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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

PAYMENT OF MANAGER'S FEE TO YUEXIU REIT ASSET MANAGEMENT LIMITED BY WAY OF UNITS AND CASH

The Relevant Period Manager's Fee for the period from 1 July 2020 to 31 December 2020 is RMB68,269,456 (which is equivalent to approximately HK\$80,953,204). Based on the Election made by the REIT Manager on 15 January 2020: (i) RMB54,615,565 (which is equivalent to approximately HK\$64,762,563), being 80% of the Relevant Period Manager's Fee, shall be settled in the form of Units; and (ii) RMB13,653,891 (which is equivalent to approximately HK\$16,190,641), being the remaining 20% of the Relevant Period Manager's Fee, shall be settled in the form of cash.

In accordance with the Trust Deed, on 7 April 2021, the REIT issued 16,174,466 new Units (representing approximately 0.49% of the 3,319,288,131 Units in issue immediately after such issue) at the price of HK\$4.004 per Unit (being the Market Price) as payment for 80% of the Relevant Period Manager's Fee, which amounts to RMB54,615,565 (which is equivalent to approximately HK\$64,762,563). The remaining 20% of the Relevant Period Manager's Fee, which amounts to RMB13,653,891 (which is equivalent to approximately HK\$16,190,641), was paid to the REIT Manager in cash on 7 April 2021.

As the REIT Manager wishes to concentrate on its management functions, it has designated YXII to receive the Manager Fee Units. Accordingly, the Manager Fee Units were issued to YXII instead of the REIT Manager. YXII was also previously designated by the REIT Manager to receive the Manager Fee Units issued prior to the Relevant Period, and held 85,932,023 Units immediately before its receipt of the new Manager Fee Units for the Relevant Period. Immediately after issuance of the new Manager Fee Units and as at the date of this announcement, YXII holds 102,106,489 Units (representing approximately 3.08% of the 3,319,288,131 Units in issue immediately after such issue). As at the date of this announcement, the REIT Manager does not have any interest in any Units.

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

Reference is made to the announcement of Yuexiu Real Estate Investment Trust (the “**REIT**”) dated 15 January 2020 (the “**Announcement**”) and its announcements dated 3 April 2020 and 26 August 2020. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement.

CALCULATION OF MANAGER’S FEE

The Manager’s Fee for the period from 1 July 2020 to 31 December 2020 (the “**Relevant Period**”) is the aggregate of the Base Fee (as defined below) and Service Fee (as defined below) in respect of the Relevant Period, which amounts to a total of RMB68,269,456 (which is equivalent to approximately HK\$80,953,204) (the “**Relevant Period Manager’s Fee**”).

The Base Fee and Service Fee are calculated on the following basis:

- (i) a base fee of 0.3% per annum of the Value (as defined in the Trust Deed) of the Deposited Property payable semi-annually in arrears and calculated as at the last day of each six-month period (the “**Base Fee**”); and
- (ii) a service fee of 3% per annum of the Net Property Income (as defined in the Trust Deed) as shown in the last published audited annual financial statements of the REIT (being RMB1,322,644,000 for the financial year ended 31 December 2020), subject to certain adjustments, payable semi-annually in arrears (the “**Service Fee**”).

As stated in the Announcement, the REIT Manager had notified the Trustee in writing of its Election in respect of the Manager’s Fee for the year ending 31 December 2020 to be paid to the REIT Manager in the form of Units as to 80% and in the form of cash as to 20%.

Based on the Election: (i) RMB54,615,565 (which is equivalent to approximately HK\$64,762,563), being 80% of the Relevant Period Manager’s Fee, shall be settled in the form of Units (the “**Manager Fee Units**”); and (ii) RMB13,653,891 (which is equivalent to approximately HK\$16,190,641), being the remaining 20% of the Relevant Period Manager’s Fee, shall be settled in the form of cash.

SETTLEMENT OF RELEVANT PERIOD MANAGER’S FEE

In accordance with the Trust Deed, on 7 April 2021, the REIT issued 16,174,466 new Units (representing approximately 0.49% of the 3,319,228,131 Units in issue immediately after such issue) at the price of HK\$4.004 per Unit (being the average closing price of the Units on the Stock Exchange for the ten consecutive trading days immediately preceding the date on which the Manager Fee Units are issued (the “**Market Price**”)) as payment for 80% of the Relevant Period Manager’s Fee, which amounts to RMB54,615,565 (which is equivalent to approximately HK\$64,762,563). The remaining 20% of the Relevant Period Manager’s Fee, which amounts to RMB13,653,891 (which is equivalent to approximately HK\$16,190,641), was paid to the REIT Manager in cash on 7 April 2021.

As the REIT Manager wishes to concentrate on its management functions, it has designated Yuexiu International Investment Limited (“**YXII**”), a wholly-owned subsidiary of Yuexiu Property Company Limited, to receive the Manager Fee Units. Accordingly, the Manager Fee Units were issued to YXII instead of the REIT Manager. YXII was also previously designated by the REIT Manager to receive the Manager Fee Units issued prior to the Relevant Period, and held 85,932,023 Units immediately before its receipt of the new Manager Fee Units for the Relevant Period. Immediately after issuance of the new Manager Fee Units and as at the date of this announcement, YXII holds 102,106,489 Units (representing approximately 3.08% of the 3,319,288,131 Units in issue immediately after such issue). YXII is not a nominee of the REIT Manager and does not hold the Manager Fee Units on behalf of the REIT Manager. As at the date of this announcement, the REIT Manager does not have any interest in any Units.

The Manager Fee Units are denominated in HK\$. The exchange rate adopted by the REIT Manager to calculate the number of Units that are issuable by the REIT for payment of the Relevant Period Manager’s Fee (which is denominated in RMB) is the average closing exchange rate, as announced by the People’s Bank of China, for the five business days preceding the date of this announcement.

WAIVER OF REQUIREMENTS FOR UNITHOLDERS’ APPROVAL

The payment of a portion of the Manager’s Fee settled by way of Units is in accordance with the terms of the Trust Deed and does not require specific prior approval of the Unitholders pursuant to a waiver granted by the SFC (the “**Manager Fee Units Waiver**”). Principal provisions regarding the Manager’s Fee have been set out in detail in the offering circular dated 12 December 2005 in connection with the initial public offering of the Units by the REIT in December 2005 and the circular of the REIT dated 4 February 2008.

The Manager Fee Units Waiver was granted by the SFC subject to the following conditions:

- (i) the number of Units issued to the REIT Manager as payment of all or part of the Manager’s Fee for each financial year of the REIT will be counted as part of the 20% (or such lower percentage as permitted by the REIT Code from time to time) of outstanding Units that the REIT Manager may issue in each financial year without Unitholders’ approval pursuant to paragraph 12.2 of the REIT Code;
- (ii) in respect of each financial year, the maximum number of Units that may be issued to the REIT Manager as payment of all or part of the Manager’s Fee for that financial year shall be limited to such number of Units which represent 3% of the total number of Units outstanding as at the last day of the immediately preceding financial year plus the number of Units (if any) issued in the relevant financial year for the purpose of financing any acquisition of real estate by the REIT;
- (iii) any issuance of Units to the REIT Manager as payment of all or part of the Manager’s Fee shall be made strictly in accordance with the requirements of the Trust Deed; and
- (iv) in the event that any payment of all or part of the Manager’s Fee in the form of Units exceeds the relevant thresholds set out in paragraph 12.2 of the REIT Code and paragraph (ii) above, and Unitholders’ approval is not obtained for the issue of Units for such purpose, then payment of all or that excess part of the Manager’s Fee, as the case may be, will be made by the REIT to the REIT Manager in cash.

TOTAL NUMBER OF UNITS ISSUED AS PAYMENT FOR MANAGER'S FEE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

33,894,316 Units, being the total number of Units issued so far as payment of a portion of the Manager's Fee in respect of the financial year ended 31 December 2020, represent approximately 1.06% of the Units outstanding as at 31 December 2019 (being the last day of the immediately preceding financial year), which is less than the 3% limit stipulated by condition (ii) of the Manager Fee Units Waiver set out above.

GENERAL

The REIT Manager confirms that, to the best of its knowledge, save as disclosed in this announcement, it is not aware of any other information discloseable under paragraphs 10.3 and 10.4 of the REIT Code.

This announcement is made pursuant to paragraphs 10.3 and 10.4(k) 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, 7 April 2021

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

Executive Directors: Mr. LIN Deliang (Chairman) and Ms. OU Haijing

Non-executive Directors: Mr. LI Feng and Mr. ZENG Zhizhao

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