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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

ELECTION OF PAYMENT METHOD OF MANAGER'S FEE BY WAY OF CASH AND UNITS IN YUEXIU REAL ESTATE INVESTMENT TRUST

As the Manager Fee Units Arrangement will lapse after the last payment of Manager's Fee for the period from 1 July 2017 to 31 December 2017 is made, on 15 January 2018, the REIT Manager has notified the Trustee in writing of its Election in respect of the Manager's Fee for the year ending 31 December 2018 to be paid to the REIT Manager in the form of Units as to 80% and in the form of cash as to 20%.

Reference is made to the circular of Yuexiu Real Estate Investment Trust (the "REIT") (the "Circular") dated 30 June 2012. Unless the context requires otherwise, terms used in this announcement shall have the same meaning as those defined in the Circular.

Pursuant to the Trust Deed, the REIT Manager is entitled to make an election for the payment of the Manager's Fee in cash and/or in Units and (if applicable) the respective percentages of the Manager's Fee to be paid in cash and/or in Units ("**Election**") annually on or before 15 January of each year by way of notice in writing to the Trustee and an announcement to the Unitholders.

As disclosed in the Circular, the payments of Manager's Fee for the period from 1 July 2012 to 31 December 2017 were to be satisfied and paid in the form of cash and Units in the respective proportions set out therein pursuant to the Manager Fee Units Arrangement, which was approved by the Independent Unitholders at the EGM held on 23 July 2012. In respect of the above period, the REIT Manager would forego its right under the Trust Deed to make an Election to receive Manager Fee Units in a different proportion to that stated in the Circular, unless Independent Unitholders' approval is obtained for such purpose.

As disclosed in the announcements of the REIT dated 28 March 2013, 29 August 2013, 28 March 2014, 28 August 2014, 9 March 2015, 12 August 2015, 9 March 2016, 18 August 2016, 10 March 2017 and 24 August 2017, for the respective six-month periods between 1 July 2012 and 30 June 2017, the REIT Manager had received Manager's Fee in the form of cash and/or Units in the respective proportions set out therein. An announcement in relation to the payment of Manager's Fee for the period from 1 July 2017 to 31 December 2017 (the "**Last Payment**") will be made in March 2018.

As the Manager Fee Units Arrangement will lapse after the Last Payment is made, on 15 January 2018, the REIT Manager has notified the Trustee in writing of its Election in respect of the Manager's Fee for the year ending 31 December 2018 to be paid to the REIT Manager in the form of Units as to 80% and in the form of cash as to 20%. Such Election was made in accordance with the terms of the Trust Deed and had been approved by the Board on 4 December 2017.

Under the Trust Deed, an Election is irrevocable during the year in which it was made. In the event that the REIT Manager fails to make such Election in any year, the most recent valid election made by the REIT Manager in a prior year (if any) shall apply and, if there is no such prior year Election by the Manager, the Manager's Fee (as applicable) shall be paid in cash.

This announcement is made pursuant to clause 15.1 of the Trust Deed and paragraph 10.3 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, 15 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.*