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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**

### **(i) ISSUANCE OF DEFERRED MANAGER FEE UNITS**

**AND**

### **(ii) CONNECTED PARTY TRANSACTION**

### **ISSUANCE OF DEFERRED UNITS**

The Board wishes to announce that, on 31 December 2020, the REIT issued:

- (i) to YXII, 3,537,264 Units (being the 2H2019 Deferred Manager Fee Units) at a price of HK\$3.80 per Unit in settlement of the portion of the Manager's Fee payable for the period from 1 July 2019 to 31 December 2019 that was previously deferred;
- (ii) to YXII, 3,719,850 Units (being the 1H2020 Deferred Manager Fee Units) at a price of HK\$3.80 per Unit in settlement of the portion of the Manager's Fee payable for the period from 1 January 2020 to 30 June 2020 that was previously deferred; and
- (iii) to Yuexiu Capital, 62,000,000 Units (being the 2020 Deferred Units) at a price of HK\$4.00 per Unit in partial satisfaction of the outstanding consideration from the REIT's investment in Guangzhou International Finance Center in 2012.

Following the issuance of the Deferred Manager Fee Units, there is no Manager's Fee that remains outstanding and has not been settled as at the date of this announcement.

Following the issuances of the Deferred Manager Fee Units and the 2020 Deferred Units: (i) the total number of Units in issue increased from 3,233,856,551 to 3,303,113,665; and (ii) the aggregate unitholding of Yuexiu Property and its concert parties (including Yue Xiu and its subsidiaries) increased from approximately 38.92% to approximately 40.20%.

This announcement is made pursuant to paragraphs 10.3, 10.4(k) and 10.5A of the REIT Code.

Reference is made to: (i) the circular of Yuexiu Real Estate Investment Trust (the “**REIT**”) dated 30 June 2012 in relation to the REIT’s investment in Guangzhou International Finance Center (the “**Acquisition Circular**”); (ii) the announcement of the REIT dated 8 October 2012 in relation to the completion of such investment (the “**Acquisition Announcement**”); and (iii) the announcement of the REIT dated 23 December 2020 in relation to the assignment of right to receive the Deferred Units to be issued on 31 December 2020 (the “**Units Assignment Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Units Assignment Announcement.

Reference is further made to the announcements of the REIT dated 3 April 2020 and 26 August 2020 in relation to the payment of the REIT Manager’s fees for the two periods from 1 July 2019 to 31 December 2019 and from 1 January 2020 to 30 June 2020, respectively (collectively, the “**Manager Fee Announcements**”).

## **ISSUANCE OF DEFERRED MANAGER FEE UNITS**

### **Deferred Manager Fee Units**

As stated in the Manager Fee Announcements, part of the fees payable to the REIT Manager (the “**Manager’s Fee**”) for the periods from 1 July 2019 to 31 December 2019 (“**2H2019**”) and from 1 January 2020 to 30 June 2020 (“**1H2020**”), being RMB12,256,726 (approximately HK\$13,441,603) and RMB12,618,558 (approximately HK\$14,135,430), respectively, shall be settled by issuing further tranches of new Units to Yuexiu International Investment Limited (“**YXII**”), a wholly-owned subsidiary of Yuexiu Property Company Limited (“**Yuexiu Property**”), on such later date which the REIT Manager considers is in the interests of independent Unitholders provided the Trustee has no objection to such issuances (such deferred tranches being the “**Deferred Manager Fee Units**”).

The number of the Deferred Manager Fee Units is determined in accordance with the Trust Deed by dividing the relevant HK\$ equivalent amounts by the highest of: (i) the Market Price (as defined in the Manager Fee Announcements) as at the respective dates of the Manager Fee Announcements; (ii) the closing price of the Units on the Stock Exchange on the trading day immediately preceding the date on which the Deferred Manager Fee Units are issued; and (iii) the average closing price of the Units in the ten trading days immediately preceding the date on which the Deferred Manager Fee Units are issued.

The Board wishes to announce that, on 31 December 2020, the REIT issued the Deferred Manager Fee Units to YXII in the follow manner:

- (a) in respect of the Manager’s Fee payable for 2H2019, 3,537,264 Units at the price of HK\$3.80 per Unit (the “**2H2019 Deferred Manager Fee Units**”), which was the closing price of the Units on the Stock Exchange on the trading day immediately preceding the date on which the Deferred Manager Fee Units are issued; and
- (b) in respect of the Manager’s Fee payable for 1H2020, 3,719,850 Units at the price of HK\$3.80 per Unit (the “**1H2020 Deferred Manager Fee Units**”), which was the closing price of the Units on the Stock Exchange on the trading day immediately preceding the date on which the Deferred Manager Fee Units are issued.

Based on the information and confirmations provided by the REIT Manager and the applicable provisions of the Trust Deed, the Trustee has no objection to the Deferred Manager Fee Units being issued on 31 December 2020.

Immediately after issuance of the Deferred Manager Fee Units and as at the date of this announcement, YXII holds 85,932,023 Units (representing approximately 2.65% of the 3,241,113,665 Units in issue immediately after such issuance). As at the date of this announcement, the REIT Manager does not have any interest in any Units.

Following the issuance of the Deferred Manager Fee Units, there is no Manager's Fee that remains outstanding and has not been settled as at the date of this announcement.

## **ISSUANCE OF 2020 DEFERRED UNITS**

### **Units Assignment**

As stated in the Acquisition Announcement, the balance of the Assignment consideration, being HK\$2,933,121,976, will be satisfied by issuance of Deferred Units to Dragon Yield Holding Limited. Dragon Yield Holding Limited, which is a wholly-owned subsidiary of Yuexiu Property previously designated by Yuexiu Property to receive the Deferred Units, is a substantial holder and connected person of the REIT. The Deferred Units are to be issued on 31 December of each year, starting on 31 December 2016, at a price of HK\$4.00 per Unit pursuant to the Indebtedness Agreement. The payment of the balance of the Assignment consideration by way of issuance of Deferred Units is in accordance with the terms of the Trust Deed, and the issuance of Deferred Units was approved by independent Unitholders pursuant to the ordinary resolution passed at the EGM on 23 July 2012.

As stated in the Units Assignment Announcement, on 23 December 2020, Yuexiu Property (as assignor) entered into the Units Assignment with Yuexiu Capital Holdings Limited ("**Yuexiu Capital**") (as assignee), the latter being a wholly-owned subsidiary of Yue Xiu Enterprises (Holdings) Limited ("**Yue Xiu**"), pursuant to which Yuexiu Property as beneficial owner agreed to assign and transfer absolutely to Yuexiu Capital, and Yuexiu Capital agreed to accept, all of Yuexiu Property's rights, title, interest and benefits in and to the 2020 Deferred Units for a cash consideration.

### **Issuance of 2020 Deferred Units**

Accordingly, on 31 December 2020, the REIT issued 62,000,000 Units (being the "**2020 Deferred Units**") at a price of HK\$4.00 per Unit on 31 December 2020 in partial satisfaction of the outstanding consideration from the REIT's investment in Guangzhou International Finance Center in 2012. As a result of the Units Assignment, the 2020 Deferred Units were issued to Yuexiu Capital instead of Dragon Yield or Yuexiu Property. Following the issuance of the 2020 Deferred Units, (i) the balance of the Assignment consideration was reduced to HK\$1,597,605,976.

Pursuant to the Deed of Undertaking it executed on 23 December 2020, Yue Xiu agreed and undertook to, with effect from 31 December 2020, irrevocably waive its right to exercise any voting rights attaching to the 2020 Deferred Units and all existing Units that it holds as at the date of the Deed of Undertaking and to procure that its subsidiaries shall waive their right to exercise any voting rights attaching to the same. The Deed of Undertaking does not apply to the Units which are held or owned by Yuexiu Property and/or any of its subsidiaries.

Assuming no Deferred Units Adjustment Events eventuate, it is expected that a further 399,401,494 Deferred Units (“**Further Deferred Units**”) will be issued to Dragon Yield in satisfaction of the balance of the Assignment consideration. The number of 2020 Deferred Units issued on 31 December 2020 is equal to the maximum number of Deferred Units that may be issued which, when aggregated with the Manager Fee Units that are expected to be issued during the period of 12 months after 31 December 2020, will not trigger an obligation on the part of Yuexiu Property (and parties acting in concert with it) to make a mandatory general offer under Rule 26 of the Takeovers Code. Assuming no additional Units are issued by the REIT (other than the Manager Fee Units issued pursuant to the Trust Deed, if any), the REIT Manager expects all Further Deferred Units to be issued by 31 December 2023. After the issuance of all Further Deferred Units (assuming no additional Units are issued other than the Manager Fee Units issued pursuant to the Trust Deed, if any), the aggregate unitholding of Yuexiu Property and its concert parties (including Yue Xiu and its subsidiaries) would be approximately 46.65%.

Following the issuances of the Deferred Manager Fee Units and the 2020 Deferred Units: (i) the total number of Units in issue increased from 3,233,856,551 to 3,303,113,665; and (ii) the aggregate unitholding of Yuexiu Property and its concert parties (including Yue Xiu and its subsidiaries) increased from approximately 38.92% to approximately 40.20%.

This announcement is made pursuant to paragraphs 10.3, 10.4(k) and 10.5A of the REIT Code.

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, 31 December 2020

*As at the date of this announcement, the REIT Manager’s board of directors comprises:*

*Executive Directors: Mr. LIN Deliang (Chairman), Mr. CHENG Jiuzhou and Ms. OU Haijing*

*Non-executive Director: Mr. LI Feng*

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