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

Managed by



ANNOUNCEMENT

ANNUAL PAYMENT UNDER SUPPORT ARRANGEMENT IN RELATION TO THE WUHAN PROPERTY

Reference is made to Yuexiu REIT's circular dated 15 November 2017 and announcement dated 2 August 2018. The Board wishes to notify the Unitholders that: (i) the amount of the Annual Support Arrangement Shortfall for the financial year ended 31 December 2018 is RMB15,261,296; and (ii) the 2H18 Support Payment to be paid to WH Purchaser pursuant to the Support Arrangement is RMB4,169,689.

The amount of the Annual Support Arrangement Shortfall represents approximately 0.75% of the revenue of Yuexiu REIT for the financial year ended 31 December 2018. The 2H18 Support Payment will be paid in Hong Kong dollars within seven Business Days from publication of Yuexiu REIT's annual results for the financial year ended 31 December 2018.

Reference is made to the circular of Yuexiu Real Estate Investment Trust (“**Yuexiu REIT**”) dated 15 November 2017 (the “**Circular**”) in relation to, among other things, Yuexiu REIT’s acquisition of 67.0% of the Wuhan Property (as defined therein) and the announcement of Yuexiu REIT dated 2 August 2018 (the “**Interim Support Payment Announcement**”) in relation to the 2018 Interim Support Payment (as defined therein). Unless the context requires otherwise, terms used in this announcement shall have the same meanings ascribed to them in the Circular or the Interim Support Payment Announcement.

The Board wishes to notify the Unitholders that the Actual Adjusted Net Income for the financial year ended 31 December 2018 (as derived from WH Project Company’s accounts and as notified by WH Purchaser to WH Vendor in writing) is RMB62,738,704, which is less than the Baseline Adjusted Net Income for that financial year (being RMB78,000,000). As disclosed in the Interim Support Payment Announcement, the 2018 Interim Support Payment was RMB11,091,607. Accordingly: (i) the amount of the Annual Support Arrangement Shortfall for the financial year ended 31 December 2018 is RMB15,261,296; and (ii) the amount to be paid to WH Purchaser pursuant to the Support Arrangement, being the abovementioned Annual Support Arrangement Shortfall less the 2018 Interim Support Payment already paid (the “**2H18 Support Payment**”), is RMB4,169,689.

The amount of the Annual Support Arrangement Shortfall represents approximately 0.75% of the revenue of Yuexiu REIT for the financial year ended 31 December 2018. The 2H18 Support Payment will be paid by WH Vendor to WH Purchaser in Hong Kong dollars pursuant to a five-day average of RMB/HKD central parity rate as announced by the People’s Bank of China for the five Business Days immediately preceding the date of publication of Yuexiu REIT’s annual results for the financial year ended 31 December 2018. The 2H18 Support Payment will be paid in cash within seven Business Days from 25 February 2019, being the date of publication of Yuexiu REIT’s annual results for the financial year ended 31 December 2018.

The Board (including the INEDs) has reviewed the Annual Support Arrangement Shortfall and the 2H18 Support Payment and confirmed that they are in order. Further details of the Annual Support Arrangement Shortfall and the 2H18 Support Payment will be included in Yuexiu REIT’s annual report for the financial year ended 31 December 2018.

Support payments are payable under the Support Arrangement for the period from 1 January 2018 up to and including 31 December 2020. As stated in the Circular, the Support Arrangement is not intended to be a rental guarantee from WH Vendor but is simply an arrangement for WH Purchaser to mitigate the start-up risks associated with the operations of the Wuhan Property.

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

Hong Kong, 1 March 2019

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

Executive Directors: Mr. LIN Deliang (Chairman) and Mr. CHENG Jiuzhou

Non-executive Directors: Mr. LI Feng and Mr. LIANG Danqing

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