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越秀房地產投資信託基金
YUEXIU REAL ESTATE INVESTMENT TRUST

(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



越秀房託資產管理有限公司
YUEXIU REIT ASSET MANAGEMENT LIMITED

ANNOUNCEMENT

CONNECTED PARTY TRANSACTION
ISSUANCE OF DEFERRED UNITS

The Board wishes to announce that the REIT issued 66,000,000 Units at a price of HK\$4.00 per Unit to Dragon Yield Holding Limited (a wholly-owned subsidiary of Yuexiu Property (a Significant Holder of the REIT) and a connected person of the REIT) on 31 December 2017, in part satisfaction of the outstanding consideration from its investment in Guangzhou International Finance Center in 2012. Following the issue of the 2017 Deferred Units, the total number of Units increased from 2,948,285,896 to 3,014,285,896, and the aggregate unitholding of Yuexiu Property and its concert parties increased from approximately 35.30% to approximately 36.72%.

Assuming no additional Units are issued by the REIT (other than Manager Fee Units pursuant to the Manager Fee Units Arrangement), 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 Manager Fee Units issued pursuant to the Manager Fee Units Arrangement), the aggregate unitholding of Yuexiu Property and its concert parties would be approximately 47.26%.

This announcement is made pursuant to 8.14, 10.3 and 10.4(k) 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 “**Circular**”); and (ii) the announcement of the REIT dated 8 October 2012 in relation to the completion of such investment (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as defined in the Circular and the Announcement.

As stated in the Announcement, the balance of the Assignment consideration, being HK\$2,933,121,976, will be satisfied by the REIT issuing Deferred Units to Dragon Yield Holding Limited (a wholly-owned subsidiary of Yuexiu Property (a Significant Holder of the REIT) and a connected person of the REIT). The Deferred Units will 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.

In accordance with the Indebtedness Agreement, the REIT issued 66,000,000 Units to Dragon Yield Holding Limited (“**2017 Deferred Units**”) at a price of HK\$4.00 per Unit on 31 December 2017. Following the issuance of the 2017 Deferred Units, (i) the balance of the Assignment consideration was reduced to HK\$2,409,605,976; (ii) the total number of Units increased from 2,948,285,896 to 3,014,285,896; and (iii) the aggregate unitholding of Yuexiu Property and its concert parties increased from approximately 35.30% to approximately 36.72%.

Assuming no Deferred Units Adjustment Events eventuate, it is expected that a further 602,401,494 Deferred Units (“**Further Deferred Units**”) will be issued to Dragon Yield Holding Limited in satisfaction of the balance of the Assignment consideration. The number of 2017 Deferred Units issued on 31 December 2017 is equal to the maximum number of Deferred Units that may be issued to Dragon Yield Holding Limited which, when aggregated with the Manager Fee Units that are expected to be issued during the period of 12 months after 31 December 2017, 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 Manager Fee Units pursuant to the Manager Fee Units Arrangement), 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 Manager Fee Units issued pursuant to the Manager Fee Units Arrangement), the aggregate unitholding of Yuexiu Property and its concert parties would be approximately 47.26%.

This announcement is made pursuant to 8.14, 10.3 and 10.4(k) of the REIT Code.

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, 2 January 2018

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

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*