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**(Stock code: 00405)**

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## **ANNOUNCEMENT**

### **POLL RESULTS OF THE EXTRAORDINARY GENERAL MEETING HELD ON 4 DECEMBER 2017**

The Board of the Manager announces that, at the EGM held on 4 December 2017, the resolutions pertaining to the Matters Requiring Approval were duly passed as Ordinary Resolutions by way of a poll.

Under the Acquisition Deed, the remaining WH Conditions are required to be satisfied (or waived, if applicable) on or prior to the WH Long Stop Date (being 31 March 2018, or such later date as may be agreed between WH Purchaser and WH Vendor in writing). Assuming that the remaining WH Conditions are satisfied (or waived, if applicable), the Acquisition is expected to be completed no later than 10 Business Days after the WH Long Stop Date (being 31 March 2018, or such later date as may be agreed between WH Purchaser and WH Vendor in writing).

Further announcement(s) in relation to the Acquisition will be made by the Manager in accordance with all applicable requirements of the REIT Code as and when appropriate, including regarding Completion and the Initial Completion Payment, WH True-up Payment and Deferred Completion Payment as soon as practicable after such amounts have been determined.

Reference is made to the circular of Yuexiu Real Estate Investment Trust (“**Yuexiu REIT**”) dated 15 November 2017 (the “**Circular**”) and the notice of extraordinary general meeting (“**EGM Notice**”) of Yuexiu REIT attached thereto. Unless the context requires otherwise, terms used in this announcement shall have the same meaning as those defined in the Circular.

At the EGM, the resolutions as set out in the EGM Notice to approve (a) the Transaction Matters Requiring Approval, and (b) the CCPT Matters Requiring Approval, were proposed as Ordinary Resolutions and decided on by way of a poll.

As at the date of the EGM, there were a total of 2,948,285,896 Units in issue.

Pursuant to the REIT Code and the Trust Deed, Yuexiu Property and Yue Xiu and each of their respective controlling entities, holding companies, subsidiaries and associated companies (as defined in the REIT Code), which together hold 1,050,090,075 Units, representing approximately 35.6% of the Units in issue as at the date of the EGM, were required to abstain, and had so abstained, from voting on the resolutions pertaining to the Matters Requiring Approval, 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 is required to abstain from voting at the EGM in respect of such resolutions.

Accordingly, the total number of Units entitling the Independent Unitholders to vote for or against the resolutions pertaining to the Matters Requiring Approval was 1,898,195,821 Units, representing approximately 64.4% of the Units in issue as at the date of the EGM.

## POLL RESULTS OF THE 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 resolutions pertaining to the Matters Requiring Approval are as follows:

No.	Ordinary Resolutions	Number of Votes (%)	
		For <sup>(Note 1)</sup>	Against <sup>(Note 1)</sup>
1.	<p><b>THAT</b> approval (where relevant, shall include approval by way of ratification) be and is hereby given for the Transaction Matters Requiring Approval, being:</p> <p>(a) the Acquisition (including entry into the Acquisition Deed) and the consummation of transactions contemplated under the Acquisition Deed as more fully described in the Circular and on the terms and conditions set out in the Acquisition Deed; and</p> <p>(b) upon completion of the Acquisition, the execution of the Joint Venture Agreement and the consummation of the transactions contemplated under the Joint Venture Agreement as more fully described in the Circular and on the terms and conditions set out in the Joint Venture Agreement,</p> <p>in each case, as more fully described in the Circular.</p> <p><b>AND THAT</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 Transaction Matters Requiring Approval generally.</p>	<p>297,152,978 99.9788%</p>	<p>63,000 0.0212%</p>

No.	Ordinary Resolutions	Number of Votes (%)	
		For <sup>(Note 1)</sup>	Against <sup>(Note 1)</sup>
2.	<p><b>THAT:</b></p> <p>(a) approval (where relevant, shall include approval by way of ratification) be and is hereby given for the CCPT Matters Requiring Approval 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 CCPT Matters Requiring Approval generally.</p>	<p>297,152,978 99.9788%</p>	<p>63,000 0.0212%</p>

*Note:*

1. All percentages are rounded to 4 decimal places.

Based on the poll results above, as more than 50% of the votes cast were in favour of the resolutions pertaining to the Matters Requiring Approval, the resolutions pertaining to the Matters Requiring Approval were each passed as an Ordinary Resolution by the Unitholders.

## **THE ACQUISITION**

Under the Acquisition Deed, the remaining WH Conditions which are required to be satisfied (or waived, if applicable) on or prior to the WH Long Stop Date (being 31 March 2018, or such later date as may be agreed between WH Purchaser and WH Vendor in writing) are set out below:

- (a) completion of the Reorganisation;

- (b) all necessary consents or waivers being granted by third parties (including any governmental or official authorities) in connection with the transactions contemplated under the Acquisition Deed and no statute, regulation or decision which would prohibit or materially delay the sale and purchase of the WH Sale Shares, the assignment of WH Loan or which would prohibit or materially restrict the operation of the WH Target Group or the Wuhan Property having been enacted or taken by any governmental or official authority;
- (c) there being no material damage to the Wuhan Property, no compulsory acquisition or resumption of the Wuhan Property and no notice of such intention received from any governmental authority; and
- (d) the warranties of WH Vendor under the Acquisition Deed remaining true and accurate in all material respects and not misleading in any material respect at Completion as if repeated at Completion (by reference to the facts and circumstances existing at Completion).

Assuming that the remaining WH Conditions are satisfied (or waived, if applicable), the Acquisition is expected to be completed no later than 10 Business Days after the WH Long Stop Date (being 31 March 2018, or such later date as may be agreed between WH Purchaser and WH Vendor in writing).

## **GRANT OF WAIVERS**

### **Extension of Existing Continuing Connected Party Transaction Waiver and Proposed New Annual Caps for Certain Continuing Connected Party Transactions**

As disclosed in the Circular, the Manager applied to the SFC for an extension of the 2014 Extended Waiver from strict compliance with the disclosure and unitholders' approvals requirements under Chapter 8 of the REIT Code in relation to the Connected Leasing Transactions, the Connected PMAs and the Connected TSAs. The SFC has granted the 2017 Waiver Extension (subject to the conditions further described below) so that the 2014 Extended Waiver will continue to apply for the three financial years ending 31 December 2020. As part of its submission, the Manager has also proposed New Annual Caps for the extended period, as are more particularly described below.

### *Conditions of the 2017 Extended Waiver*

Pursuant to the 2017 Extended Waiver, the Connected Leasing Transactions, the Connected PMAs and the Connected TSAs are exempt from strict compliance with the disclosure and unitholders' approvals requirements under Chapter 8 of the REIT Code, subject to the following terms and conditions:

(a) *Due approval by Independent Unitholders*

Due approval by Independent Unitholders of Yuexiu REIT and adoption of the Ordinary Resolution to approve the 2017 Extended Waiver as set out in the EGM Notice, without any material amendment thereto.

(b) *Extensions or Modifications*

The 2017 Extended Waiver has been granted for a period of three financial years ending 31 December 2020. The 2017 Extended Waiver may be extended beyond 31 December 2020, and/or the terms and the conditions of the 2017 Extended Waiver may be modified from time to time, provided that:

- (i) due approval of Independent Unitholders is obtained by way of an Ordinary Resolution passed in a general meeting of Unitholders;
- (ii) disclosure of details of the proposed extension and/or modification (as the case may be) shall be made by way of an announcement by the Manager of such proposal, and a circular and notice shall be issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (iii) any extension of the period of the 2017 Extended Waiver shall, on each occasion of such extension, be for a period which shall expire not later than the third full financial year-end date of Yuexiu REIT after the date on which the approval referred to in paragraph (b)(i) above is obtained.

For the avoidance of doubt, any material change to the transactions covered by the 2017 Extended Waiver (including without limitation on the scope or nature of such transactions) as set out in the Circular must be approved by Independent Unitholders pursuant to the condition at paragraph (b)(i) above, and details of the proposed changes shall be disclosed in the manner as referred to in the condition at paragraph (b)(ii) above.

(c) *Annual Caps*

In any relevant financial year, the annual value of the New Continuing Connected Party Transactions shall not exceed the respective annual cap amounts set out below:

(i) In respect of the Connected Leasing Transactions:

- an independent valuation shall be conducted for each Connected Leasing Transaction except where it is conducted on standard or published rates. In the case of Connected Leasing Transactions with no fixed term (e.g. tenancies with monthly rollover), an independent valuation shall be conducted no less than once every 24 months; and
- the aggregate annual amounts of rent payable to Yuexiu REIT thereunder for the three financial years ending 31 December 2020 shall not exceed the respective cap amounts set out below:

<b>For the year ending 31 December 2018</b>	<b>For the year ending 31 December 2019</b>	<b>For the year ending 31 December 2020</b>
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*Where the Acquisition does not complete:*

RMB267,445,000	RMB289,242,000	RMB315,271,000
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*Where the Acquisition completes:*

RMB289,486,000	RMB311,422,000	RMB337,874,000
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- (ii) In respect of the Connected TSAs, the aggregate annual amounts of fees payable by Yuexiu REIT to the property managers thereunder for the three financial years ending 31 December 2020 shall not exceed the respective cap amounts set out below:

<b>For the year ending 31 December 2018</b>	<b>For the year ending 31 December 2019</b>	<b>For the year ending 31 December 2020</b>
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*Where the Acquisition does not complete:*

RMB55,506,000	RMB61,057,000	RMB67,163,000
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*Where the Acquisition completes:*

RMB62,682,000	RMB69,733,000	RMB76,794,000
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(iii) In respect of the Connected PMAs, as the property management fees payable under the Connected PMAs will be paid by the relevant tenants, rather than Yuexiu REIT or its property holding companies, no caps are required in respect of such property management fees.

(d) *Disclosure in semi-annual and annual reports*

Details of the New Continuing Connected Party Transactions shall be disclosed in Yuexiu REIT's semi-annual and annual reports, as required under paragraph 8.14 of the REIT Code.

(e) *Auditors' review procedures*

In respect of each relevant financial period, the Manager shall engage and agree with the auditors of Yuexiu REIT to perform certain review procedures on the New Continuing Connected Party Transactions. The auditors shall then report to the Manager on the factual findings based on the work performed by them (and a copy of such report shall be provided to the SFC), confirming whether all the New Continuing Connected Party Transactions:

- (i) have received the approval of the Board (including the INEDs);
- (ii) have been entered into in accordance with the pricing policies of Yuexiu REIT;
- (iii) have been entered into and carried out in accordance with the terms of the agreements (if any) governing the transactions; and
- (iv) the total value in respect of which has not exceeded the respective annual cap amounts (where applicable) as set out above.

(f) *Annual review by the Audit Committee and the INEDs*

The Audit Committee and the INEDs shall review the relevant New Continuing Connected Party Transactions annually and confirm in Yuexiu REIT's annual report for the relevant financial year that such transactions have been entered into:

- (i) in the ordinary and usual course of business of Yuexiu REIT;



- (ii) based on normal commercial terms (to the extent that there are sufficient comparable transactions) or, where there are insufficient 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 (if any) on terms that are fair and reasonable and in the interests of the Unitholders as a whole.

(g) *Notification to the SFC*

The Manager shall promptly notify the SFC and publish an announcement if it knows or has reason to believe that the auditors of Yuexiu REIT and/or the Audit Committee and/or the INEDs will not be able to confirm the matters set out in paragraphs (e) and (f) above.

(h) *Auditors' access to books and records*

The Manager shall allow, and shall procure the counterparty to the relevant New Continuing Connected Party Transaction to allow, the auditors of Yuexiu REIT sufficient access to their records for the purpose of reporting on the transactions.

(i) *Subsequent increase in annual caps with Independent Unitholders' approval*

The Manager may, from time to time seek an increase in one or more of the annual cap amounts set out above, for example, when Yuexiu REIT acquires additional properties and increases the scale of its operations or where there are changes in market or operating conditions, provided that:

- (i) the Manager obtains the approval of Independent Unitholders by way of an Ordinary Resolution passed in a general meeting of Unitholders;
- (ii) the Manager discloses details of the proposal to increase the cap amounts by way of an announcement of such proposal, and issues a circular and notice to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (iii) the requirements set out in paragraphs (c) to (h) above shall continue to apply to the relevant transactions, save that the increased annual cap amounts shall apply.

(j) *Paragraph 8.14 of the REIT Code*

The Manager shall comply with all requirements under paragraph 8.14 of the REIT Code where there is any material change to the terms of the relevant New Continuing Connected Party Transactions or where there is any subsequent changes to the REIT Code which may impose stricter requirements in respect of disclosure and/or Unitholders' approval.

**Waiver for Connected Party Transactions in respect of the Vendor Facility**

As disclosed in the Circular, the Manager has applied to the SFC for a waiver from strict compliance with certain requirements under Chapter 8 of the REIT Code in relation to the Facility Transactions (being transactions between Yuexiu REIT and WH Vendor as contemplated under the Vendor Facility), on the basis that the Vendor Facility is unsecured and on normal commercial terms or better. The SFC has granted the waiver, subject to Completion and the disclosure and reporting requirements under Chapter 8 of the REIT Code with respect to the Facility Transactions shall be modified as described below:

- (a) a summary disclosure of the Facility Transactions in each financial year shall be disclosed in Yuexiu REIT's semi-annual and annual reports. Such information shall include the nature of the Facility Transactions, types of transactions or services and identities of the connected persons in those Facility Transactions;
- (b) the INEDs shall confirm in Yuexiu REIT's annual report that they have reviewed the terms of the Facility Transactions and are satisfied that such 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 the Unitholders as a whole;

- (c) the auditors of Yuexiu REIT shall be engaged to perform certain agreed review procedures and report in the auditors' report in respect of Yuexiu REIT 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 Circular in relation to, among other things, the Vendor Facility;
  - (ii) have received the approval of the Board (including the INEDs); and
  - (iii) have been entered into and carried out in accordance with the terms of the agreements governing the transactions;
- (d) the Manager shall allow, and shall procure the counterparty to the relevant Facility Transactions to allow, the auditors of Yuexiu REIT sufficient access to their records for the purpose of reporting on the transactions; and
- (e) the Manager shall promptly notify the SFC and publish an announcement if it knows or has reason to believe that the auditors of Yuexiu REIT and/or the INEDs will not be able to confirm the matters set out in paragraphs (b) and (c) above.

## **GENERAL**

Further announcement(s) in relation to the Acquisition will be made by the Manager in accordance with all applicable requirements of the REIT Code as and when appropriate, including regarding Completion and the Initial Completion Payment, WH True-up Payment and Deferred Completion Payment as soon as practicable after such amounts have been determined.

**The completion of the Acquisition is subject to and conditional upon satisfaction of the remaining WH Conditions under the Acquisition Deed. Accordingly, the Acquisition may or may not complete. Unitholders, as well as any prospective investors of Yuexiu REIT, are therefore advised to exercise caution when dealing in the Units.**

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

Hong Kong, 4 December 2017

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

*Executive Directors:*

*Mr. LIN Deliang and Mr. CHENG Jiuzhou*

*Non-executive Directors:*

*Mr. LIN Zhaoyuan (Chairman) and Mr. LI Feng*

*Independent Non-executive Directors:*

*Mr. CHAN Chi On, Derek, Mr. CHAN Chi Fai, Brian,  
Mr. CHEUNG Yuk Tong and Mr. CHEN Xiaoou*