

The Securities and Futures Commission of Hong Kong, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company 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

FURTHER UPDATE ON THE ACQUISITION OF HONGJIA TOWER

The Manager announces that:

- (i) the Final Acquisition Price was determined by the Purchaser and the Seller to be RMB2,338,537,929, based on the Audited Completion Balance Sheets and adjusted pursuant to the formula and notes set out in the Draft Final Acquisition Price Statement; and
- (ii) as the Adjusted Final Acquisition Price (being US\$382,254,574) is higher than the Benchmark Acquisition Price (being US\$381,684,710), the Purchaser shall pay the difference (being the Adjustment Payment of US\$569,864) to the Seller in accordance with the Share Purchase Deed.

Reference is made to the announcements of Yuexiu REIT dated 2 August 2015, 24 August 2015 and 31 August 2015 (the “**Completion Date**”), and the circular of Yuexiu REIT dated 6 August 2015 (the “**Circular**”). Unless the context requires otherwise, terms used in this announcement shall have the same meaning as those defined in the Circular.

Background

Pursuant to the terms of the Share Purchase Deed, the Certifying Accountant shall, within 45 days after receipt of the Completion Balance Sheets from the Purchaser and Seller, prepare the Audited Completion Balance Sheets, the Draft Final Acquisition Price Statement and the Auditor Confirmation. Within 5 Business Days after the later of: (a) the Purchaser and the Seller having agreed on the Final Acquisition Price; and (b) the Stamp Office having finally determined the total stamp duty payable in respect of the transfer and the sale and purchase of the Target Company Shares:

- (i) the Purchaser shall pay all or cause the payment of 100% of costs and expenses of the Certifying Accountant regarding the preparation of the Audited Completion Balance Sheets, the Draft Final Acquisition Price Statement and the Auditor Confirmation;
- (ii) if the sum of the Final Acquisition Price: (1) *minus* 50% of the amount actually paid or payable by the Purchaser under (i) above; and (2) (a) *minus* the amount that the Adjudged Seller Stamp Duty Share exceeds the Estimated Seller Stamp Duty Share, or alternatively as the case may be, (b) *plus* the amount that the Adjudged Seller Stamp Duty Share is less than the Estimated Seller Stamp Duty Share (the “**Adjusted Final Acquisition Price**”):
 - (a) is higher than the Benchmark Acquisition Price, the Purchaser shall pay, or procure the payment of, an amount equal to such excess amount to the Seller; or
 - (b) is lower than the Benchmark Acquisition Price, the Seller shall refund an amount equal to such shortfall amount to the Purchaser.

(such payment by the Purchaser or refund by the Seller being the “**Adjustment Payment**”)

Calculation of Final Acquisition Price

The Final Acquisition Price was determined by the Purchaser and the Seller to be RMB2,338,537,929, based on the Audited Completion Balance Sheets and adjusted pursuant to the formula and notes set out in the Draft Final Acquisition Price Statement. The Final Acquisition Price reflects an upward adjustment to the Target Property Price by RMB65,995,410 for all current assets of the Project Company (other than deferred assets) and a downward adjustment to the Target Property Price by RMB354,657,480 for all liabilities (other than shareholder’s loan from the Target

Company to the Project Company and deferred tax liabilities, if any) in the unconsolidated balance sheets of each member of the Target Group pursuant to the formula set out in the Draft Final Acquisition Price Statement, in each case as at the Completion Date.

Calculation of Adjustment Payment

As noted in the Circular, the Final Acquisition Price and other payments pursuant to the Share Purchase Deed will be paid in cash in USD calculated based on the median exchange rate between RMB and USD published by the People's Bank of China at the relevant time as stated in the Share Purchase Deed. As the Adjusted Final Acquisition Price (being US\$382,254,574) is higher than the Benchmark Acquisition Price (being US\$381,684,710), the Purchaser shall pay the difference (being the Adjustment Payment of US\$569,864) to the Seller in cash on or about 3 February 2016 in accordance with the Share Purchase Deed.

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, 27 January 2016

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

<i>Executive Directors:</i>	<i>Mr. LIU Yongjie (Chairman) and Mr. LIN Deliang</i>
<i>Non-executive Director:</i>	<i>Mr. LI Feng</i>
<i>Independent Non-executive Directors:</i>	<i>Mr. CHAN Chi On Derek, Mr. CHAN Chi Fai Brian and Mr. CHEUNG Yuk Tong</i>