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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)
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Managed by



(I) EXTENSION OF EXISTING CONTINUING CONNECTED PARTY TRANSACTION WAIVER AND PROPOSED NEW ANNUAL CAPS FOR CERTAIN CONTINUING CONNECTED PARTY TRANSACTIONS;

(II) PROPOSED RE-ELECTION OF DIRECTORS;

AND

(III) NOTICE OF EGM AND CLOSURE OF REGISTER OF UNITHOLDERS

The board of directors (the “**Board**”) of Yuexiu REIT Asset Management Limited, as the manager (the “**Manager**”) of Yuexiu Real Estate Investment Trust (the “**REIT**”), announces that the Manager wishes to: (a) extend the 2012 Extended Waiver (as defined below) granted by the Securities and Futures Commission (the “**SFC**”) in respect of certain categories of connected party transactions (the “**New Connected Party Transactions**”) between the REIT and Yuexiu Connected Persons Group (as defined in the Circular (as defined below)); and (b) propose new annual cap amounts (“**New Annual Caps**”) in respect of the New Connected Party Transactions for the years ending 31 December 2015, 31 December 2016 and 31 December 2017.

The Manager also wishes to: (i) re-elect Mr. Cheung Yuk Tong (“**Mr. Cheung**”) as an independent non-executive director (“**INED**”), the chairman of the remuneration and nomination committee of the Manager (the “**Remuneration and Nomination Committee**”) and a member of the audit committee of the Manager (the “**Audit Committee**”); (ii) re-elect Mr. Chan Chi On Derek (“**Mr. Derek Chan**”) as an INED, the chairman of the disclosures committee of the Manager (the “**Disclosures Committee**”) and a member of the Audit Committee, Remuneration and Nomination Committee and the finance and investment committee of the Manager (the “**Finance Committee**”); and (iii) re-elect Mr. Chan Chi Fai Brian (“**Mr. Brian Chan**”) as an INED, the chairman of the Audit Committee, a member of the Finance Committee and the Remuneration and Nomination Committee.

Details of the above are more particularly set out in a circular (the “**Circular**”) to unitholders of the REIT (the “**Unitholders**”), which is expected to be despatched on or around 25 November 2014 together with a notice (the “**EGM Notice**”) of an extraordinary general meeting of the Unitholders (the “**EGM**”) and the form of proxy for the EGM. The EGM will be held on 11 December 2014 at 10:30a.m. at Plaza 3 and 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing, with or without modifications, the ordinary resolutions set out in the EGM Notice and reproduced in the body of this announcement.

In order to determine which Unitholders will qualify to attend and vote at the EGM, the Register of Unitholders will be closed from 10 December 2014 to 11 December 2014 (both days inclusive) during which period no transfers of Units will be effected. For those Unitholders who are not already on the Register of Unitholders, in order to qualify to attend and vote at the EGM, all Unit certificates accompanied by the duly completed transfer forms must be lodged with the unit registrar of the REIT, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on 9 December 2014.

2014 WAIVER EXTENSION AND NEW ANNUAL CAPS

As disclosed in the circular dated 30 June 2012 issued by the REIT to Unitholders (the “**2012 Circular**”), the SFC granted a waiver (the “**2008 CPT Waivers**”) from strict compliance with certain requirements under Chapter 8 of the Code on Real Estate Investment Trust (the “**REIT Code**”) in respect of certain continuing transactions between the REIT on the one hand and certain connected persons on the other hand.

On 6 January 2011, the REIT obtained the extension to the 2008 CPT Waivers for the three financial years ended 31 December 2013 (the “**2011 Extended CPT Waiver**”), and set new annual cap amounts for the then existing continuing connected party transactions for such period.

On 20 July 2012, the SFC granted the waiver from strict compliance with the requirements of Chapter 8 of the REIT Code in respect of the New Continuing Connected Party Transactions (such resulting extended and modified waiver being the “**2012 Modified and Extended Waiver**”) for a period of three financial years ending 31 December 2014, which superseded the 2011 Extended CPT Waiver. The 2012 Modified and Extended Waiver broadens the categories of the then existing continuing connected party transactions to additionally include those continuing connected party transactions with the Yuexiu Connected Persons Group in respect of Guangzhou IFC (as defined in the Circular) that arose as a result of the REIT’s acquisition of Guangzhou IFC in 2012 and set new annual cap amounts to accommodate such new continuing connected party transactions for the three financial years ending 31 December 2014. Details of such New Continuing Connected Party Transactions and the 2012 Modified and Extended Waiver are set out in the 2012 Circular.

The 2012 Modified and Extended Waiver will expire on 31 December 2014. In accordance with the terms of the 2012 Modified and Extended Waiver, the 2012 Modified and Extended Waiver may be extended beyond 31 December 2014, and/or the terms and the conditions of the 2012 Modified and Extended Waiver may be modified from time to time, provided that:

- (a) due approval of Independent Unitholders is obtained by way of an Ordinary Resolution (each as defined in the Circular) passed in a general meeting of Unitholders;
- (b) 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
- (c) any extension of the period of the 2012 Modified and Extended Waiver shall, on each occasion of such extension, be for a period which will expire not later than the third full financial year-end date of the REIT after the date on which the approval referred to in (a) above is obtained.

The Board therefore proposes to: (a) seek an extension of the 2012 Modified and Extended Waiver so that it applies for the three financial years ending 31 December 2017 (the “**2014 Waiver Extension**”); and (b) propose new annual cap amounts for the New Continuing Connected Party Transactions (the “**New Annual Caps**”) for the extended period. The types of New Connected Party Transactions in respect of which the 2014 Waiver Extension is sought are the same as those referred to in the 2012 Circular.

The independent board committee has been established by the Board (the “**Independent Board Committee**”) to advise the Independent Unitholders on the 2014 Waiver Extension and the New Annual Caps. Somerley Capital Limited has been appointed as independent financial adviser (the “**Independent Financial Adviser**”) to provide its opinion on these matters to the Independent Board Committee, the Independent Unitholders and the trustee of Yuexiu REIT (the “**Trustee**”).

Unitholders’ attention is drawn to the “Letter from the Independent Board Committee” set out in the Circular, which contains the Independent Board Committee’s recommendations to the Independent Unitholders and the “Letter from the Independent Financial Adviser” set out in the Circular, which contains among other things: (1) the Independent Financial Adviser’s opinion to the Independent Board Committee, the Independent Unitholders and the Trustee; (2) the principal factors taken into consideration by the Independent Financial Adviser; and (3) assumptions and qualifications adopted by the Independent Financial Adviser in arriving at such opinion.

RE-ELECTION OF DIRECTORS

Re-election of Mr. Cheung as an INED of the Manager

As referred to in the announcement dated 7 October 2014 issued by the REIT to the Unitholders (the “**Board Composition Announcement**”), the Board has appointed Mr. Cheung as an INED, the chairman of the Remuneration and Nomination Committee and a member of the Audit Committee with effect from 7 October 2014.

In accordance with the Article 122 of the articles of association (the “**Articles of Association**”) and the compliance manual (the “**Compliance Manual**”) of the Manager, Mr. Cheung shall hold office until the EGM and shall then be eligible for re-election at the EGM, and such re-election shall be approved by Unitholders by way of an Ordinary Resolution. Subject to the passing of the EGM Resolutions (as defined in the Circular) to re-elect Mr. Cheung as an INED as set out in the EGM Notice, Mr.

Cheung shall continue to hold office subject to the retirement by rotation requirements under the Articles and Compliance Manual, as amended or supplemented from time to time.

The Manager has received from Mr. Cheung a confirmation of independence in accordance with Rule 3.13 of the Listing Rules (as if they were applicable to the REIT) as well as the Compliance Manual, and the Board is of the view that Mr. Cheung meets the director independence requirements stated therein.

Please refer to the Board Composition Announcement for biographical details and other relevant information of Mr. Cheung. Save as disclosed in the Circular, there is no other matter in connection with Mr. Cheung's re-election that needs to be brought to the attention of the Unitholders and there is no other information that should be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules, as if they were applicable to the REIT.

Re-election of INEDs who have served more than nine years

As referred to in the Board Composition Announcement, Mr. Derek Chan and Mr. Brian Chan will retire and be eligible for re-election at the EGM. The Board proposes to re-elect: (i) Mr. Derek Chan as an INED, the chairman of the Disclosures Committee and a member of the Audit Committee, Remuneration and Nomination Committee and the Finance Committee; and (ii) Mr. Brian Chan as an INED, the chairman of the Audit Committee, a member of the Finance Committee and the Remuneration and Nomination Committee.

In accordance with Article 128 of the Articles and the Compliance Manual, as each of Mr. Derek Chan and Mr. Brian Chan has served as an INED for more than nine years, their respective further appointments shall be subject to a separate resolution to be approved by Unitholders. Accordingly, subject to the passing of the EGM Resolutions to re-elect Mr. Derek Chan and Mr. Brian Chan as INEDs as set out in the EGM Notice, Mr. Derek Chan and Mr. Brian Chan shall continue to hold office subject to the retirement by rotation requirements under the Articles and Compliance Manual, as amended and/or supplemented from time to time.

Mr. Derek Chan and Mr. Brian Chan have always contributed objectively in advising and giving independent guidance to the Board in their capacity as INEDs and as members of different Board committees (in particular, the Audit Committee). Both directors place great importance on the Manager observing high standards of corporate governance, and with their relevant financial experience, regularly monitor

communications with the REIT's external auditors to ensure the integrity of the REIT's interim and annual reports. The Manager has also received annual confirmations from Mr. Derek Chan and Mr. Brian Chan regarding their independence in accordance with Rule 3.13 of the Listing Rules (as if they were applicable to the REIT) and the Compliance Manual, and the Board is of the view that both directors will continue to meet the director independence requirements stated therein. Taking into consideration the above and having considered the recommendations of the Remuneration and Nomination Committee, the Board is of the view that the lengths of service of each of Mr. Derek Chan and Mr. Brian Chan has not, in any way, diminished their independence, and that each of Mr. Derek Chan and Mr. Brian Chan is independent notwithstanding the fact that each of them has served on the Board for more than nine years as at the date of this Circular. Accordingly, the Board believes that each of Mr. Derek Chan and Mr. Brian Chan possesses the required character, integrity and experience to continue fulfilling their respective roles as INEDs, and their continued tenures will continue to bring valuable insights and expertise to the Board. As such, the Board believes that each of Mr. Derek Chan and Mr. Brian Chan should be re-elected as INEDs, and that their respective re-elections as INEDs are in the best interests of the REIT and the Unitholders as a whole.

Please refer to the Circular for the biographical details and other relevant information of each of Mr. Derek Chan and Mr. Brian Chan. Save as disclosed in the Circular, there is no other matter in connection with the re-election of Mr. Derek Chan and Mr. Brian Chan, that needs to be brought to the attention of the Unitholders and there is no other information that should be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules, as if they were applicable to the REIT.

NOTICE OF EGM

Details of: (a) the 2014 Waiver Extension and the New Annual Caps; and (b) the appointment, biographical details and other relevant information of Mr. Cheung, Mr. Derek Chan and Mr. Brian Chan, are more particularly set out in the Circular, which is expected to be despatched on or around 25 November 2014 together with the EGM Notice and the form of proxy for the EGM. The Circular contains the information necessary to enable Unitholders to make an informed decision on whether to vote for or against the EGM Resolutions, including without limitation, (i) the waiver conditions of the resulting modified and extended 2012 Extended Waiver, if the proposed 2014 Waiver Extension is approved by Independent Unitholders at the

EGM; and (ii) the Board's view of the independence of the appointment of Mr. Cheung, Mr. Derek Chan and Mr. Brian Chan as an INED, if the proposed re-election of each of them as an INED is approved by Unitholders at the EGM.

In order to determine which Unitholders will qualify to attend and vote at the EGM, the Register of Unitholders will be closed from 10 December 2014 to 11 December 2014 (both days inclusive) during which period no transfers of Units will be effected. For those Unitholders who are not already on the Register of Unitholders, in order to qualify to attend and vote at the EGM, all Unit certificates accompanied by the duly completed transfer forms must be lodged with the unit registrar of the REIT, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 9 December 2014.

The substantive text of the EGM Notice is reproduced below:

“NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the unitholders (the **“Unitholders”**) of Yuexiu Real Estate Investment Trust (the **“REIT”**) will be held at 10:30a.m. on 11 December 2014 at Plaza 3 and 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions below.

Words and expressions that are not expressly defined in this notice of extraordinary general meeting shall bear the same meaning as that defined in the unitholder circular dated 25 November 2014 (the **“Circular”**).

ORDINARY RESOLUTIONS

1. THAT:

- (a) approval (where relevant, shall include approval by way of ratification) be and is here given for the 2014 Waiver Extension and the New Annual Caps for the financial years ending 31 December 2015, 2016 and 2017, in each case, as more fully described in the Circular; and
- (b) authorization be granted to the Manager, any director of the Manager and the Trustee and any authorized signatory of the Trustee to do all such acts and things (including executing all such documents as may be required) as the Manager, or such director of the Manager may consider expedient or necessary or in the interest of the REIT to give effect to all matters in relation to the 2014 Waiver Extension and the New Annual Caps.

2. **THAT:**

- (a) approval (where relevant, shall include approval by way of ratification) be and is here given for the re-election of Mr. Cheung Yuk Tong as an independent non-executive director, the chairman of the Remuneration and Nomination Committee and member of the Audit Committee of Yuexiu REIT Asset Management Limited; and
- (b) authorization be granted to the Manager, any director of the Manager and the Trustee and any authorized signatory of the Trustee to do all such acts and things (including executing all such documents as may be required) as the Manager, or such director of the Manager may consider expedient or necessary or in the interest of the REIT to give effect to all matters resolves upon in paragraph (a) of this resolution.

3. **THAT:**

- (a) approval (where relevant, shall include approval by way of ratification) be and is here given for the re-election of Mr. Chan Chi On Derek as an independent non-executive director, the chairman of the Disclosures Committee and a member of the Audit Committee, Remuneration and Nomination Committee and the Finance Committee of Yuexiu REIT Asset Management Limited; and
- (b) authorization be granted to the Manager, any director of the Manager and the Trustee and any authorized signatory of the Trustee to do all such acts and things (including executing all such documents as may be required) as the Manager, or such director of the Manager may consider expedient or necessary or in the interest of the REIT to give effect to all matters resolves upon in paragraph (a) of this resolution.

4. **THAT:**

- (a) approval (where relevant, shall include approval by way of ratification) be and is here given for the re-election of Mr. Chan Chi Fai Brian as an independent non-executive director, the chairman of the Audit Committee, a member of the Finance Committee and the Remuneration and Nomination Committee of Yuexiu REIT Asset Management Limited; and

(b) authorization be granted to the Manager, any director of the Manager and the Trustee and any authorized signatory of the Trustee to do all such acts and things (including executing all such documents as may be required) as the Manager, or such director of the Manager may consider expedient or necessary or in the interest of the REIT to give effect to all matters resolves upon in paragraph (a) of this resolution.”

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, 25 November 2014

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

Executive Directors: *Mr. LIU Yongjie (Chairman) and Mr. LIN Deliang*

Non-executive Director: *Mr. LI Feng*

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