989	1,723,828
Total assets		43,877,696	43,846,081
Equity			
Reserves		(362,388)	(327,358)
Retained earnings		362,388	327,358
		—	—
Non-controlling interests		1,196,308	1,206,832
Total equity		1,196,308	1,206,832

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 JUNE 2024

	Notes	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Current liabilities			
Trade payables	21	22,237	14,263
Rental deposits, current portion	22	204,173	216,442
Receipts in advance	22	84,560	111,392
Accruals and other payables	22	452,915	489,511
Amounts due to related parties	26(b)	122,709	123,829
Borrowings	23	6,992,492	5,844,681
Lease liabilities	13	12,460	11,965
Tax payables		53,204	58,741
Total current liabilities		7,944,750	6,870,824
Non-current liabilities, other than net assets attributable to unitholders			
Rental deposits, non-current portion	22	184,733	192,097
Borrowings	23	13,486,702	14,409,875
Deferred tax liabilities	20	5,565,267	5,521,648
Lease liabilities	13	5,429	11,826
Total non-current liabilities		19,242,131	20,135,446
Total liabilities, other than net assets attributable to unitholders		27,186,881	27,006,270
Net assets attributable to unitholders	24	15,494,507	15,632,979
Total equity and liabilities		43,877,696	43,846,081
Net current liabilities		(6,095,761)	(5,146,996)
Units in issue ('000)	24	4,995,738	4,915,738
Net assets attributable to unitholders per unit (RMB)		RMB 3.10	RMB 3.18

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

Director

Director

INTERIM CONDENSED CONSOLIDATED DISTRIBUTION STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
(Loss)/profit after income tax before transactions with unitholders attributable to unitholders	(30,779)	95,184
Adjustments for the total distributable income (i)		
– Fair value losses/(gains) on investment properties	49,638	(24,003)
– Deferred taxation in respect of fair value changes on investment properties (credited)/charged to profit or loss	(15,117)	24,690
– Different depreciation and amortisation charge on investment properties, property, plant and equipment and land use rights under China Accounting Standards (“CAS”)	(195,517)	(197,008)
– Fair value gains on derivative financial instruments	(26,642)	(163,403)
– Manager’s fee adjustment	(7,354)	—
	(225,771)	(264,540)
Additional items (ii)		
– Different depreciation and amortisation charge on investment properties, property, plant and equipment and land use rights under CAS	195,517	197,008
– Depreciation and amortisation of property, plant and equipment and land use rights under Hong Kong Financial Reporting Standards (“HKFRSs”)	69,775	69,687
– Deferred taxation in respect of the depreciation and amortisation of investment properties, property, plant and equipment and land use rights	50,098	50,901
– Manager’s fee paid and payable in units in lieu of cash	85,136	83,432
– Foreign exchange losses on financing activities	10,615	124,742

INTERIM CONDENSED CONSOLIDATED DISTRIBUTION STATEMENT (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Six months ended 30 June	
		2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Distributable income after additional items		185,370	261,230
Distributable amount at 1 January		148,750	190,680
Distribution paid during the period (iii)	24	(148,873)	(190,448)
Interim distribution declared (iv)		185,247	261,462
Distribution per unit, declared (iv)		RMB0.0371	RMB0.0541

Notes:

- (i) Under the terms of the Trust Deed, the total distributable income is the consolidated profit after income tax before transactions with unitholders attributable to unitholders adjusted to eliminate the effects of certain non-cash adjustments which have been recorded in the interim condensed consolidated statement of comprehensive income for the relevant period.
- (ii) Pursuant to the circular dated 30 June 2012, the Manager intends to distribute certain additional items on top of the total distributable income under the Trust Deed.
- (iii) A distribution of RMB0.0298 per unit, totalling RMB148,873,000 (equivalent to HK\$163,860,000), was paid to unitholders on 24 May 2024.
- (iv) Interim distribution in respect of the six months ended 30 June 2024 of RMB0.0371 (equivalent to HK\$0.0405) per unit, totalling RMB185,247,000 (equivalent to HK\$202,036,000) was declared by the Board of the Manager on 15 August 2024.

The Manager calculated the above per unit figures based on the units in issue as at 30 June 2024 as disclosed in Note 24.

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

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Net assets Attributable to unitholders RMB'000	Equity			Total RMB'000
		Retained earnings RMB'000	Reserve RMB'000	Non- controlling interests RMB'000	
At 1 January 2023	16,104,395	135,257	(135,257)	1,217,242	17,321,637
Issuance of units (Note 24)	84,400	—	—	—	84,400
Profit for the period attributable to:					
– Unitholders	(334,771)	—	—	—	(334,771)
– Equity holders	—	429,955	—	(7,635)	422,320
Distributions paid to					
– Unitholders	(190,448)	—	—	—	(190,448)
– Equity holders	—	—	—	(1,966)	(1,966)
Change in fair value of property, plant and equipment, net of tax	—	—	(575)	(7)	(582)
Exchange differences on translation of foreign operations	—	—	(429,380)	—	(429,380)
At 30 June 2023 (unaudited)	15,663,576	565,212	(565,212)	1,207,634	16,871,210
At 1 January 2024	15,632,979	327,358	(327,358)	1,206,832	16,839,811
Issuance of units (Note 24)	76,210	—	—	—	76,210
Profit for the period attributable to:					
– Unitholders	(65,809)	—	—	—	(65,809)
– Equity holders	—	35,030	—	(9,750)	25,280
Distributions paid to					
– Unitholders	(148,873)	—	—	—	(148,873)
– Equity holders	—	—	—	(1,271)	(1,271)
Change in fair value of property, plant and equipment, net of tax	—	—	47,157	497	47,654
Exchange differences on translation of foreign operations	—	—	(82,187)	—	(82,187)
At 30 June 2024 (unaudited)	15,494,507	362,388	(362,388)	1,196,308	16,690,815

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Cash flows from operating activities		
Cash generated from operations	654,808	693,905
Interest paid	(472,891)	(397,157)
Income tax paid	(87,264)	(116,879)
Net cash from operating activities	94,653	179,869
Cash flows from investing activities		
Additions of investment properties	(25,610)	(23,556)
Additions of property, plant and equipment	(6,401)	(8,565)
Disposal of property, plant and equipment	185	—
Interest received	14,291	14,265
Net cash used in investing activities	(17,535)	(17,856)
Cash flows from financing activities		
Distribution paid	(150,144)	(192,414)
Proceeds from borrowings, net of transaction costs	1,541,057	2,954,126
Repayment of borrowings	(1,417,589)	(1,523,197)
Settlement of derivative financial instruments	40,740	—
Principal elements of lease payments	(6,327)	(6,083)
Net cash from financing activities	7,737	1,232,432
Net increase in cash and cash equivalents	84,855	1,394,445
Cash and cash equivalents at beginning of the period	1,417,727	1,333,773
Effects of foreign exchange rate changes, net	1,948	29,012
Cash and cash equivalents at end of the period	1,504,530	2,757,230

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

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

Yuexiu REIT is a Hong Kong collective investment scheme constituted as a unit trust by the Trust Deed entered into between the Manager and HSBC Institutional Trust Services (Asia) Limited, as the Trustee of Yuexiu REIT (the "Trustee") on 7 December 2005 (as amended by First Supplemental Deed dated 25 March 2008, Second Supplemental Deed dated 23 July 2010, Third Supplemental Deed dated 25 July 2012, Fourth Supplemental Deed dated 3 April 2020 and Fifth Supplemental Deed dated 28 May 2021) and authorised under section 104 of the Securities and Futures Ordinance subject to the applicable conditions imposed by Securities and Futures Commission from time to time. The address of its registered office is 17B, Yue Xiu Building, 160-174 Lockhart Road, Wanchai, Hong Kong.

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

This interim condensed consolidated financial information is presented in Renminbi ("RMB"), unless otherwise stated. This interim condensed consolidated financial information was approved for issue by the Board of Directors of the Manager on 15 August 2024.

This interim condensed consolidated financial information has not been audited.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

As at 30 June 2024, the Group's current liabilities exceeded its current assets by RMB6,095,761,000 (31 December 2023: RMB5,146,996,000) due to the borrowings of RMB6,992,492,000 fall due within twelve months from the balance sheet date (31 December 2023: borrowings of RMB5,844,681,000 fall due within twelve months from the balance sheet date). The Manager is in the process of arranging various sources of funding, which include discussing with the Group's existing principal bankers for refinancing, to meet with the settlement of the bank borrowings fall due within twelve months from the balance sheet date. Taking into account the financial resources available, including further limit available under the Guaranteed Medium Term Note Programme of Yuexiu REIT MTN Company Limited ("MTN Programme"), as well as the abovementioned refinancing plan, the Manager considers the Group has adequate resources to meet its liabilities as and when they fall due as well as its working capital and operating requirements for the foreseeable future. Accordingly, the directors consider it is appropriate the going concern basis has been adopted in preparing this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the "2020 Amendments")</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the "2022 Amendments")</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The amendments did not have any impact on the financial position or performance of the Group.

4. SIGNIFICANT JUDGEMENTS AND ACCOUNTING ESTIMATES

The preparation of the interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

5. FINANCIAL RISK MANAGEMENT

5.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2023.

There have been no significant changes in the risk management policies since the last year end.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

6. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Manager. Management determines the operating segments based on the Group's internal reports, which are then submitted to the executive directors for performance assessment and resources allocation.

The executive directors consider the business by nature of business activities and assess the performance of hotel and service apartments, office rental and wholesale and shopping mall.

The executive directors assess the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of non-recurring expenditure from the operating segments and other unallocated operating costs. Other information provided, except as noted below, to the executive directors is measured in a manner consistent with that in the interim condensed consolidated financial information.

Total assets excluded corporate assets which are not directly attributable to segments.

The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the interim condensed consolidated statement of comprehensive income.

The Group's revenue from external customers is derived from its operations in Chinese Mainland and Hong Kong. Except for the Group's goodwill (approximately RMB859,868,000), the Group's non-current assets are located in Chinese Mainland and Hong Kong.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

	Hotel and serviced apartments (Unaudited) RMB'000	Office rental (Unaudited) RMB'000	Wholesale and shopping mall (Unaudited) RMB'000	Total (Unaudited) RMB'000
Period ended 30 June 2024				
Revenue from external customers	254,386	581,741	197,964	1,034,091
Segment results	18,268	406,984	177,877	603,129
Depreciation	76,438	—	—	76,438
Fair value (losses)/gains on investment properties	—	(80,466)	10,995	(69,471)
Period ended 30 June 2023				
Revenue from external customers	256,253	612,326	192,285	1,060,864
Segment results	8,757	557,960	126,852	693,569
Depreciation	76,525	—	—	76,525
Fair value gains/(losses) on investment properties	—	36,509	(35,843)	666
As at 30 June 2024				
Total reportable segments' assets	3,654,525	30,003,001	9,336,706	42,994,232
As at 31 December 2023				
Total reportable segments' assets	3,642,780	30,036,284	9,280,305	42,959,369

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

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

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Segment results	603,129	693,569
Net gains on derivative financial instruments	26,642	163,403
Unallocated operating costs (Note)	(120,126)	(103,257)
Operating profit	509,645	753,715
Finance income	16,013	14,265
Finance expenses	(476,667)	(548,974)
Profit before income tax and transactions with unitholders	48,991	219,006

Note: Unallocated operating costs include mainly manager's fee, legal and professional expenses and other operating expenses incurred at corporate level.

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

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
	Total reportable segments' assets	42,994,232
Corporate assets	883,464	886,712
Total assets	43,877,696	43,846,081

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

The Group's revenue by nature is as follows:

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Hotel and serviced apartments operations		
Room rentals	168,157	165,602
Food and beverages	72,692	75,368
Others	13,537	15,283
Property rentals	779,705	804,611
Total	1,034,091	1,060,864

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

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Revenue recognised at a point in time	82,010	85,905
Revenue recognised over time	171,916	169,022
Other sources	780,165	805,937
Total	1,034,091	1,060,864

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

7. EXPENSES BY NATURE

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Property management fee (i)	24,212	24,743
Employee benefit expense	64,439	67,204
Real estate tax	102,253	103,328
Flood prevention fee, urban construction and maintenance tax, education surcharge and local education surcharge	5,200	5,315
Withholding tax (ii)	23,020	23,239
Depreciation of property, plant and equipment (Note 12)	45,845	45,757
Depreciation of right-of-use assets (Note 13)	30,593	30,768
Cost of inventories sold or consumed in operation	43,685	46,981
Other direct expenses on hotel and serviced apartments	41,743	40,516
Manager's fee (Note 8)	85,136	83,432
Manager's fee adjustment	(7,354)	—
Trustee's fee	6,350	6,351
Valuation fee	498	581
Legal and professional fee	2,121	8,329
Auditor's remuneration	1,200	1,200
Bank charges	345	213
Foreign exchange losses/(gains)	7,421	(29,734)
Others	4,910	12,995
Total operating expenses, net	481,617	471,218

Notes:

- (i) The Group received leasing, marketing and tenancy management services from three leasing agents, namely, Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd. ("Yicheng BM"), Guangzhou Baima Business Operation Management Co., Ltd. ("Baima BM") and Guangzhou IFC Business Management Co., Ltd. ("GZ IFC Management") (Note 26).
- (ii) Withholding tax on the rental income and interest income derived from properties located in Chinese Mainland and held by BVI companies is calculated at a rate of 10%.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

8. MANAGER'S FEE

Pursuant to the Trust Deed, the Manager is entitled to receive remuneration for its services as manager of Yuexiu REIT, which is the aggregate of a base fee of 0.3% per annum of the carrying value of the deposited property as defined in the Trust Deed; a service fee of 3% per annum of net property income; a transaction fee of 1% of the consideration for the acquisition of any real estate from external party and a transaction fee of 0.5% of the gross sale price of the disposal of any part of deposited property comprising of Real Estate, as defined in the Trust Deed.

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Manager's fee:		
In the form of units	85,136	83,432

Pursuant to the circular of Yuexiu REIT dated 13 November 2021 ("2021 Circular") and subsequent announcement dated 15 January 2024, all of the Manager's fee for the year ending 31 December 2024, will be paid in the form of units. In accordance with the Trust Deed, the Manager Fee Units for the period ended 30 June 2024 are expected to be issued on 2 September 2024. Also in accordance with the Trust Deed, the issue price of the units (and consequentially the number of units to be issued to the Manager) will be calculated based on the higher of (i) the closing price of the units on the trading day immediately preceding 30 August 2024 and (ii) the average closing price of the units in the 10 trading days immediately preceding 30 August 2024.

9. FINANCE INCOME

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Interest income from bank deposits	14,291	12,553
Interest income from a related party (Note 26(a))	1,722	1,712
Total	16,013	14,265

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

10. FINANCE EXPENSES

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Interest expense for bank borrowings	373,008	340,089
Interest expense for other borrowings	83,544	71,607
Interest and finance charges paid/payable for lease liabilities (Note 13)	424	731
Amortisation of transaction costs for borrowings	9,076	11,805
Foreign exchange losses on financing activities	10,615	124,742
Total	476,667	548,974

11. INCOME TAX EXPENSE

For the subsidiaries incorporated and operating in Chinese Mainland, they are subject to China corporate income tax at a rate of 25% under Corporate Income Tax Law of the People's Republic of China.

For other subsidiaries with operations in Chinese Mainland, the corporate income tax was paid by way of withholding tax as disclosed in Note 7(ii).

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

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Current income tax		
– China corporate income tax	42,174	41,072
– PRC withholding tax	22,265	26,390
Deferred income tax (Note 20)	25,081	63,995
Total	89,520	131,457

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

12. PROPERTY, PLANT AND EQUIPMENT

	Hotel and serviced apartments RMB'000	Office supplies RMB'000	Motor vehicles RMB'000	Total RMB'000
Six months ended 30 June 2023				
Opening net book amount as at 1 January 2023	2,183,000	244	439	2,183,683
Additions	8,565	—	—	8,565
Depreciation	(45,757)	—	—	(45,757)
Fair value losses on revaluation	(808)	—	—	(808)
Closing net book amount as at 30 June 2023	2,145,000	244	439	2,145,683
At 30 June 2023				
At fair value	2,145,000	—	—	2,145,000
At cost	—	244	439	683
Total	2,145,000	244	439	2,145,683
Six months ended 30 June 2024				
Opening net book amount as at 1 January 2024	2,131,000	244	398	2,131,642
Additions	6,653	—	—	6,653
Depreciation	(45,845)	—	—	(45,845)
Disposal	—	—	(105)	(105)
Fair value gains on revaluation	66,192	—	—	66,192
Closing net book amount as at 30 June 2024	2,158,000	244	293	2,158,537
At 30 June 2024				
At fair value	2,158,000	—	—	2,158,000
At cost	—	244	293	537
Total	2,158,000	244	293	2,158,537

If hotel and serviced apartments had not been revalued, it would have been included in the interim condensed consolidated financial information at historical cost less accumulated depreciation of RMB1,245,114,000 (31 December 2023: RMB1,308,624,000).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 30 June 2024, property, plant and equipment with an aggregate carrying amount of approximately RMB1,921 million (31 December 2023: RMB1,897 million) were pledged as collateral for the Group's bank borrowings (Note 23).

VALUATION PROCESSES OF THE GROUP

The Group measures the building portion of hotel and serviced apartments at fair value. Hotel and serviced apartments were revalued by Savills Valuation and Professional Services Limited ("Savills"), being independent qualified valuer not related to the Group as at 30 June 2024 and 31 December 2023.

The Group's finance department includes a team that reviews the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the senior management. Discussions of valuation processes and results are held between the management and the valuer at least once every six months, in line with the Group's interim and annual reporting dates.

At each financial period end, the finance department:

- Verifies all major inputs to the independent valuation report
- Assesses property valuations movements when compared to the prior year valuation report
- Holds discussions with the independent valuer

VALUATION TECHNIQUES

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

The depreciated replacement cost method involves estimation of the market redevelopment costs of the building portion of hotel and serviced apartments of Guangzhou IFC which includes building costs, finance costs and professional fee. Depreciation is also considered to reflect the physical deterioration, functional and economic obsolescence to derive the fair value.

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

The building portion of hotel and serviced apartments in property, plant and equipment are included in Level 3 (31 December 2023: Level 3) of the fair value hierarchy.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

13. LEASE

	Land use rights RMB'000	Staff quarter RMB'000	Total RMB'000
Right-of-use assets			
At 1 January 2023	1,182,832	32,916	1,215,748
Depreciation	(24,642)	(6,126)	(30,768)
At 30 June 2023	1,158,190	26,790	1,184,980
At 1 January 2024	1,133,547	22,814	1,156,361
Depreciation	(24,642)	(5,951)	(30,593)
At 30 June 2024	1,108,905	16,863	1,125,768

LEASE LIABILITIES

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Current portion	12,460	11,965
Non-current portion	5,429	11,826
Total	17,889	23,791

As at 30 June 2024, the fair value of land use rights is approximately RMB2,653 million (31 December 2023: RMB2,657 million). The change in fair value was not reflected in the interim condensed consolidated financial information.

As at 30 June 2024, right-of-use assets were pledged with an aggregate net book amount of approximately RMB1,027 million (31 December 2023: RMB1,050 million) as collateral for the Group's bank borrowings (Note 23).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

13. LEASE (CONTINUED)

LEASE LIABILITIES (CONTINUED)

The interim condensed consolidated statement of comprehensive income shows the following amount relating to leases:

Depreciation charge of right-of-use assets

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Land use rights	24,642	24,642
Staff quarter	5,951	6,126
Total	30,593	30,768
Interest expense (included in finance expenses) (Note 10)	424	731

14. INVESTMENT PROPERTIES

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Beginning of the period	37,771,146	37,702,232
Exchange differences	751	3,625
Capitalised expenditure	24,120	19,200
Fair value (losses)/gains during the period, included in profit or loss under "Fair value (losses)/gains on investment properties"	(69,471)	666
End of the period	37,726,546	37,725,723

In the interim condensed consolidated statement of comprehensive income, direct operating expenses include RMB19,087,000 (six months ended 30 June 2023: RMB18,102,000) relating to investment properties that were vacant.

As at 30 June 2024, investment properties with an aggregate carrying value of approximately RMB3,757 million (31 December 2023: RMB3,753 million) were pledged as collateral for the Group's bank borrowings (Note 23).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

14. INVESTMENT PROPERTIES (CONTINUED)

VALUATION PROCESSES OF THE GROUP

The Group measures its investment properties at fair value. The investment properties were revalued by Savills being independent qualified valuer not related to the Group as at 30 June 2024 and 31 December 2023.

The Group's finance department includes a team that reviews the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the senior management. Discussions of valuation processes and results are held between the management and valuer at least once every six months, in line with the Group's interim and annual reporting dates.

At each financial period end, the finance department:

- Verifies all major inputs to the independent valuation report
- Assesses property valuations movements when compared to the prior year valuation report
- Holds discussions with the independent valuer

VALUATION TECHNIQUES

Fair value measurements using significant unobservable inputs

- (a) Investment properties in Chinese Mainland

As at 30 June 2024 and 31 December 2023, Savills mainly relied on the income capitalisation method as the primary approach and cross-checked by the direct comparison approach. The use of income capitalisation method is in line with market practice of property valuation for income-producing commercial assets which are the main asset class of the Group.

The income capitalisation method is based on the capitalisation of the current passing rental income and potential reversionary income of the property from the date of valuation at appropriate investment yields to arrive at the capital value. Appropriate adjustments or deductions for rent-free periods, ongoing vacancy voids, marketing periods and non-recoverable expenses for the vacant space have been considered.

The income capitalisation method is used to capitalise the unexpired rental incomes of contractual tenancies. It has also taken into account the reversionary market rents after the expiry of tenancies in capitalisation. The prevailing market rents adopted in the valuation have made reference to recent lettings and other similar comparable properties in the vicinity.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

14. INVESTMENT PROPERTIES (CONTINUED)

VALUATION TECHNIQUES (CONTINUED)

Fair value measurements using significant unobservable inputs (CONTINUED)

(b) Investment properties in Hong Kong

As at 30 June 2024 and 31 December 2023, Savills relied on the direct comparison approach for the valuation of investment properties located in Hong Kong. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The key input under this approach is the price per square foot from current year sales of comparable properties.

The investment properties are included in Level 3 (31 December 2023: Level 3) of the fair value hierarchy.

15. DEFERRED ASSETS, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Rental income is recognised on an accrued basis by averaging out the impact of rent-free periods, contracted rental escalations and such other terms affecting the cash received from rental income under each tenancy agreement. Thus, rental income is recognised on a straight-line basis for the entire lease term of each tenancy agreement, which effectively amortises the impact of rent-free periods, contracted rental escalations and other relevant terms on the rental income over the relevant lease periods. The temporary difference between the rental income as set out in the lease agreements and accounting rental income is reflected as deferred assets. Deferred assets which are expected to be realised within twelve months after the balance sheet date are classified as current assets. The balance of prepayments, deposits and other receivables mainly represents other tax prepayments, deposits for utilities and property maintenance fund. The deferred assets, prepayments, deposits and other receivables are mainly denominated in RMB.

16. GOODWILL

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Cost	859,868	859,868
Accumulated impairment	—	—
Net book amount	859,868	859,868

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

17. DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Foreign exchange forward contracts	—	12,015

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

	30 June 2024 (Unaudited) RMB'000	30 June 2023 (Unaudited) RMB'000
Unrealised fair value changes of derivative financial instruments	—	163,403
Net realised gains from derivative financial instruments	26,642	—
Total	26,642	163,403

18. TRADE AND LEASE RECEIVABLES

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Trade and lease receivables	48,062	23,523
Less: allowance	(1,040)	(1,294)
Trade and lease receivables, net	47,022	22,229

The fair values of trade and lease receivables approximate their carrying amounts.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

18. TRADE AND LEASE RECEIVABLES (CONTINUED)

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

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
0 - 30 days	37,225	16,902
31 - 90 days	7,930	4,339
91 - 180 days	1,613	572
181 - 365 days	—	257
Over 1 year	1,294	1,453
Total	48,062	23,523

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

All of the Group's trade and lease receivables are denominated in RMB.

19. BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Current		
Cash at bank and on hand	1,314,693	1,233,148
Short-term bank deposits with original maturity of less than three months	189,837	184,579
Cash and cash equivalents	1,504,530	1,417,727
Short-term bank deposits with original maturity of more than three months but less than twelve months	110,000	90,000
Long-term bank deposits due in twelve months with original maturity of more than twelve months	—	20,000
Total	1,614,530	1,527,727
Maximum exposure to credit risk	1,614,185	1,527,377

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

19. BANK DEPOSITS AND CASH AND CASH EQUIVALENTS (CONTINUED)

As at 30 June 2024, included in the bank deposits and cash and cash equivalents of the Group are bank deposits of approximately RMB1,380,383,000 (31 December 2023: RMB1,289,621,000) denominated in RMB, which is not a freely convertible currency in the international market and its exchange rate is determined by the People's Bank of China. The remittance of these funds out of Chinese Mainland is subject to exchange control restrictions imposed by the Chinese government.

The credit quality of bank deposits and cash and cash equivalents has been assessed by reference to external credit ratings (if available) or to historical information about the counterparty default rates. The existing counterparties do not have defaults in the past.

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

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

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
RMB	1,380,728	1,289,971
HK\$	217,186	221,353
US\$	16,616	16,403
Total	1,614,530	1,527,727

20. DEFERRED TAX LIABILITIES

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Beginning of the period	5,521,648	5,380,971
Deferred taxation charged to profit or loss (Note 11)	25,081	63,995
Deferred taxation charged/(credited) to reserve	18,538	(226)
End of the period	5,565,267	5,444,740

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

21. TRADE PAYABLES

The fair values of trade payables approximate their carrying amounts. The aging analysis of the trade payables by invoice date is as follows:

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
0 - 30 days	13,981	7,796
31 - 90 days	4,624	3,443
91 - 180 days	3,034	970
181-365 days	308	761
Over 1 year	290	1,293
Total	22,237	14,263

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

22. RENTAL DEPOSITS, RECEIPTS IN ADVANCE, ACCRUALS AND OTHER PAYABLES

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Rental deposits		
Current portion	204,173	216,442
Non-current portion	184,733	192,097
Subtotal	388,906	408,539
Receipts in advance	84,560	111,392
Accrued urban real estate tax	65,829	54,137
Accrued withholding tax payable	12,675	7,050
Accrued surcharge tax	16,929	15,568
Construction payable	177,475	179,854
Transaction costs payable for the acquisition of Gain Force Investments Limited (the "Acquisition") (i)	—	7,731
Accrued interest expenses	76,767	93,106
Accruals for operating expenses	103,240	132,065
Accruals and other payables	452,915	489,511
Total	926,381	1,009,442

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

22. RENTAL DEPOSITS, RECEIPTS IN ADVANCE, ACCRUALS AND OTHER PAYABLES (CONTINUED)

Notes:

- (i) On 23 December 2021, the Group completed the acquisition of the 100% equity interest in Gain Force Investments Limited, which is engaged in the leasing of Yuexiu Financial Tower, an International Grade A office building located in Guangzhou.
- (ii) The carrying amounts of rental deposits, receipts in advance and accruals and other payables approximate their fair values. Majority of the Group's rental deposits, receipts in advance and accruals and other payables are denominated in RMB.

23. BORROWINGS

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Current		
Short-term bank borrowings		
- Unsecured	530,000	—
Current portion of long-term borrowings		
Bank borrowings		
- Secured (Note a)	165,000	165,000
- Unsecured	6,297,492	4,664,882
Other borrowings, unsecured (Note b)	—	1,014,799
Total current borrowings	6,992,492	5,844,681
Non-current		
Long-term borrowings		
Bank borrowings		
- Secured (Note a)	5,029,067	5,110,233
- Unsecured	10,573,809	9,804,443
Other borrowings, unsecured (Note b)	4,346,318	5,339,880
Total long-term borrowings	19,949,194	20,254,556
Less: current portion of long-term borrowings	(6,462,492)	(5,844,681)
Non-current portion of long-term borrowings	13,486,702	14,409,875
Analysis into:		
- Unsecured	15,450,128	15,144,323
- Secured	5,029,066	5,110,233
Total	20,479,194	20,254,556

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

23. BORROWINGS (CONTINUED)

Note a:

As at 30 June 2024, bank loans of approximately RMB5,029 million (31 December 2023: RMB5,110 million) are secured by certain parts of Guangzhou IFC with carrying value of RMB6,705 million (31 December 2023: RMB6,700 million).

Note b:

On 2 February 2021, Yuexiu REIT MTN Company Limited ("REIT MTN"), a wholly owned subsidiary of Yuexiu REIT, issued and sold a total of US\$400 million principal amount of 2.65% notes due in February 2026 to investors under the MTN Programme, which was updated in January 2021.

On 28 May 2019 and 14 June 2019, REIT MTN, issued and sold HK\$770 million and HK\$350 million principal amount of 3.6% additional notes to investors under the MTN Programme, which were matured and have been repaid in 2024.

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

24. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Beginning of the period	15,632,979	16,104,395
Issuance of units	76,210	84,400
Transfer from the interim condensed consolidated statement of comprehensive income	(65,809)	(334,771)
Distributions paid during the period	(148,873)	(190,448)
End of the period	15,494,507	15,663,576

The movement of numbers of existing units is as below:

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Units in issue ('000)		
Beginning of the period	4,915,738	4,783,780
Manager's fee in form of units (Note a)	80,000	49,883
End of the period	4,995,738	4,833,663

Note a:

During the period, 80,000,000 units were issued for the payment of manager's fee (2023: 49,882,982 units).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

25. (LOSS)/EARNINGS PER UNIT BASED UPON (LOSS)/PROFIT AFTER INCOME TAX BEFORE TRANSACTIONS WITH UNITHOLDERS ATTRIBUTABLE TO UNITHOLDERS

(a) Basic

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

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
(Loss)/profit after income tax before transactions with unitholders attributable to unitholders (RMB'000)	(30,779)	95,184
Weighted average number of units in issue ('000)	4,959,937	4,810,789
Basic (loss)/earnings per unit (RMB)	(0.01)	0.02

(b) Diluted

Diluted (loss)/earnings per unit based upon (loss)/profit after income tax before transactions with unitholders attributable to unitholders is calculated by adjusting the weighted average number of units outstanding to assume conversion of all dilutive potential units. Yuexiu REIT has deferred units outstanding and manager's fee in form of units during the period which are dilutive potential units. The deferred units outstanding and manager's fee in form of units during the six-month period ended 30 June 2024 are not included in the calculation of diluted loss per unit because they are antidilutive for the period ended 30 June 2024.

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
(Loss)/profit after income tax before transactions with unitholders attributable to unitholders (RMB'000)	(30,779)	95,184
Weighted average number of units in issue ('000)	4,959,937	4,810,789
Adjustments for deferred units ('000) (Note)	—	254,809
Adjustments for manager's fee in form of units ('000)	—	54,187
Weighted average number of units for diluted (loss)/earnings per unit ('000)	4,959,937	5,119,785
Diluted (loss)/earnings per unit (RMB)	(0.01)	0.02

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

25. (LOSS)/EARNINGS PER UNIT BASED UPON (LOSS)/PROFIT AFTER INCOME TAX BEFORE TRANSACTIONS WITH UNITHOLDERS ATTRIBUTABLE TO UNITHOLDERS (CONTINUED)

(b) Diluted (continued)

Note:

Pursuant to the terms disclosed in the circular dated 30 June 2012, Yuexiu REIT will, on 31 December of each year, issue to YXP certain number of units starting from 31 December 2016 (the "Deferred Units"). The number of Deferred Units to be issued to YXP each year, when aggregated with the Manager Fee Units to be issued within 12 months of the issue, will be limited to the maximum number of units which will not trigger an obligation on the part of YXP to make a mandatory general offer under Rule 26 of the Takeovers Code for all units not already owned or agreed to be acquired by YXP at the relevant time.

Pursuant to the terms disclosed in the 2021 Circular, in light of the subscription price of the Rights Issue (being HK\$3.20) being at a discount greater than 10% of the average of the daily closing prices of the Units for the five consecutive trading days preceding the date of the announcement (being HK\$3.67), which was made on 24 October 2021 in relation to the Acquisition, the issue price for the Deferred Units (the "Deferred Units Issue Price") shall be adjusted by multiplying the current Deferred Units Issue Price (being HK\$4.00 per Unit) by the fraction as set out under the indebtedness agreement dated 28 May 2012 between YXP, the Trustee and the Manager and further described in the 2021 Circular (the "Deferred Units Issue Price Adjustment"). The Deferred Units Issue Price Adjustment took effect upon the completion of the Rights Issue on 26 January 2022.

The adjusted Deferred Units Issue Price is HK\$3.86 per Unit and the Deferred Units to be issued was adjusted to 329,809,000 units following the Deferred Units Issue Price Adjustment.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

26. CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

As at 30 June 2024, the Group was significantly influenced by YXP (incorporated in Hong Kong), which owns approximately 39% (31 December 2023: 38%) of Yuexiu REIT's units. The remaining units are widely held.

The table set forth below summarised the names of connected/related companies and nature of relationship with Yuexiu REIT as at 30 June 2024:

Connected/related companies	Relationship with Yuexiu REIT
YXP ¹	A major unitholder of Yuexiu REIT
The Manager ¹	An associate of YXP
GZ IFC Management	An associate of YXP
Yicheng BM ¹	A subsidiary of YXP
Guangzhou White Horse Clothings Market Ltd. ("White Horse JV") ¹	A subsidiary of YXP
Baima BM ¹	A subsidiary of YXP
Guangzhou Yuexiu Xingye Property Agent Ltd. ("Xingye") ¹	A subsidiary of YXP
Guangzhou City Construction and Development Co., Ltd. ("GCCD") ¹	A subsidiary of YXP
Guangzhou Construction & Development Holdings (China) Limited ("GCD (China)") ¹	A subsidiary of YXP
Guangzhou Yuexiu Holdings Limited ("GZYX") ¹	Immediate holding company of Yue Xiu
Guangzhou Yuexiu Enterprises (Holdings) Ltd. ("YXE") ¹	A subsidiary of GZYX
Guangzhou Yuexiu Capital Holdings Group Co., Ltd. ("GZYCHG") ¹	A subsidiary of GZYX
Yue Xiu Enterprises (Holdings) Limited ("Yue Xiu") ¹	A major shareholder of YXP
Guangzhou City Construction and Development Group Co., Ltd. ("GCCD BVI") ¹	A subsidiary of YXE
Guangzhou Grandcity Development Ltd. ¹	A subsidiary of YXP
Guangzhou Yue Xiu City Construction Jones Lang LaSalle Property Services Co., Ltd. ("GZ JLL") ¹	A subsidiary of YXP
Guangzhou Suiqiao Development Co., Ltd. ("Suiqiao") ¹	A subsidiary of Yue Xiu

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

26. CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Connected/related companies	Relationship with Yuexiu REIT
Guangzhou Yuexiu Industrial Investment Fund Management Co., Ltd. ¹	A subsidiary of GZYCHG
Guangzhou Yuexiu Financial Leasing Co., Ltd. ¹	A subsidiary of GZYCHG
Guangzhou Yuexiu Capital Holdings Co., Ltd. ¹	A subsidiary of GZYCHG
Guangzhou Yue Xiu Enterprises Development Ltd ¹	A subsidiary of YXE
Guangzhou Yue Tong Expressway Operations and Management Company Limited ("Yue Tong") ¹	A subsidiary of Yue Xiu
Guangzhou Yue Peng Information Ltd. ("Yue Peng") ¹	A subsidiary of Yue Xiu
Yuexiu (China) Transport Infrastructure Investment Company Limited ¹	A subsidiary of Yue Xiu
Yuexiu Transport Infrastructure Limited ("Yuexiu Transport") ¹	A subsidiary of Yue Xiu
Chong Hing Bank Limited ("Chong Hing Bank") ¹	A subsidiary of Yue Xiu
Chong Hing Bank Limited Guangzhou Sub-Branch ("Chong Hing Guangzhou") ¹	A subsidiary of Yue Xiu
Chong Hing Bank Limited Shanghai Branch ("Chong Hing Shanghai") ¹	A subsidiary of Yue Xiu
Chong Hing Insurance Company Limited ("Chong Hing Insurance") ¹	A subsidiary of Yue Xiu
Guangzhou Paper Group Ltd. ¹	A subsidiary of YXE
Guangzhou Futures Co., Ltd. ¹	A subsidiary of GZYCHG
廣州市祥港房地產開發有限公司 ¹	A subsidiary of YXP
廣州市宏錦房地產開發有限公司 ¹	A subsidiary of YXP
廣州東耀房地產開發有限公司 ¹	A subsidiary of YXP
廣州市城建開發集團名特網絡發展有限公司 ¹	A subsidiary of GZYX
廣州鵬燁貿易有限公司 ¹	A subsidiary of YXP
Guangzhou Yuexiu Financial Technology Co., Ltd. ¹	A subsidiary of GZYCHG
Shanghai Yuexiu Finance Leasing Co., Ltd. ¹	A subsidiary of GZYCHG

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

26. CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Connected/related companies	Relationship with Yuexiu REIT
武漢康景實業投資有限公司 ¹	A subsidiary of YXP
廣州城建開發設計院有限公司 ¹	A subsidiary of GZYX
廣州越秀商業地產經營管理有限公司 ¹	A subsidiary of YXP
Yue Xiu Consultants (Shenzhen) Co., Ltd. ¹	A subsidiary of Yue Xiu
杭州越秀房地產開發有限公司 ¹	A subsidiary of YXP
杭州越榮房地產開發有限公司 ¹	A subsidiary of YXP
杭州盛寅房地產開發有限公司 ¹	A subsidiary of YXP
杭州豐勝房地產開發有限公司 ¹	A subsidiary of YXP
杭州杭秀房地產開發有限公司 ¹	A subsidiary of YXP
杭州越嘉房地產開發有限公司 ¹	A subsidiary of YXP
武漢越秀商業管理有限公司 ¹	A subsidiary of YXP
廣州市品秀房地產開發有限公司 ¹	A subsidiary of YXP
Guangzhou Yuexiu Business Operation Management Co., Ltd. ¹	A subsidiary of YXP
廣州越秀星寓公寓管理有限公司 ¹	A subsidiary of YXP
廣州雋越房地產開發有限責任公司 ¹	A subsidiary of YXP
廣州越秀資本投資管理有限公司 ¹	A subsidiary of GZYCHG
Guangzhou Yuexiu Kunpeng Private Equity Fund Management Co., Ltd. ¹	A subsidiary of GZYCHG
廣州悅秀智訊科技信息諮詢有限公司 ¹	A subsidiary of YXP
廣州白馬電子商務股份有限公司 ¹	A subsidiary of YXE
廣州城建開發裝飾有限公司 ¹	A subsidiary of YXP
廣州越秀城開房地產開發有限公司 ¹	A subsidiary of YXP

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

26. CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Connected/related companies	Relationship with Yuexiu REIT
廣州城建開發工程造價諮詢有限公司 ¹	A subsidiary of YXP
廣期資本管理(上海)有限公司 ¹	A subsidiary of GZYCHG
廣州資產管理有限公司 ¹	A subsidiary of GZYCHG
廣州東秀房地產開發有限公司 ¹	A subsidiary of YXP
廣州越秀華城房地產開發有限公司 ¹	A subsidiary of YXP
廣州皇上皇集團股份有限公司 ¹	A subsidiary of YXE
廣州風行乳業股份有限公司 ¹	A subsidiary of YXE
金鷹基金管理有限公司 ¹	A subsidiary of GZYCHG
廣州宏勝房地產開發有限公司 ¹	A subsidiary of YXP
廣州裕秀房地產開發有限公司	An associate of YXP
廣州越冠房地產開發有限公司 ¹	A subsidiary of YXP
廣州匯城實業發展有限公司 ¹	A subsidiary of YXP
廣州敏秀房地產開發有限公司 ¹	A joint venture of YXP
廣州南方智媒產業園有限公司 ¹	A subsidiary of YXP
廣州樾富房地產開發有限公司 ¹	A subsidiary of YXP
廣州市品薈房地產開發有限公司 ¹	A subsidiary of YXP
廣州越宏房地產開發有限公司	An associate of YXP
廣州市佰城投資發展有限公司 ¹	A subsidiary of YXP
Guangzhou Yuexiu Foods Group Co., Ltd. ("Yuexiu Foods") ¹	A subsidiary of YXE
廣州越秀投資發展有限公司 ¹	A subsidiary of YXE
廣州越創智數信息科技有限公司 ¹	A subsidiary of YXP
廣州皇上皇食品商貿有限公司 ¹	A subsidiary of YXE

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

26. CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Connected/related companies	Relationship with Yuexiu REIT
廣州市品輝房地產開發有限公司 ¹	A subsidiary of YXP
廣州市品悅房地產開發有限公司 ¹	A subsidiary of YXP
廣州鳴泉居會議中心有限公司 ¹	A subsidiary of GZYY
廣州市悅冠智能科技有限公司 ¹	A subsidiary of YXP
廣州悅秀會信息科技有限公司 ¹	A subsidiary of YXP
輝山乳業(瀋陽)銷售有限公司 ¹	A subsidiary of YXE
廣州市品臻房地產開發有限公司	An associate of YXP
廣州越建工程管理有限公司 ¹	A subsidiary of YXP
廣州市穗港澳合作交流促進會 ¹	A subsidiary of YXP
湖北悅秀薈房地產經紀有限公司 ¹	A subsidiary of YXP
廣州越達投資有限責任公司 ¹	A subsidiary of Yue Xiu
Guangzhou Yuexiu Venture Investment Fund Management Co., Ltd. ¹	A subsidiary of GZYCHG
廣州越創房地產開發有限公司	An associate of YXP
Dragon Yield Holding Limited ("Dragon Yield") ¹	A subsidiary of YXP
The Trustee	The Trustee of Yuexiu REIT
The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries (the "HSBC Group")	Associates of the Trustee
Yue Xiu Securities Company Limited ¹	A subsidiary of GZYX
廣州天盈房地產開發有限公司 ¹	A subsidiary of YXP
廣州天越房地產開發有限公司 ¹	A subsidiary of YXP
Guangzhou Yuexiu Property Development Co., Ltd. ¹	A subsidiary of YXP

Note:

- ¹ These connected companies are also considered as related companies of the Group. Transactions and balances carried out with these related companies are disclosed in notes (a) and (b) below.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

26. CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Transactions with connected/related companies

The following transactions and balances were carried out with connected/related companies:

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Asset management fee paid/payable to		
– the Manager (note ii)	85,136	83,432
Management fee paid/payable to		
– Yicheng BM	12,545	13,164
– Baima BM	3,341	3,231
– GZ IFC Management	8,326	8,348
Rental income received/receivable from		
– Xingye	2,351	1,877
– Yicheng BM	3,860	3,837
– GCCD	8,108	8,126
– YXE	—	7,212
– Suiqiao	275	282
– Guangzhou Futures Co., Ltd.	427	426
– Guangzhou Yuexiu Industrial Investment Fund Management Co., Ltd.	470	493
– GZ JLL	9,155	9,594
– Guangzhou Yuexiu Financial Leasing Co., Ltd.	7,864	6,728
– GZ IFC Management	6,647	5,317
– Guangzhou Yuexiu Capital Holdings Co., Ltd.	12,324	11,286
– Yue Tong	4,501	1,028
– Yue Peng	365	375
– Guangzhou Paper Group Ltd.	139	138
– Chong Hing Guangzhou	8,398	7,825
– Chong Hing Shanghai	2,705	2,567
– 廣州市城建開發集團名特網絡發展有限公司	—	847
– 廣州鵬燁貿易有限公司	1,096	761
– Guangzhou Yuexiu Financial Technology Co., Ltd.	200	201
– Shanghai Yuexiu Finance Leasing Co., Ltd.	2,922	2,958
– 武漢越秀商業管理有限公司	1,406	1,484

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (CONTINUED)**

**26. CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY
TRANSACTIONS AND BALANCES (CONTINUED)**

(a) Transactions with connected/related companies (continued)

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Rental income received/receivable from		
– 廣州城建開發設計院有限公司	229	831
– 廣州越秀商業地產經營管理有限公司	403	323
– 廣州越秀資本投資管理有限公司	2,108	2,096
– 杭州越秀房地產開發有限公司	2,660	2,646
– Guangzhou Yuexiu Business Operation Management Co., Ltd.	—	3
– 廣州悅秀智訊科技信息諮詢有限公司	1,573	1,096
– 廣州城建開發工程造價諮詢有限公司	—	331
– 廣州城建開發裝飾有限公司	—	303
– 廣期資本管理(上海)有限公司	1,587	1,578
– 廣州資產管理有限公司	9,537	8,763
– 廣州越達投資有限責任公司	—	3,584
– Guangzhou Yuexiu Venture Investment Fund Management Co., Ltd.	3,045	813
– 廣州越秀城開房地產開發有限公司	930	5,395
– 廣州越秀華城房地產開發有限公司	20,271	20,004
– 廣州越宏房地產開發有限公司	16	4,368
– 廣州市佰城投資發展有限公司	4,385	4,361
– GZYX	31,191	26,254
– 廣州越秀投資發展有限公司	139	138
– 廣州越創智數信息科技有限公司	161	178
– 杭州杭秀房地產開發有限公司	531	528
– 杭州越嘉房地產開發有限公司	1,079	1,073
– 金鷹基金管理有限公司	3,995	3,973
– 廣州宏勝房地產開發有限公司	—	2,346
– 廣州市品輝房地產開發有限公司	—	833
– 廣州越冠房地產開發有限公司	1,827	3,102
– 廣州市品悅房地產開發有限公司	876	1,662
– 廣州市穗港澳合作交流促進會	194	190
– 廣州市品蓄房地產開發有限公司	2,648	233
– 廣州鳴泉居會議中心有限公司	—	35
– 廣州市品臻房地產開發有限公司	2,652	2,844

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

26. CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Transactions with connected/related companies (continued)

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Rental income received/receivable from		
– 廣州市悅冠智能科技有限公司	892	39
– 廣州悅秀會信息科技有限公司	7	6
– 輝山乳業(瀋陽)銷售有限公司	45	243
– YXP	831	815
– the Manager	417	408
– Yuexiu Transport	417	408
– 廣州越建工程管理有限公司	2,216	743
– 廣州天盈房地產開發有限公司	6,747	—
– 廣州天越房地產開發有限公司	4,439	—
– 廣州越秀物業發展有限公司	4,784	—
Naming right income received/receivable from		
– YXP	—	10,000
Principal element of lease payments paid to		
– 廣州越秀星寓公寓管理有限公司	5,804	6,083
Trustee's fee paid/payable to		
– Trustee	6,350	6,351
Interest expense paid/payable to		
– the HSBC Group	9,646	8,141
Commercial insurance fee paid to		
– the Chong Hing Insurance	8	—

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (CONTINUED)**

**26. CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY
TRANSACTIONS AND BALANCES (CONTINUED)**

(a) Transactions with connected/related companies (continued)

	Six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Bond underwriter's fee paid/payable to		
– the HSBC Group	1	1
– the Chong Hing Bank	22	14
– Yue Xiu Securities Company Limited	28	19
Interest income received/receivable from		
– the Chong Hing Bank	223	363
– the HSBC Group	24	14
– GCCD	1,722	1,712

Notes:

- (i) All transactions with connected/related companies were carried out in accordance with the terms of the relevant agreements governing the transactions.
- (ii) The Manager's fee is calculated as the 0.3% per annum of the carrying value of the deposited property as defined in the Trust Deed; a service fee of 3% per annum of net property income; a transaction fee of 1% of the consideration for the acquisition of any real estate from external party and a transaction fee of 0.5% of the gross sale price of the disposal of any part of deposited property comprising of Real Estate, as defined in the Trust Deed (Note 8).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

26. CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Balances with related companies

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Amount due from GCCD (i)	43,888	42,063
Amount due from YXP	—	10,000
Amount due from GCD (China)	9,710	6,387
Amount due to Yicheng BM	5,962	6,535
Amount due to Baima BM	11,034	13,990
Amount due to the Manager	89,438	87,110
Amount due to GZ IFC Management	3,724	3,653
Amount due to GCD (China)	1,550	1,540
Amount due to GCCD BVI	10,000	10,000
Amount due to YXP	1,001	1,001
Bank deposit in Chong Hing Bank	4,707	4,688
Bank deposit in HSBC Group	3,488	8,012
Bank borrowing from the HSBC Group	313,736	312,574
Derivative financial instrument from the HSBC Group	—	1,206
Rental income receivables from related companies	2,655	1,141
Receipts in advance from related companies	6,736	4,507
Rental deposits from related companies (ii)	63,501	78,728
Trade payable to related companies	2,048	1,196
Borrowing from the YXIC (iii)	237,279	235,617

Except for the borrowing from YXIC as disclosed in (iii) below and an amount due from GCCD of approximately RMB40 million (31 December 2023: RMB40 million) which is unsecured, interest bearing at 9% per annum and repayable on settlement of the related construction fee payable, all other balances with related companies are unsecured, interest-free and repayable on demand. All the balances are denominated in RMB and reasonable approximation to their fair values.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

26. CONNECTED PARTY TRANSACTIONS AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Balances with related companies (continued)

Notes:

- (i) Pursuant to the settlement agency agreement entered into between GCCD and Tower Top, GCCD would be responsible for settling the outstanding construction costs related to the construction of Guangzhou IFC. The receivable balance of RMB40 million (2023: RMB40 million) as at the end of the period represents the initial amount transferred to GCCD less the settlement of construction payable. To the extent that there are residual funds after settlement of all outstanding construction costs, GCCD will be required to refund the surplus cash to Tower Top after the settlement of such costs.
- (ii) Rental deposits from related companies are included as rental deposits in the consolidated balance sheet.
- (iii) The balance represented the outstanding borrowing of HK\$260,000,000 due to Yue Xiu Investment Consultants Limited ("YXIC") as of 30 June 2024. The borrowing is at an interest rate of HIBOR plus 1.5% with a five-year term commencing on 29 April 2020, which was originally drawn down under the facility agreement between Secure Shell (as borrower) and several banks (as lenders) (the "Facility Agreement") and was subsequently transferred from one of the original lenders to YXIC on 17 August 2023. Pursuant to the Facility Agreement, Yuexiu REIT and Secure Shell were not parties to or otherwise involved in the transfer.

(c) Key management compensation

There was no key management compensation for the period ended 30 June 2024 (six months ended 30 June 2023: Nil).

27. CAPITAL COMMITMENTS

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Capital commitments in respect of property, plant and equipment and investment properties Contracted but not provided for	25,914	35,588



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

28. FUTURE MINIMUM RENTAL RECEIVABLES

At 30 June 2024 and 31 December 2023, the Group had future minimum rental receivables under non-cancellable leases as follows:

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Within one year	1,267,676	1,106,763
Between one year and five years	1,502,307	1,448,178
Over five years	21,448	21,429
Total	2,791,431	2,576,370

PERFORMANCE TABLE

	Unaudited 30 June 2024	Unaudited 30 June 2023	Unaudited 30 June 2022	Unaudited 30 June 2021	Unaudited 30 June 2020
Net assets attributable to Unitholders (RMB'000)	15,494,507	15,663,576	16,973,668	14,564,303	14,096,931
Net assets attributable to Unitholders per unit (RMB)	3.10	3.24	3.63	4.39	4.38
Equivalent to HK\$	3.40	3.51	4.26	5.27	4.80
The highest premium of the traded price to net asset value	N/A⁽ⁱ⁾	N/A ⁽ⁱ⁾	N/A	N/A	HK\$0.55
The highest discount of the traded price to net asset value	HK\$2.60⁽ⁱ⁾	HK\$2.12 ⁽ⁱ⁾	HK\$1.27	HK\$1.57	HK\$1.60
Net earnings/(loss) yield per unit	(0.65)%⁽ⁱⁱ⁾	1.19% ⁽ⁱⁱ⁾	(3.89)%	2.00%	(2.04)%
Number of units in issue	4,995,738,171 units	4,833,663,307 units	4,671,788,055 units	3,319,228,131 units	3,219,856,551 units

Notes:

- (i) The highest premium is calculated based on the highest traded price of HK\$1.26 (2023: HK\$2.73) on The Stock Exchange of Hong Kong Limited ("Stock Exchange") during the period from 1 January 2024 to 30 June 2024. The highest discount is calculated based on the lowest traded price of HK\$0.80 (2023: HK\$1.39) on the Stock Exchange during the period from 1 January 2024 to 30 June 2024.
- (ii) Net earnings/(loss) yield per unit is calculated based on profit/(loss) after tax before transactions with Unitholders per unit for the period from 1 January 2024 to 30 June 2024 over the traded price of HK\$0.95 as at 28 June 2024 (30 June 2023: HK\$1.67) on the Stock Exchange.

CORPORATE AND INVESTOR RELATIONS INFORMATION

BOARD OF DIRECTORS OF THE MANAGER

EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTORS

Mr. Li Feng
Mr. Zeng Zhizhao

INDEPENDENT NON-EXECUTIVE DIRECTORS & AUDIT COMMITTEE MEMBERS

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

RESPONSIBLE OFFICERS OF THE MANAGER

Mr. Lin Deliang
Mr. Kwan Chi Fai
Ms. Ou Haijing

COMPANY SECRETARY OF THE MANAGER

Mr. Yu Tat Fung

TRUSTEE

HSBC Institutional Trust Services (Asia) Limited

AUDITOR OF YUEXIU REIT

Ernst & Young (Certified Public Accountants and Registered
PIE Auditor)

PRINCIPAL VALUER

Savills Valuation and Professional Services Limited

HONG KONG LEGAL ADVISOR

Baker & McKenzie

WEBSITES TO ACCESS INFORMATION IN RELATION TO YUEXIU REIT

<http://www.yuexiureit.com>
<http://www.hkex.com.hk>

PRINCIPAL BANKERS OF YUEXIU REIT

Bank of China (Hong Kong) Limited
Bank of Communications Co.,Ltd.
Bank of Communications (Hong Kong) Limited
China Merchants Bank Co., Ltd.
China Minsheng Banking Corp., Ltd.
CMB Wing Lung Bank Limited
DBS Bank Ltd.
Industrial Bank Co., Ltd.
Nanyang Commercial Bank Limited
Ping An Bank Co., Ltd.
The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE OF THE MANAGER

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

UNIT REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F Far East Finance Center
16 Harcourt Road
Hong Kong

LISTING EXCHANGE

UNITS

The Stock Exchange of Hong Kong Limited
Stock code: 00405

BOND

The Stock Exchange of Hong Kong Limited
US\$400,000,000 2.65% Notes due 2026
Stock code: 40577

Chongwa (Macao) Financial Asset Exchange Company Limited
RMB1,500,000,000 4.15% Guaranteed Notes due 2026
Stock code: MOXLB2350

INVESTOR RELATIONS

For further information about
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越秀房地產投資信託基金

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Manager



越秀房託資產管理有限公司

YUEXIU REIT ASSET MANAGEMENT LIMITED

