

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



(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

POLL RESULTS OF EXTRAORDINARY GENERAL MEETING HELD ON 28 MAY 2019

At the extraordinary general meeting held on 28 May 2019, the Ordinary Resolution to approve the Ordinary Banking Waiver was duly passed by way of a poll.

Reference is also made to the circular of Yuexiu REIT dated 10 May 2019 (the “**Circular**”) issued by the Manager to the Unitholders in relation to, among other things, the waiver in respect of ordinary banking and financial services provided by Chong Hing Bank Group. Unless the context requires otherwise, terms used in this announcement shall have the same meaning as those defined in the Circular.

At the EGM held on 28 May 2019, the resolution as set out in the EGM Notice to approve the Ordinary Banking Waiver (the “**EGM Resolution**”) was proposed as an Ordinary Resolution and decided on by way of a poll.

As at the date of the EGM, the number of Units in issue was 3,119,618,222.

Pursuant to the REIT Code and the Trust Deed, Yue Xiu Enterprises and its controlling entities, holding companies, subsidiaries and associated companies (as defined in the REIT Code), which together hold 1,144,422,401 Units, representing approximately 36.685% of the Units in issue as at the date of the EGM, were required to abstain, and had so abstained, from voting on the EGM Resolution, except pursuant to a proxy where a specific direction by an Independent Unitholder as to

voting is given. To the best of the Manager’s knowledge, information and belief, after having made reasonable enquiries, the Manager takes the view that no other Unitholder was required to abstain from voting at the EGM in respect of the EGM Resolution.

Accordingly, the total number of Units entitling the Independent Unitholders to vote for or against the EGM Resolution was 1,975,195,821 Units, representing approximately 63.315% of the Units in issue as at the date of the EGM.

POLL RESULTS OF EGM

The poll at the EGM was scrutinised by Tricor Investor Services Limited, the unit registrar of Yuexiu REIT. The Board is pleased to announce that the poll results of the EGM Resolution are as follows:

Ordinary Resolution		Number of Votes (% of Units voted at the EGM) (%)	
		For*	Against*
1.	<p>THAT</p> <p>(a) approval be and is hereby given for the Ordinary Banking Waiver as more fully described in the Circular; and</p> <p>(b) authorisation be granted to the Manager, any director of the Manager, the Trustee and any authorised signatory of the Trustee to complete and to do all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager, the Trustee or such authorised signatory of the Trustee, as the case may be, may consider expedient or necessary or in the interest of Yuexiu REIT to give effect to all matters in relation to the Ordinary Banking Waiver generally.</p>	<p>221,920,038 (99.9527%)</p>	<p>105,000 (0.0473%)</p>

* All percentages are rounded to four decimal places.

Based on the poll results above, as more than 50% of the votes cast were in favour of the EGM Resolution, the EGM Resolution was passed as an Ordinary Resolution.

WAIVER IN RESPECT OF ORDINARY BANKING AND FINANCIAL SERVICES PROVIDED BY CHONG HING BANK GROUP

As disclosed in the Circular, the Manager applied to the SFC for the Ordinary Banking Waiver from strict compliance with the requirements for announcements and Unitholders' approvals under Chapter 8 of the REIT Code in respect of the CHB Banking CPTs. On 28 May 2019, the SFC granted the Ordinary Banking Waiver in respect of the ordinary banking and financial services transactions to be entered into between Yuexiu REIT and the Chong Hing Bank Group, subject to the conditions further described below.

For this purpose, "ordinary banking and financial services" means:

- (a) deposits and other "banking business" (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) with the Chong Hing Bank Group and conducted on arm's length commercial terms;
- (b) loans extended by the Chong Hing Bank Group being a transaction in the ordinary and usual course of business of Yuexiu REIT and provided to, or arranged for, Yuexiu REIT on arm's length commercial terms; and
- (c) related financial services constituting regulated activities (as defined in the SFO) and other banking or financial services required in the ordinary and usual course of business by Yuexiu REIT (including insurance, Occupational Retirement Schemes Ordinance (Chapter 426 of the Laws of Hong Kong) retirement benefit schemes, mandatory provident fund schemes, credit cards, asset management and other such services).

For the avoidance of doubt, "ordinary banking and financial services" do not include the corporate finance transactions which mean:

- (a) underwriting, securitisation, issue of debt instruments or other securities, or other related arrangements where a member of the Chong Hing Bank Group is involved in an underwriting or arranging capacity or acts as listing agent, and/or financial adviser and/or bookrunner and/ or global co-ordinator to Yuexiu REIT, provided that the primary objective of which is the offering or distribution of securities to parties outside of the Chong Hing Bank Group;

- (b) lending and borrowing of funds or other related arrangements in connection with any facility agreement by which Yuexiu REIT will finance the acquisition of real estate; and
- (c) “corporate advisory transactions”, namely the provision of “corporate finance advice” to Yuexiu REIT and excludes transactions set out in (a) and (b) above.

For the avoidance of doubt, “corporate finance advice” means advice concerning:

- (a) compliance with or in respect of the REIT Code, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, or the Codes on Takeovers and Mergers and Share Buy-backs (as amended from time to time);
- (b) (i) any offer to dispose of securities to the public;
- (ii) any offer to acquire securities from the public; or
- (iii) acceptance of any offer referred to in (i) or (ii), but only in so far as the advice is generally given to holders of securities or a class or securities; or
- (c) corporate restructuring in respect of securities (including the issue, cancellation or variation of any rights attaching to any securities).

(I) Waiver general conditions and undertakings

The INEDs will ensure compliance with the following general conditions with respect to the Ordinary Banking Waiver on an ongoing basis:

- (a) the CHB Banking CPTs will be carried out at arm’s length on normal commercial terms and in the interests of the Unitholders as a whole;
- (b) the Manager implements internal controls and compliance procedures to ensure that the CHB Banking CPTs are regularly monitored and undertaken on terms in compliance with the REIT Code;
- (c) the INEDs are satisfied with the Manager’s internal controls and compliance procedures (such as Chinese wall procedures), to ensure that the operation of the Manager is independent of the banking, financial services and other business functions and operations of the Chong Hing Bank Group; and
- (d) the Trust Deed contains a provision that obliges the Trustee to take actions or commence proceedings on behalf of Yuexiu REIT as necessary, including action against the Manager or its connected persons in relation to any transaction or agreements entered into for and on behalf of Yuexiu REIT with such persons, as and to the extent required by the REIT Code and any

conditions of waivers and exemptions from the operation of the REIT Code granted by the SFC from time to time. Such provision should be sufficiently broad so as to allow the Trustee to take action against the Manager or a member of the Chong Hing Bank Group in relation to any transaction or agreement entered into for and on behalf of Yuexiu REIT with such member of the Chong Hing Bank Group.

Separately and for the purpose of the above waiver:

- (a) Each of Yue Xiu Enterprises and Yuexiu Property has: (i) confirmed to the SFC that it has instructed the Manager to act in the sole interest of Yuexiu REIT and disregard any other interests of, or instructions from, the Chong Hing Bank Group and Yuexiu Property, its holding companies and subsidiaries in respect of any transaction with a member of the Chong Hing Bank Group which constitutes a connected party transaction of Yuexiu REIT under the REIT Code (the “**Instruction**”); and (ii) given an undertaking to the SFC that it will not revoke or amend the Instruction without the prior written consent of the SFC during the period in which the Units are listed on the Stock Exchange; and
- (b) the Manager has given an undertaking to the SFC that it will abide by the Instruction so long as each of Yue Xiu Enterprises and Yuexiu Property remains a controlling entity of the Manager and the Manager remains the manager of Yuexiu REIT, or until Chong Hing Bank ceases to be a connected person of Yuexiu REIT.

(II) Waiver specific conditions

The Ordinary Banking Waiver is also granted subject to the following specific conditions:

- (a) a summary disclosure of the CHB Banking CPTs provided by the Chong Hing Bank Group to Yuexiu REIT in each financial year has to be disclosed in the annual report of Yuexiu REIT. Such information shall include the nature of the transactions, types of transactions or services and identities of the connected persons of the same transactions;
- (b) the INEDs shall confirm in the annual report that they have reviewed the terms of any such transactions and are satisfied that these transactions have been entered into:
 - (i) in the ordinary and usual course of business of Yuexiu REIT;

- (ii) 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 Yuexiu REIT than terms available to or from (as appropriate) independent third parties; and
 - (iii) in accordance with the relevant agreement and the Manager's internal procedures governing them on terms that are fair and reasonable and in the interests of Unitholders of Yuexiu REIT as a whole; and
- (c) the auditors of Yuexiu REIT shall be engaged to perform certain agreed review procedures and report in the auditors' report to the Manager (and a copy of such report shall be provided to the SFC) confirming that all such transactions:
- (i) have followed the Manager's internal procedures for such transactions and are in accordance with the terms disclosed in the offering documents or circular to Unitholders (as the case may be);
 - (ii) have received the approval of the Board of the Manager (including all the INEDs);
 - (iii) are in accordance with the pricing policies of Yuexiu REIT;
 - (iv) have been entered into and carried out in accordance with the terms of the agreements governing the transactions; and
 - (v) the total value in respect of which has not exceeded the respective cap amount (where applicable).

(III) Scope of Ordinary Banking Waiver

The Ordinary Banking Waiver will only apply to the CHB Banking CPTs involving the Chong Hing Bank Group, so long as: (a) Yue Xiu Enterprises is, directly or indirectly, a controlling entity of Chong Hing Bank and the Manager, and the Manager is in its capacity as manager of Yuexiu REIT; or (b) Chong Hing Bank is an associated company of Dragon Yield (being a significant holder of Yuexiu REIT). If connected party transactions arise as a result of other circumstances, they will be governed by Chapter 8 of the REIT Code.

Notwithstanding the foregoing, the SFC has reserved the right to review or revise any of the conditions of the waiver, or impose additional conditions, as it deems appropriate from time to time. In the event of future amendments to the

REIT Code imposing more stringent requirements than those applicable at the date of the waiver granted by the SFC on transactions of the kind to which the CHB Banking CPTs belong (including, but not limited to, a requirement that such transaction be made conditional on approval by the Independent Unitholders), the Manager shall take immediate steps to ensure compliance with such requirements within a reasonable period of time.

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, 28 May 2019

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

Executive Directors: Mr. LIN Deliang (Chairman) and 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*