

Securities and Futures Commission of Hong Kong, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents, including the accuracy of any statements or opinions made, or reports contained, in this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(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

(1) POLL RESULTS OF EXTRAORDINARY GENERAL MEETING HELD ON 11 DECEMBER 2014

(2) GRANT OF WAIVER

Reference is made to the circular of Yuexiu Real Estate Investment Trust (the “REIT”) dated 25 November 2014 (the “Circular”) and the notice of EGM of the REIT attached thereto (the “Notice of EGM”). Unless the context requires otherwise, terms used in this announcement shall have the same meaning as those defined in the Circular.

RESULTS OF EGM

The Board is pleased to announce that at the EGM held today the ordinary resolutions proposed to approve the Matters Requiring Approval (the “EGM Resolutions”) were duly passed by the Independent Unitholders (in respect of EGM Resolution no. 1 below) and the Unitholders (in respect of EGM Resolutions nos. 2 to 4 below) by way of poll.

The poll at the EGM was scrutinised by Tricor Investor Services Limited, the unit registrar of the REIT. Details of the poll results in respect of the resolutions proposed at the EGM are as follows:

NO.	ORDINARY RESOLUTION	Number of votes cast (% of total number of votes cast)		Total number of votes cast
		For	Against	
1.	<p>THAT:</p> <p>(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</p> <p>(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.</p>	192,453,903 (99.99%)	9,000 (0.01%)	192,462,903
<p>As more than 50% of the votes cast by such Independent Unitholders, being entitled so to do, voting in person or by proxy were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.</p>				

NO.	ORDINARY RESOLUTION	Number of votes cast (% of total number of votes cast)		Total number of votes cast
		For	Against	
2.	<p>THAT:</p> <p>(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</p> <p>(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.</p>	1,216,340,238 (99.72%)	3,407,669 (0.28%)	1,219,747,907
As more than 50% of the votes cast by such Unitholders, being entitled so to do, voting in person or by proxy were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				

NO.	ORDINARY RESOLUTION	Number of votes cast (% of total number of votes cast)		Total number of votes cast
		For	Against	
3.	<p>THAT:</p> <p>(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</p> <p>(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.</p>	1,217,799,907 (99.84%)	1,948,000 (0.16%)	1,219,747,907
As more than 50% of the votes cast by such Unitholders, being entitled so to do, voting in person or by proxy were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				

NO.	ORDINARY RESOLUTION	Number of votes cast (% of total number of votes cast)		Total number of votes cast
		For	Against	
4.	<p>THAT:</p> <p>(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</p> <p>(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.</p>	1,214,521,196 (99.57%)	5,226,711 (0.43%)	1,219,747,907
As more than 50% of the votes cast by such Unitholders, being entitled so to do, voting in person or by proxy were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				

Pursuant to the REIT Code and the Trust Deed, members of the Yuexiu Group and their respective associates were required to abstain from voting at the EGM Resolution to approve the 2014 Waiver Extension and the New Annual Caps. As members of the Yuexiu Group have a material interest in the EGM Resolution to approve the 2014 Waiver Extension and the New Annual Caps that were tabled for approval at the EGM, in accordance with the REIT Code and the Trust Deed, Yuexiu Property and Yue Xiu abstained and procured that their respective associates abstained, from voting on the EGM Resolution to approve the 2014 Waiver Extension and the New Annual Caps. The Manager did not consider any Unitholder to have a material interest in the respect of the EGM Resolutions to approve the proposed re-election of each of Mr. Cheung, Mr. Derek Chan and Mr. Brian Chan, and therefore no Unitholder was required to abstain from voting in respect of such resolutions.

As at the date of the EGM,

- (1) the number of Units in issue was 2,799,795,685;
- (2) for EGM Resolution no. 1, the total number of Units entitling the Independent Unitholders to vote for or against the resolution was 1,770,102,920 (representing approximately 63.22% of the 2,799,795,685 Units in issue, and the total number of Units in issue which were ineligible to vote for or against EGM Resolution no. 1 was 1,029,692,765. The Independent Unitholders in attendance either in person or by proxy represented 1,709,598,998 Units carrying voting rights, or approximately 96.58% of the total number of Units carrying voting rights in relation to EGM Resolution no. 1. To the best of the Manager's knowledge, information and belief, after having made due and careful enquiries, the Manager is of the opinion that, save as disclosed in the Circular, as at the date of the EGM, no other Unitholder is required to abstain from voting at the EGM in respect of EGM Resolution no. 1; and
- (3) for EGM Resolution nos. 2 to 4, the total number of Units entitling the Unitholders to vote for or against the resolutions was 2,799,795,685 (representing 100% of the Units in issue). There were no restrictions on any Unitholders in respect of voting on EGM Resolutions nos. 2 to 4. The Unitholders in attendance either in person or by proxy represented 2,736,879,002 Units carrying voting rights, or approximately 97.75% of the total number of Units carrying voting rights in relation to EGM Resolutions nos. 2 to 4.

GRANT OF WAIVERS

The Manager applied for a waiver from strict compliance with the requirements under Chapter 8 of the REIT Code in respect of the New Continuing Connected Party Transactions. On 11 December 2014, the SFC granted the 2014 Extended Waiver, the details of which (including the conditions thereto) are described below.

Initial CPT waiver, 2008 CPT Waiver and 2011 CPT Waiver

In 2005, the SFC granted a waiver from strict compliance with certain requirements under Chapter 8 of the REIT Code in respect of certain continuing transactions between the REIT and certain connected persons.

In 2008, the SFC granted the 2008 CPT Waiver to (a) extend the initial CPT waiver period; (b) expand the initial CPT waiver and increase the annual caps therein to account for leasing transactions and tenancy services agreements with certain connected persons in respect of the the REIT's 72.3% interest in Yue Xiu Neo

Metropolis Plaza Units acquired on 1 June 2008 (“**Neo Metropolis**”) as well as the then existing properties of the REIT; and (c) expand the initial CPT waiver to account for the property management arrangements with certain connected persons in respect of the Neo Metropolis as well as the then existing properties of the REIT.

In 2011, the SFC granted the 2011 Extended CPT Waiver to extend the 2008 CPT Waivers for three financial years ended 31 December 2013, and set new annual cap amounts for the then existing continuing connected party transactions for such period.

In 2012, the SFC granted the 2012 Modified and Extended Waiver in respect of the New Continuing Connected Party Transactions for a period of three financial years ending 31 December 2014, which superseded the 2011 Extended CPT Waiver. The 2012 Modified and Extended Waiver broadened 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 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.

2014 Extended Waiver and New Annual Caps

The Manager has made a submission to the SFC to seek an extension of the 2012 Modified and Extended Waiver so that it applies for the three financial years ending 31 December 2017. As part of its submission, the Manager has also proposed New Annual Caps for the extended period.

Conditions of the 2014 Extended Waiver for a period of three financial years up to 31 December 2017 in respect of the New Continuing Connected Party Transactions between the REIT and certain connected persons of the REIT

Pursuant to the 2014 Extended Waiver, the New Continuing Connected Party Transactions are exempt from strict compliance with the disclosure and Unitholders’ approval requirements under Chapter 8 of the REIT Code, subject to the conditions as set out below. The 2014 Extended Waiver will supersede the existing 2012 Modified and Extended Waiver. The conditions of the 2014 Extended Waiver are as follows:

(i) Due approval by Unitholders

Due approval by Unitholders other than those who have a material interest in the relevant transactions, within the meaning of 8.11 of the REIT Code (“**Independent Unitholders**”) and adoption of the Ordinary Resolution to approve the 2014 Extended Waiver set out in the notice of EGM dated 25 November 2014, without any material amendment thereto;

(ii) *Extensions or modifications*

The 2014 Extended Waiver has been granted for a period of three financial years ending 31 December 2017. The 2014 Extended Waiver may be extended beyond 31 December 2017, and/or the terms and conditions of the 2014 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 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 2014 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 the REIT after the date on which the approval referred to in (a) above is obtained.

For the avoidance of doubt, any material change to the transactions covered by the 2014 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 (a) above, and details of the proposed changes shall be disclosed in the manner as referred to in (b) above.

(iii) *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:

- (a) *Leasing transactions:* In respect of the relevant leasing transactions:
 - an independent valuation shall be conducted for each leasing transaction except where it is conducted on standard or published rates. In the case of Connected Party Leases 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 the REIT thereunder for the financial years ending 31 December 2015, 31 December 2016 and 31 December 2017 shall not exceed the respective cap amounts set out below:

For the year ending 31 December 2015	For the year ending 31 December 2016	For the year ending 31 December 2017
RMB227,051,000	RMB244,919,000	RMB267,802,000

- (b) *Tenancy services agreements:* In respect of the tenancy services agreements, the aggregate annual amounts of fees payable by the REIT to the property managers thereunder for the financial years ending 31 December 2015, 31 December 2016 and 31 December 2017 shall not exceed the respective cap amounts set out below:

For the year ending 31 December 2015	For the year ending 31 December 2016	For the year ending 31 December 2017
RMB44,778,000	RMB49,255,000	RMB54,181,000

- (c) *Property management arrangements:*

As the property management fees payable under the Connected PMAs will be paid by the relevant tenants, rather than the REIT or its property holding companies, no caps are required in respect of such property management fees.

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

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

- (v) *Auditors' review procedures*

In respect of each relevant financial period, the Manager shall engage and agree with the auditors of the 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:

- (a) have received the approval of the Board (including the independent non-executive Directors);
- (b) have been entered into in accordance with the pricing policies of the REIT;

- (c) have been entered into and carried out in accordance with the terms of the agreements (if any) governing the transactions; and
- (d) the total value in respect of which has not exceeded the respective annual cap amount (where applicable) as set out above.

(vi) *Annual review by the Audit Committee and the independent non-executive Directors*

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

- (a) in the ordinary and usual course of business of the REIT;
- (b) based on normal commercial terms (to the extent that there are sufficient 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 the REIT than terms available to or from (as appropriate) independent third parties; and
- (c) 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.

(vii) *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 the REIT and/or the Audit Committee and/or the independent non-executive Directors will not be able to confirm the matters set out in paragraphs (v) and (vi) above.

(viii) *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 the REIT sufficient access to their records for the purpose of reporting on the transactions.

(ix) *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 the REIT acquires additional properties and increases the scale of its operations or where there are changes in market or operating conditions, provided that:

- (a) the Manager obtains the approval of Independent Unitholders by way of an ordinary resolution passed in a general meeting of Unitholders;
- (b) 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
- (c) the requirements set out in paragraphs (iii) to (viii) above shall continue to apply to the relevant transactions, save that the increased annual cap amounts shall apply.

(x) *8.14 of the REIT Code*

The Manager shall comply with all requirements under 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.

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, 11 December 2014

As at the date of this announcement, the 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