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(FORMERLY KNOWN AS “GZI REAL ESTATE INVESTMENT TRUST”)
*(a Hong Kong collective investment scheme authorized under section 104
of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))*
(Stock code: 405)

Managed by



(FORMERLY KNOWN AS “GZI REIT ASSET MANAGEMENT LIMITED”)

**FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

The board of directors (“Board”) of Yuexiu REIT Asset Management Limited (formerly known as “GZI REIT Asset Management Limited”) (“Manager”) is pleased to announce the audited consolidated results of Yuexiu Real Estate Investment Trust (formerly known as “GZI Real Estate Investment Trust”) (“Yuexiu REIT”) and its subsidiaries for the year ended 31 December 2011 (“Reporting Year”) together with comparative figures for the corresponding period in 2010 are as follows:

FINANCIAL HIGHLIGHTS

The following is a summary of Yuexiu REIT's audited consolidated results for the year ended 31 December 2011 together with comparative figures for the corresponding period in 2010:

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

	Financial Year ended 31 December 2011	Financial Year ended 31 December 2010	Percentage increase/ (decrease)
Gross income	522,286,000	484,655,000	7.76%
Net property income	409,486,000	379,190,000	7.99%
Profit after tax	1,337,275,000	635,635,000	110.38%
Earnings per unit ("Unit")	1.255	0.596	110.38%
Portfolio valuation	6,471,000,000	5,432,500,000	19.12%
Net assets attributable to Unitholders per Unit	4.78	3.73	28.15%
Net assets attributable to Unitholders per Unit - Equivalent to HK\$	5.90	4.38	34.70%
Units issued	1,065,972,687 units	1,065,972,687 units	0.00%
Total borrowings as a percentage of gross assets (Note a)	27%	29%	(2) percentage points
Gross liabilities as a percentage of gross assets (Note b)	31%	34%	(3) percentage points
Distribution			
Total distributable income	231,421,000	220,227,000	5.08%
Distributable income per Unit (HK\$)	0.2647	0.2411	9.79%

Note a: Calculation of Total borrowings based on bank loan, excluding capitalization of debt-related expenses.

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

DISTRIBUTION

In accordance with the Trust Deed, Yuexiu REIT is required to distribute no less than 90% of Total Distributable Income to the Unitholders. The Manager has resolved to distribute to the Unitholders an amount equal to 100% of Yuexiu REIT's Total Distributable Income for the financial year ended 31 December 2011.

The final distribution to the Unitholders for the period from 1 July 2011 to 31 December 2011 ("2011 Final Period") will be approximately RMB0.1062 which is equivalent to HK\$0.1308 (2010: approximately RMB0.0983 which is equivalent to HK\$0.1165) per Unit. The 2011 final distribution will be paid on 9 May 2012, to the Unitholders whose names appear on the register of Unitholders on 16 April 2012.

The final distribution amount together with the interim distribution of Yuexiu REIT for the six-month period from 1 January 2011 to 30 June 2011 ("2011 Interim Period") is approximately RMB0.1109 which is equivalent to HK\$0.1339 (2010: approximately RMB0.1087 which is equivalent to HK\$0.1246) per Unit represented distribution of approximately RMB0.2171 which is equivalent to HK\$0.2647 (2010: approximately RMB0.2070 which is equivalent to HK\$0.2411) per Unit for the Reporting Year.

Yuexiu REIT aims at providing steady returns to its Unitholders derived from the rental income of its properties. It has been distributing no less than 100% of the annual Total Distributable Income for 6 consecutive years after listing in 2005. The following table summarizes the distribution per Unit for the 6 years from 2006 to 2011:

HK\$	2011	2010	2009	2008	2007	2006
Total Distributable Income ('000)	282,107	257,023	249,248	262,113	225,867	206,683
Distributable income per Unit	0.2647	0.2411	0.2338	0.2460	0.2258	0.2067
Additional distribution per Unit	—	—	<u>0.0180</u>	—	—	—
Total distribution per Unit	<u>0.2647</u>	<u>0.2411</u>	<u>0.2518</u>	<u>0.2460</u>	<u>0.2258</u>	<u>0.2067</u>

The Manager confirms that the distribution referred above is only composed of profit after tax before transactions with the Unitholders and does not include any profit elements in the capital nature of Yuexiu REIT.

The Manager has calculated the Total Distributable Income based on Yuexiu REIT's consolidated profit after tax before transactions with the Unitholders adjusted to eliminate the effects of certain non-cash items which have been recorded in the consolidated statement of comprehensive income for the relevant year or period.

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

Distribution Yield

Distribution per Unit ("DPU") for the Reporting Year is approximately HK\$0.2647 (2010: HK\$0.2411) which represents a yield of approximately 7.72% (2010: 5.56%) per Unit based on the closing price of HK\$3.43 per Unit as at 31 December 2011 (2010: HK\$4.34). The increase in distribution yield per Unit is mainly due to the decrease in closing price of the Units as at the end of 2011, and the increase in DPU for the Reporting Year.

2011 BUSINESS REVIEW AND FUTURE PROSPECTS

BUSINESS REVIEW

Sustained Strong Assets Performance

In 2011, with the Chinese macroeconomy maintaining a steady development momentum, Yuexiu REIT continued to implement proactive leasing and asset management strategies and continually achieved good performance. Various operating indicators recorded historical highs with property competitiveness further strengthened, which laid down a solid foundation for future income growth and long-term development of Yuexiu REIT.

Properties Portfolio

As at 31 December 2011, Yuexiu REIT consists of five properties - White Horse Building Units ("White Horse Building"), Fortune Plaza Units ("Fortune Plaza"), City Development Plaza Units ("City Development Plaza"), Victory Plaza Units ("Victory Plaza") and Yue Xiu Neo Metropolis Plaza Units ("Neo Metropolis") (together, the "Properties"). The aggregate area of ownership was approximately 223,614.3 sq.m., total rentable area was approximately 211,031.1 sq.m. (excluding 7,549.0 sq.m. of parking space and 4,528.1 sq.m. of clubhouse and common facilities area of Neo Metropolis, which were not included in the following statistics of both total rentable area and occupancy rate).

A valuation of the Properties has been performed by Savills Valuation and Professional Services Limited (“Savills”), the new Principal Valuer of Yuexiu REIT appointed by the Trustee to succeed Vigers Appraisal And Consulting Ltd (“Vigers”) on its retirement pursuant to the provisions of the REIT Code. The valuation of the Properties of Yuexiu REIT as at 31 December 2011 in aggregate was approximately RMB6.471 billion, representing an increase of RMB1.039 billion or 19.1% over the valuation on 31 December 2010. The net assets attributable to Unitholders per Unit was RMB4.78, an increase of 28.15% over the net assets attributable to Unitholders per Unit on 31 December 2010.

The following table summarizes the valuation of each of the Properties as at 31 December 2011 and 31 December 2010:

Name of Property	Valuation	Valuation	Increase %
	as at 31 December 2011 <i>RMB million</i>	as at 31 December 2010 <i>RMB million</i>	
White Horse Building	3,651.0	3,076.5	18.7%
Fortune Plaza	749.5	632.0	18.6%
City Development Plaza	612.0	450.5	35.8%
Victory Plaza	747.0	618.0	20.9%
Neo Metropolis	<u>711.5</u>	<u>655.5</u>	8.5%
Total	<u>6,471.0</u>	<u>5,432.5</u>	19.1%

Particulars of the Properties:

Property	Type	Location	Year of Completion	Area of Ownership <i>(Sq.m.)</i>	Total Rental Area <i>(Sq.m.)</i>	Property Occupancy Rate ⁽²⁾	# of Lease Contract ⁽²⁾	Appraised
								Value ⁽²⁾ <i>(RMB million)</i>
White Horse Building	Wholesale shopping center	Yuexiu District	1990	50,199.3	50,128.9	100.00%	1,105	3,651.0
Fortune Plaza	Grade A office	Tianhe District	2003	41,355.2	41,355.2	99.05%	75	749.5
City Development Plaza	Grade A office	Tianhe District	1997	42,397.4	42,397.4	98.61%	57	612.0
Victory Plaza	Retail shopping center	Tianhe District	2003	27,698.1	27,262.3	99.96%	20	747.0
Neo Metropolis	Commercial complex	Yuexiu District	2007	61,964.3	49,887.3 ⁽¹⁾	98.81% ⁽¹⁾	115	711.5
Total				<u>223,614.3</u>	<u>211,031.1</u>	99.25%	<u>1,372</u>	<u>6,471.0</u>

Note:

- (1) Excluding 7,549.0 sq.m. of parking space and 4,528.1 sq.m. of clubhouse and common facilities area;
- (2) As at 31 December 2011.

Occupancy Rate Reached New Heights

As at 31 December 2011, the overall occupancy rate of the Properties was approximately 99.25%, representing a slight increase of 0.05% compared with 99.20% for the same period last year, staying at high levels, which reflected the efforts on leasing vacant units made by Yuexiu REIT's operating team and the strong market demand for Yuexiu REIT Properties portfolio.

The following table sets out a comparison of occupancy rates in respect of all the Properties between this Reporting Year and the same period of previous year:

Name of Property	Occupancy Rate as at 31 December 2011	Occupancy Rate as at 31 December 2010	Percentage Increase/ (Decrease) Compared to 31 December 2010
White Horse Building	100.00%	100.00%	0.00%
Fortune Plaza	99.05%	99.18%	(0.13)%
City Development Plaza	98.61%	99.16%	(0.55)%
Victory Plaza	99.96%	99.96%	0.00%
Neo Metropolis	98.81%	98.02%	0.79%
Total	99.25%	99.20%	0.05%

Revenue Continued to Increase

In 2011, the Properties recorded revenue of approximately RMB522.3 million, representing a 7.8% increase compared to that of the previous year. In particular, White Horse Building, Fortune Plaza, City Development Plaza, Victory Plaza and Neo Metropolis accounted for approximately 58.7%, 11.5%, 9.5%, 10.1% and 10.2% respectively of the total revenue of the Properties.

No bad debt was recorded during the Reporting Year.

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

Name of Property	Revenue in 2011 <i>RMB million</i>	Revenue in 2010 <i>RMB million</i>	Increase of revenue Compared to 2010 <i>RMB million</i>	Increase of Revenue from Property %
White Horse Building	306.5	276.2	30.3	11.0%
Fortune Plaza	60.3	56.9	3.4	6.0%
City Development Plaza	49.6	49.3	0.3	0.6%
Victory Plaza	52.6	50.2	2.4	4.8%
Neo Metropolis	<u>53.3</u>	<u>52.1</u>	<u>1.2</u>	2.3%
Total	<u>522.3</u>	<u>484.7</u>	<u>37.6</u>	7.8%

White Horse Building — Increased resources invested to develop a premier platform for apparel trading and consolidate a competitive edge in the industry

White Horse Building persisted in implementing brand promotion programs. It successfully planned and held various theme promotions such as the 2011 White Horse Clothing Procurement Fair and White Horse Brand Nationwide Circuit Show. With an unprecedented scale, these activities received overwhelming responses from the industry, which drastically enhanced White Horse brand influence and effectively promoted apparel trading merchants in the building. The Manager attached great importance to tenant relations, implemented a customer classification management system, supported the operation of strong and vigorous brand merchants, fully took advantage of the White Horse customer resources, and enhanced the overall competitiveness of the project. The Manager steadily carried through various asset upgrading projects by renovating the fashion show stage, as well as passageways and elevator halls on some floors, improved the business environment of the building to provide purchasers with a better shopping experience and more satisfactory returns to Unitholders.

Fortune Plaza and City Development Plaza — Grasping the market rhythm, identifying the market position and promoting continuous growth in rent

Facing pressure from the concentrated supply of new office buildings in Guangzhou, Fortune Plaza and City Development Plaza still managed to record relatively satisfactory leasing results. Based on the precise analysis on the market competitive

situation, the Manager adjusted the operating strategies in a timely manner, fully brought into effect the competitive edge of the Properties, captured the trend of local corporations office relocation and carried out active, effective and customized leasing activities. Annual occupancy rate was stable at 99% and above, and rent rebounded to the highest level since the 2008 financial crisis. In particular, Fortune Plaza grasped the opportunities arising from the expiring leases of podium street shops, restructured for new leases generating higher rent, whilst successfully brought in several renowned retailers. Meanwhile, it actively adjusted expired small office units to support lease expansion of internal quality customers. For City Development Plaza, most leases were renewed, with the growth rate of renewal rental exceeding 14%. City Development Plaza also took the initiative to attract well-known customers, the current proportion of tenants from the financial and related sectors reached 60%.

Victory Plaza — Continuously improving the tenant mix, planning for long-term business value, seeking profitable returns

In 2011, with its favorable location, a vigorous local retail market, a continuously optimized shop mix and highly effective promotion programmes, the traffic flow of Victory Plaza was kept robust, almost all shops were leased out. Property average rental value increased by nearly 13% compared to the beginning of the year, which gradually reflected its business value. By properly arranging the expired leases, the Manager attracted several quality customers to Victory Plaza, thus providing a better shopping experience and diversified options to its customers. At the same time, it also reduced the reliance on a single sizable tenant and the proportion of low-rental catering customers, which increased the property's resilience and kept the overall operations more stable.

Neo Metropolis — Strengthening lease supervision and renewal management to maximize property potential

Neo Metropolis made great progress in its 2011 leasing performance. Facing a large number of expired leases and expired small units, the operating team prepared well for soliciting business, carried out effective lease negotiations, which continuously enhanced its bargaining power. Rental of both new leases and renewed leases surged considerably, representing an increase of 6.6% and 12.7% respectively. With the efforts and professionalism of the management team, the occupancy rate and income of Neo Metropolis achieved satisfactory growth. The annual average occupancy rate maintained at a high level of over 99% and the property rental value also continued to rise steadily.

Proactively progressing assets improvement projects to maintain and enhance property values

In 2011, Yuexiu REIT or the property management company funded and completed a number of assets improvement projects, including the renovation of the public area on the 7th floor of White Horse Building, the renovation of the ceiling of the passage on the 4th floor of White Horse Building, the renovation of No.3 and No.4 lifts, the double circuit power supply renovation, and the atrium renovation, in White Horse Building; the renovation of the lift cars, fire-fighting system, the air-conditioning system and the power supply system of City Development Plaza; the renovation of the lobby and plaza of Fortune Plaza; the renovation of the public areas of both Fortune Plaza and City Development Plaza; the upgrade and renovation of the air-conditioning wind cabinet on the podium of City Development Plaza, and the renovation of lighting on the podium of Victoria Plaza. All these had effectively improved the safety grades, business environment and competitiveness of our projects.

In 2012, the Manager focuses on the renovation of the lift system of White Horse Building and the decoration and renovation of the public areas of Fortune Plaza and City Development Plaza.

Getting hold of acquisition opportunities, Promoting normalized interaction, Enhancing long-term interest

2012, looking ahead to the continual slow recovery in world economy, China will persistently maintain its adjustment dynamics in real estate industry, the Manager will proactively seek suitable internal and external investment opportunities. At present, on top of exploring market opportunities in first-tier cities, the Manager is also focusing on conducting in-depth research on the commercial properties projects held by Yuexiu Property Company Limited (“YXP”), especially taking focal point on those properties projects enjoying prestigious geographical location, coupled with enormous appreciation potential, as well as exploring the possibilities on acquisition and normalized interaction between YXP and Yuexiu REIT. The Manager believes that the PRC commercial property market presents a much faster growth potential, whilst there is a rapid growth in the scale of YXP’s development on large-scale integrated commercial complex, the Manager is confident of getting hold of the right timing in expanding the scale of the Trust assets, eventually enhancing the long-term interest of the Unitholders.

FINANCIAL REVIEW

FINANCIAL RESULTS

Both rental income and net property income of Yuexiu REIT were higher than 2010. The following is a summary of Yuexiu REIT financial results for the Reporting Year:

	2011	2010	% of
	<i>RMB'000</i>	<i>RMB'000</i>	Increase/ (Decrease)
Gross income	<u>522,286</u>	<u>484,655</u>	7.76%
Leasing agents fee	(17,828)	(16,669)	6.95%
Property related taxes (Note 1)	(92,407)	(83,608)	10.52%
Other property expenses (Note 2)	<u>(2,565)</u>	<u>(5,188)</u>	(50.56%)
Total property operating expenses	<u>(112,800)</u>	<u>(105,465)</u>	6.95%
Net property income	<u>409,486</u>	<u>379,190</u>	7.99%
Withholding tax	(47,060)	(43,554)	8.05%
Manager fees	(34,414)	(29,449)	16.86%
Trustee fees	(2,213)	(1,807)	22.47%
Other trust expenses (Note 3)	<u>(17,396)</u>	<u>(11,240)</u>	54.77%
Total non-property expenses	<u>(101,083)</u>	<u>(86,050)</u>	17.47%
Net profit before finance costs, interest income and income tax	308,403	293,140	5.21%
Interest income	2,783	2,373	17.28%
Finance income, net	<u>33,545</u>	<u>9,048</u>	270.74%
Net profit before income tax	344,731	304,561	13.19%
Income tax expenses	<u>(33,862)</u>	<u>(14,049)</u>	141.03%
Net profit after income tax before fair value gain on investment properties	310,869	290,512	7.01%
Fair value gain on investment properties	<u>1,026,406</u>	<u>345,123</u>	197.40%
Net profit after income tax before transactions with Unitholders	<u><u>1,337,275</u></u>	<u><u>635,635</u></u>	110.38%

Note 1 Property related tax includes urban real estate tax, land use right tax, business tax, flood prevention fee, urban construction and maintenance tax, education surcharge, local education surcharge and stamp duties.

Note 2 Other property expenses included valuation fee, insurance premium, depreciation and bank charges incurred at the level of the Properties.

Note 3 Other trust expenses included audit fees, legal advisory fees, printing charges, company secretarial fees, unit registrar fees, listing fees, exchange differences and miscellaneous expenses.

Gross income and net property income during the Reporting Year were approximately RMB522.286 million (2010: RMB484.655 million) and RMB409.486 million (2010: RMB379.190 million) respectively, which represents an increase of 7.76% and 7.99% respectively while comparing with 2010.

Gross income included rental income of approximately RMB516.523 million (2010: RMB479.188 million) and other income of approximately RMB5.763 million (2010: RMB5.467 million) which included advertising income, forfeited rental deposit and late settlement. The change of gross income was mainly due to an increase of rental income for the renewal and the newly signed tenancy agreements. The average rental income per square meter per month of five premises as at 31 December 2011 was approximately RMB210.58 (2010 Dec: RMB194.41).

Net property income amounted to approximately RMB409.486 million (2010: RMB379.190 million), representing approximately 78% of total gross income, after deduction of property related taxes, leasing agent fees and other property operating expenses.

Property related tax increased by approximately 10.52% as compared with 2010. It was mainly because of with effect from 1 December 2010, the following kinds of tax were newly adopted: i) urban construction and maintenance tax was calculated based on 7% of business tax and ii) education surcharge was calculated based on 3% of business tax and with effect from January 2011, local education surcharge was newly adopted and based on 2% of business tax.

Overall, the Manager fee increased by approximately 16.86% as a result of the increase in total assets and net property income. The Trustee fee increased by approximately 22.47% as a result of the increase in total assets.

Other trust expenses increased by approximately 54.77%. It was mainly because of one-off charges of the legal and professional charge for the refinancing of the bank loan, and the exchange loss incurred on Hong Kong dollars deposit.

Due to the depreciation of Hong Kong dollar against Renminbi at the end of the Reporting Year, an exchange gain of RMB87,905,000 was deducted from the financial cost of the Hong Kong dollars term loan, excluding this favourable adjustment, the financial cost for such term loan would be RMB54,360,000.

Profit after tax before transactions with Unitholders amounted to approximately RMB1,337,275,000 (2010: RMB635,635,000), which represented 110.38% increase, mainly due to the fair value gain on properties valuation for the Reporting Year being approximately RMB1,026,406,000, far higher than the amount of approximately RMB345,123,000 recorded for the same period of last year.

Net Asset Value

The net assets attributable to the Unitholders per unit as at 31 December 2011 was approximately RMB4.78 (2010: RMB3.73), which represented an increase of approximately 28.15%.

New Units Issued and Unit Activity

There was no new Unit issued by Yuexiu REIT during the 2011 Reporting year. As at 31 December 2011, a total of 1,065,972,687 Units were issued by Yuexiu REIT.

The Unit price of Yuexiu REIT reached a high of HK\$4.40 and a low of HK\$3.10 during the Reporting Year. The average trading volume amounted to approximately 1,356,029 Units per day during the Reporting Year.

The closing price of the Units as at 31 December 2011 was HK\$3.43, representing a premium of approximately 11.54% as compared to the Offer Price of HK\$3.075. This represented a discount of approximately 41.86% as compared to the net assets attributable to Unitholders per Unit as at 31 December 2011.

CAPITAL STRUCTURE

On 6 November 2008, Yuexiu REIT had, through its SPVs entered into a facility agreement with certain lending banks in connection with a three-year floating rate secured term loan facility of HK\$2.1 billion. The loan was drawn down on 12 November 2008 and was due on 12 November 2011.

On 26 September 2011, Yuexiu REIT had, through its SPV's entered into another facility agreement with certain lending banks in connection with a three-year floating rate secured term loan facility of HK\$2.502 billion. The new loan was fully drawn down on 17 October 2011. The fund of the new loan facility was used primarily for refinancing the existing banking facility of HK\$2.1 billion, and financing the fee and expenses incurred by Yuexiu REIT in connection with the new loan facility and/or the general working capital requirement.

As at 31 December 2011, total borrowings of Yuexiu REIT amounted to approximately RMB1.978 billion (calculation of total borrowings based on bank loan, excluding capitalization of debt-related expenses), representing approximately 27% of total assets of Yuexiu REIT.

As at 31 December 2011, total liabilities of Yuexiu REIT (excluding net assets attributable to the Unitholders) amounted to approximately RMB2.280 billion, representing approximately 31% of total assets of Yuexiu REIT.

The abovesaid gearing ratios were below the maximum borrowing limit of 45% as stipulated by the REIT Code.

CASH POSITION

Cash and short-term bank deposit of Yuexiu REIT as at 31 December 2011 amounted to approximately RMB695.761 million. Yuexiu REIT has sufficient financial resources to satisfy its financial commitments and working capital requirements.

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

ACCOUNTING TREATMENTS

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

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

Yuexiu REIT has a limited life of 80 years from the date of establishment. Accordingly, the Units contain contractual obligations to pay cash distributions and,

upon termination of the trust, a share of all net cash proceeds derived from the sale or realisation of the assets of Yuexiu REIT less any liabilities, in accordance with Unitholders' proportionate interests in Yuexiu REIT at the date of the termination of Yuexiu REIT.

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

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

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

SUMMARY OF ALL REAL ESTATE SALES AND PURCHASES

Yuexiu REIT did not enter into any real estate sale and purchase during the 2011 Reporting Year.

REAL ESTATE AGENTS ENGAGED BY YUEXIU REIT

During the Reporting Year, Yuexiu REIT had engaged Guangzhou Yicheng Property Management Ltd ("Yicheng"), and Guangzhou White Horse Property Management Co., Ltd ("White Horse PM") (collectively, "Leasing Agents") to provide designated leasing, marketing, tenancy management and property management services to the Properties.

During the Reporting Year, Yuexiu REIT paid service fees to Yicheng and White Horse PM in the amounts of RMB8.633 million and RMB9.195 million respectively.

REPURCHASE, SALE OR REDEMPTION OF UNITS

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

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

EMPLOYEES

Yuexiu REIT is managed by the Manager. Yuexiu REIT does not employ any staff.

REVIEW OF FINANCIAL RESULTS

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

CORPORATE GOVERNANCE

The Manager has adopted an overall corporate governance framework that is designed to promote the operation of Yuexiu REIT in a transparent manner with internal audit and controls to evaluate the performance of the Manager and consequently, the success of Yuexiu REIT.

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

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

CLOSURE OF REGISTER OF UNITHOLDERS

The record date for the final distribution will be 16 April 2012. The register of Unitholders will be closed from 17 April 2012 to 20 April 2012, both days inclusive, during which period no transfer of units will be effected. In order to be qualified for the distribution, all Unit certificates with completed transfer forms must be lodged with Yuexiu REIT’s unit registrar, Tricor Investor Services Limited, on 26/F Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 16 April 2012. The payment date of final distribution will be on 9 May 2012.

ISSUANCE OF ANNUAL REPORT

The annual report of Yuexiu REIT for the Reporting Year will be dispatched to the Unitholders on or before 30 April 2012.

ANNUAL GENERAL MEETING

The Manager proposed that the annual general meeting of Yuexiu REIT for the Reporting Year be held on 10 May 2012. Notice of the annual general meeting will in due course be published and issued to the Unitholders in accordance with the Trust Deed.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

	<i>Note</i>	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Revenue - rental income		522,286	484,655
Operating expenses	4	(213,883)	(191,515)
Fair value gain on investment properties		1,026,406	345,123
Net finance income - excluding amounts attributable to Unitholders	5	<u>36,328</u>	<u>11,421</u>
Profit before income tax and transactions with Unitholders		1,371,137	649,684
Income tax expense	6	<u>(33,862)</u>	<u>(14,049)</u>
Profit after income tax before transactions with Unitholders		1,337,275	635,635
Other comprehensive income for the year		<u>—</u>	<u>—</u>
Total comprehensive income for the year before transactions with Unitholders		<u>1,337,275</u>	<u>635,635</u>
Change in net assets attributable to Unitholders	10	<u>1,337,275</u>	<u>635,635</u>

Notes:

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

CONSOLIDATED BALANCE SHEET

As at 31 December 2011

	<i>Note</i>	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Non-current assets			
Machinery and tools		10	813
Investment properties		6,471,000	5,432,500
Deferred assets		39,104	42,269
Goodwill		<u>160,324</u>	<u>160,324</u>
		<u>6,670,438</u>	<u>5,635,906</u>
Current assets			
Tax recoverable		2,248	2,226
Prepayments, deposits and other receivables	8	6,831	7,206
Short-term bank deposits		175,111	—
Cash and cash equivalents		<u>520,650</u>	<u>378,955</u>
		<u>704,840</u>	<u>388,387</u>
Total assets		<u>7,375,278</u>	<u>6,024,293</u>
Current liabilities			
Rental deposits, current portion	9	54,055	34,828
Receipts in advance	9	7,986	9,007
Accruals and other payables	9	44,944	49,089
Amounts due to related parties		22,179	16,756
Bank borrowings, secured		<u>—</u>	<u>1,774,748</u>
		<u>129,164</u>	<u>1,884,428</u>

	<i>Note</i>	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Non-current liabilities, other than net assets attributable to Unitholders			
Rental deposits, non-current portion	9	72,576	83,364
Bank borrowings, secured		1,978,169	—
Deferred tax liabilities		<u>100,105</u>	<u>75,511</u>
		<u>2,150,850</u>	<u>158,875</u>
Total liabilities, other than net assets attributable to Unitholders			
Net assets attributable to Unitholders	10	2,280,014	2,043,303
		<u>5,095,264</u>	<u>3,980,990</u>
Total liabilities		<u>7,375,278</u>	<u>6,024,293</u>
Net assets		<u>—</u>	<u>—</u>
Total equity		<u>—</u>	<u>—</u>
Net current assets/(liabilities)		<u>575,676</u>	<u>(1,496,041)</u>
Total assets less current liabilities		<u>7,246,114</u>	<u>4,139,865</u>
Units in issue ('000)		<u>1,065,973</u>	<u>1,065,973</u>
Net assets attributable to Unitholders per Unit		<u>RMB4.78</u>	<u>RMB3.73</u>

**DISTRIBUTION STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Profit after income tax before transactions with Unitholders	1,337,275	635,635
Adjustments for the total distributable income (i)		
- Fair value gains on investment properties	(1,026,406)	(345,123)
- Deferred taxation in respect of fair value gain on investment property charged to the consolidated statement of comprehensive income	18,687	541
- Amortisation charges on investment properties under Accounting Standards for Business Enterprises	(10,230)	(10,230)
- Exchange gain on bank borrowings	<u>(87,905)</u>	<u>(60,596)</u>
Total distributable income	231,421	220,227
Distributable amount at 1 January	104,750	126,017
Distributions paid during the year (ii)	<u>(223,001)</u>	<u>(241,494)</u>
Distributable amount at 31 December	<u>113,170</u>	<u>104,750</u>
Final distribution declared	<u>113,170</u>	<u>104,750</u>
Distribution per unit, declared (iii)	<u>RMB0.1062</u>	<u>RMB0.0983</u>

Note:

- (i) Under the terms of the Trust Deed, the total distributable income is the consolidated profit after income tax before transactions with Unitholders adjusted to eliminate the effects of certain non-cash adjustments which have been recorded in the consolidated statement of comprehensive income for the relevant year.
- (ii) A final distribution for the period from 1 July 2010 to 31 December 2010 of RMB0.0983 (equivalent to HKD0.1165) per Unit and interim distribution for the period from 1 January 2011 to 30 June 2011 of RMB0.1109 (equivalent to HKD0.1339) per Unit, totalling RMB223,001,000 (equivalent to HKD242,402,000) (2010: RMB241,494,000, equivalent to HKD275,980,000), were paid to Unitholders on 19 May 2011 and 26 October 2011 respectively.
- (iii) A final distribution for the period from 1 July 2011 to 31 December 2011 of RMB0.1062 (equivalent to HKD0.1308) per Unit, totaling RMB113,170,000 (equivalent to HKD139,391,000), was declared by the Board of the Manager on 20 February 2012.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Cash flows from operating activities		
Cash generated from operations	321,442	306,555
Interest paid	(36,984)	(35,689)
Corporate income tax paid	<u>(9,290)</u>	<u>(8,678)</u>
Net cash generated from operating activities	<u>275,168</u>	<u>262,188</u>
Cash flows from investing activities		
Additions of investment properties	(12,094)	(5,377)
Interest received	2,783	2,373
Increase in short-term bank deposits with original maturity of more than three months	<u>(175,111)</u>	<u>—</u>
Net cash used in investing activities	<u>(184,422)</u>	<u>(3,004)</u>
Cash flows from financing activities		
Distributions paid	(223,001)	(241,494)
Proceeds from bank borrowings, net of transaction costs	1,994,060	—
Repayment of bank borrowings	<u>(1,720,110)</u>	<u>—</u>
Net cash generated from/(used in) financing activities	<u>50,949</u>	<u>(241,494)</u>
Net increase in cash and cash equivalents	141,695	17,690
Cash and cash equivalents at beginning of the year	<u>378,955</u>	<u>361,265</u>
Cash and cash equivalents at end of the year	<u>520,650</u>	<u>378,955</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

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

Yuexiu REIT is a Hong Kong collective investment scheme constituted as a unit trust by the Trust Deed entered into between Yuexiu REIT Asset Management Limited (formerly known as GZI REIT Asset Management Limited), as the manager of Yuexiu REIT (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 and Second Supplemental Deed dated 23 July 2010) (the “Trust Deed”) and authorised under section 104 of the Securities and Futures Ordinance (“SFO”) subject to the applicable conditions imposed by Securities and Futures Commission (“SFC”) from time to time.

The address of its registered office is 24/F, Yue Xiu Building, 160-174 Lockhart Road, Wanchai, Hong Kong.

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

These consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors of the Manager on 20 February 2012.

2 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”), the relevant provisions of the Trust Deed and the relevant disclosure requirements set out in Appendix C of the Code on Real Estate Investment Trusts (the “REIT Code”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of the investment properties, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgement in the process of applying the Group’s accounting policies.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2011 that have been adopted by the Group:

HKAS 24 (Revised)	Related Party Disclosures
Amendment to HKFRS 7	Financial instruments: Disclosures

The adoption of these amendments and interpretations to existing standards has no material financial impact on Group for the year ended 31 December 2011.

The following new standards, amendments and interpretations are mandatory for the first time for the financial year beginning 1 January 2011 but not currently relevant to the Group:

HKAS 32 (Amendment)	Classification of rights issue
Amendment to HKFRS 1	Limited exemption from comparative HKFRS 7 disclosures for first time adopters
Amendment to HK(IFRIC)-Int 14	Prepayments of a minimum funding requirement
HK(IFRIC)-Int 19	Extinguishing financial liabilities with equity instruments

In addition, the Hong Kong Institute of Certified Public Accountants (“HKICPA”) also published a number of amendments for the existing standards/interpretations under third annual improvement project (2010). These amendments, except for amendment to HKFRS 7 “Financial instruments: Disclosure”, are not expected to have a material financial impact on the Group.

The following new standards, amendments and interpretations have been issued but are not effective for the financial year beginning 1 January 2011 and have not been early adopted by the Group:

HKAS 1 (Amendment)	Presentation of financial statements ³
HKAS 12 (Revised)	Deferred tax: Recovery of underlying assets ²
HKAS 19 (Amendment)	Employee benefits ⁴
HKAS 27 (revised 2011)	Separate financial statements ⁴
HKAS 28 (revised 2011)	Investment in associates and joint ventures ⁴
HKAS 32 (Amendment)	Financial instruments : Presentation — Offsetting financial assets and financial liabilities ⁵
HKFRS 1 (Amendment)	Severe hyperinflation and removal of fixed dates for first-time adopters ¹
HKFRS 7 (Amendment)	Disclosures — Transfer of financial assets ¹
HKFRS 7 (Amendment)	Financial instruments : Disclosures — Offsetting financial assets and financial liabilities ⁴
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory effective date and transition disclosures ⁶
HKFRS 9	Financial instruments ⁶

HKFRS 10	Consolidated financial statements ⁴
HKFRS 11	Joint arrangements ⁴
HKFRS 12	Disclosures of interests in other entities ⁴
HKFRS 13	Fair value measurements ⁴

- ¹ effective for annual periods beginning on or after 1 July 2011
- ² effective for annual periods beginning on or after 1 January 2012
- ³ effective for annual periods beginning on or after 1 July 2012
- ⁴ effective for annual periods beginning on or after 1 January 2013
- ⁵ effective for annual periods beginning on or after 1 January 2014
- ⁶ effective for annual periods beginning on or after 1 January 2015

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

3 Segment reporting

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

The Group mainly engages in leasing of commercial properties in China, accordingly, there is one business and geographical segment for the Group's operations.

4 Expenses by nature

	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Property management fees (i)	17,828	16,669
Urban real estate tax	61,987	57,380
Business tax, flood prevention fee, urban construction and maintenance tax and education surcharge and local education surcharge	29,718	24,804
Withholding tax (ii)	47,060	43,554
Depreciation of machinery and tools	803	2,417
Manager's fee	34,414	29,449
Trustee's fee	2,213	1,807
Valuation fees	565	218
Legal and professional fee	3,822	8,968
Auditor's remuneration	1,496	1,645
Bank charges	901	558
Others	<u>13,076</u>	<u>4,046</u>
Total operating expenses	<u>213,883</u>	<u>191,515</u>

Note:

- (i) The Group received leasing, marketing and tenancy management services from two leasing agents in Guangzhou, namely, Guangzhou Yicheng Property Management Ltd. and Guangzhou White Horse Property Management Co., Ltd.
- (ii) Withholding tax on the rental income and interest income in China is calculated based on the rental income and interest income at a rate of 10%.

5 Net finance income - excluding amounts attributable to Unitholders

	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income from bank deposits	2,783	2,373
Foreign exchange gain on bank borrowings	87,905	60,596
Interest expense for bank borrowings	(36,984)	(35,689)
Amortisation of transaction costs for bank borrowings	<u>(17,376)</u>	<u>(15,859)</u>
Net finance income	<u>36,328</u>	<u>11,421</u>

6 Income tax expense

Since one of the subsidiaries of the Group, Guangzhou Jieyacheng Properties Company Limited, is a sino-foreign co-operative joint venture in China, it is subject to corporate income tax at a rate of 25% (2010: 25%) under Corporate Income Tax Law of China.

For other subsidiaries with operations in China, the corporate income tax was paid by way of withholding tax.

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

	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax		
- China corporate income tax	9,089	8,437
- Under provision in prior years	179	212
Deferred income tax	<u>24,594</u>	<u>5,400</u>
	<u>33,862</u>	<u>14,049</u>

The tax on the Group's profit before income tax and transactions with Unitholders differs from the theoretical amount that would arise using the corporate income tax rate of China as follows:

	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before income tax and transactions with Unitholders	<u>1,371,137</u>	<u>649,684</u>
Tax calculated at domestic tax rate of 25%	342,784	162,421
Income not subject to tax	(319,651)	(152,794)
Expenses not deductible for tax purposes	2,787	1,679
Under provision in prior years	179	212
Withholding tax on unremitted earnings of a subsidiary	<u>7,763</u>	<u>2,531</u>
	<u>33,862</u>	<u>14,049</u>

7 Earnings per Unit based upon profit after income tax before transactions with Unitholders

Earnings per Unit based upon profit after income tax before transactions with Unitholders for the year ended 31 December 2011 is RMB1.25 (2010: RMB0.60). The calculation of earnings per Unit is based on profit after income tax before transactions with Unitholders of approximately RMB1,337,275,000 (2010: RMB635,635,000) and on average Units in issue of 1,065,973,000 Units (2010: 1,065,973,000 Units) during the year.

Diluted earnings per Unit is not presented as there is no dilutive instrument for the years ended 31 December 2011 and 2010.

8 Prepayments, deposits and other receivables

The carrying amounts of prepayments, deposits and other receivables approximate their fair values.

All prepayments, deposits and other receivables are denominated in RMB.

9 **Rental deposits, receipts in advance, accruals and other payables**

	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Rental Deposits		
Current portion	54,055	34,828
Non-current portion	<u>72,576</u>	<u>83,364</u>
	<u>126,631</u>	<u>118,192</u>
Receipts in advance	<u>7,986</u>	<u>9,007</u>
Provision for withholding tax payable	7,603	8,102
Provision for business tax, flood prevention fee, urban construction and maintenance tax, education surcharge and local education surcharge	5,727	5,611
Construction fee payable	3,685	4,810
Accruals for operating expenses	<u>27,929</u>	<u>30,566</u>
Accruals and other payables	<u>44,944</u>	<u>49,089</u>
	<u>179,561</u>	<u>176,288</u>

The carrying amounts of rental deposits, receipts in advance and accruals and other payables approximate their fair values.

10 **Net assets attributable to Unitholders**

	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January	3,980,990	3,586,849
Transfer from the consolidated statement of comprehensive income	1,337,275	635,635
Distributions paid during the year	<u>(223,001)</u>	<u>(241,494)</u>
At 31 December	<u>5,095,264</u>	<u>3,980,990</u>

11 **Capital commitments**

	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Capital commitments in respect of investment properties, contracted but not provided for	<u>5,664</u>	<u>1,639</u>

12 Future minimum rental receivable

At 31 December 2011, the Group had future minimum rental receivable under non-cancellable leases as follows:

	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	513,976	476,321
Between one year and five years	701,081	912,250
Over five years	<u>17,913</u>	<u>2,872</u>
	<u><u>1,232,970</u></u>	<u><u>1,391,443</u></u>

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

Hong Kong, 20 February 2012

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

Executive Directors: Messrs. Liang Ningguang and Liu Yongjie

Independent Non-executive Directors: Messrs. Chan Chi On, Derek, Lee Kwan Hung, Eddie and Chan Chi Fai, Brian.