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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

COMPLETION OF ACQUISITION OF 67.0% OF THE WUHAN PROPERTY

The Manager is pleased to announce that completion of the acquisition of 67.0% of the Wuhan Property pursuant to the terms of the Acquisition Deed took place on the Completion Date (being 21 December 2017). On the Completion Date, the sum of RMB1,201,196,182 was settled by WH Purchaser in accordance with the Acquisition Deed.

The sum of RMB1,222,000,000 was drawn down under the New Bank Facility on 21 December 2017 to finance (together with Yuexiu REIT's internal resources) the Acquisition and the One-Off Fees and Charges.

Reference is made to the circular of Yuexiu Real Estate Investment Trust (“**Yuexiu REIT**”) dated 15 November 2017 (“**Circular**”), the announcement of Yuexiu REIT dated 14 November 2017 (“**Acquisition Announcement**”) and the announcement of Yuexiu REIT dated 4 December 2017. Unless the context requires otherwise, terms used in this announcement shall have the same meaning as those defined in the Circular.

COMPLETION OF THE ACQUISITION

The Manager is pleased to announce that completion of the Acquisition pursuant to the terms of the Acquisition Deed took place on 21 December 2017 (“**Completion Date**”) following the satisfaction of all WH Conditions under the Acquisition Deed (including the obtaining of Independent Unitholders’ approval for the Transaction Matters Requiring Approval, which was passed as an Ordinary Resolution at the EGM held on 4 December 2017). Yuexiu REIT has, through the WH Target Group, become the owner of 67.0% of the Wuhan Property.

On the Completion Date, the sum of RMB1,201,196,182 was settled by WH Purchaser in accordance with the Acquisition Deed, this sum being the balance of:

- (a) the Initial Completion Payment of RMB1,205,585,789, this being 60.0% of the sum of: (i) the Agreed Acquisition Amount of RMB2,280,606,300; and (ii) the WH Target Group Adjusted NAV of minus RMB271,296,651 as set out in the WH Pro Forma Completion Statement;
- (b) minus the Additional EIT Withheld Amount of RMB4,389,607.

As PRC Enterprise Income Tax in excess of RMB44,224,087 has already been paid in connection with the Reorganisation prior to Completion, the retention of an EIT Withheld Amount as contemplated by the Acquisition Deed was not required. The Manager understands that an excess amount of RMB4,389,607 is reasonably expected to become payable by WH Vendor as taxes arising out of or relating to the Reorganisation and the Acquisition. This amount has been retained by WH Purchaser and deposited into the EIT Segregated Account as an Additional EIT Withheld Amount on the Completion Date as contemplated by the Acquisition Deed.

DRAWDOWN UNDER THE NEW BANK FACILITY

On 21 December 2017, the sum of RMB1,222,000,000 was drawn down under the New Bank Facility to finance (together with Yuexiu REIT’s internal resources) the Acquisition and the One-Off Fees and Charges. There are no material changes to the terms of the New Bank Facility as disclosed in the Circular.

ENTRY INTO THE JOINT VENTURE AGREEMENT

On the Completion Date, Yuexiu REIT (through WH Intermediary Company) and WH Vendor Subsidiary entered into the Joint Venture Agreement. The principal terms of the Joint Venture Agreement are summarised at section 5 of the Circular.

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 as soon as practicable following the determination of the WH True-up Payment and Deferred Completion Payment.

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, 21 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*