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越秀房地產投資信託基金

YUEXIU REAL ESTATE INVESTMENT TRUST

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

Yuexiu REIT Asset Management Limited

ANNOUNCEMENT

(I) VERY SUBSTANTIAL ACQUISITION BY AND CONNECTED PARTY TRANSACTION OF YUEXIU REAL ESTATE INVESTMENT TRUST IN RESPECT OF GUANGZHOU INTERNATIONAL FINANCE CENTER

(II) ENTRY INTO MODIFICATION AND RESTATEMENT AGREEMENT

Reference is made to: (a) the joint announcements of the REIT and Yuexiu Property dated 28 May 2012, 29 June 2012 and 8 October 2012; (b) the circular of the REIT dated 30 June 2012; and (c) the announcement of the REIT dated 27 September 2012.

In response to certain representations from the Investor, on 15 November 2012, the REIT Manager and the Investor (in its capacity as agent acting for and on behalf of the Subscriber) entered into a modification and restatement agreement in respect of the PICC Placing Agreement to facilitate the allotment and issuance of the Subscription Units to the Subscriber (instead of to the Investor as contemplated under the original PICC Placing Agreement), being the original intended beneficiary of such units, within three Business Days (instead of 48 hours as contemplated under the original PICC Placing Agreement) following the receipt by the Investor of the Confirmation Notice.

On 15 November 2012, based the Investor's confirmation that all outstanding conditions to the modified PICC Placing Agreement had been fulfilled, the REIT Manager issued its Confirmation Notice to the Investor (in its capacity as agent acting for and on behalf of the Subscriber) and proposed that completion of the PICC Placement take place on or around 19 November 2012. Based on the deemed exchange rate of US\$1 to HK\$7.7536 stated in the modified PICC Placing Agreement, the Subscription Proceeds payable to the REIT upon completion will be approximately HK\$388 million and in return the REIT will allot and issue 117,479,000 Subscription Units to the Subscriber.

An announcement will be issued by the REIT Manager upon completion of the PICC Placement. A further announcement will be issued by the REIT Manager as soon as practicable after the completion accounts and the working capital statement have been finalised.

Reference is made to: (a) the joint announcements of Yuexiu Real Estate Investment Trust (the "**REIT**") and Yuexiu Property Company Limited ("**Yuexiu Property**") dated 28 May 2012 and 29 June 2012; (b) the circular of the REIT (the "**Circular**") dated 30 June 2012; (c) the announcement of the REIT dated 27 September 2012 (the "**Launch Announcement**"); and (d) the joint announcement of the REIT and Yuexiu Property dated 8 October 2012 (the "**Completion Announcement**"). Unless the context requires otherwise, terms used in this announcement shall have the same meaning as those defined in the Launch Announcement.

Further Developments regarding PICC Placement

As disclosed in the Launch Announcement, on 26 September 2012, the REIT Manager and PICC Asset Management Company Limited (the "**Investor**") entered into the PICC Placing Agreement pursuant to which the Investor agreed to subscribe for such number of new Placement Units with an aggregate value of US\$50 million at the Issue Price of HK\$3.30 per Unit.

Based on the Investor's subsequent representations, the REIT Manager now understands that the Investor intended to enter into the PICC Placing Agreement in its capacity as agent acting for and on behalf of the PICC Property and Casualty Company Limited (the "**Subscriber**") pursuant to a pre-existing entrustment arrangement between the Investor and Subscriber. The Investor has also informed the REIT Manager that it will pay the Subscription Proceeds out of the assets of the Subscriber entrusted to the Investor.

The Subscriber is a company listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 2328-HK), as well as a professional investor who is an Independent Third Party in an “offshore transaction” pursuant to Regulation S under the Securities Act. Further, the Investor and the Subscriber are owned as to 81% and 70% respectively by The People’s Insurance Company (Group) of China Limited, a limited liability company incorporated in the PRC, and accordingly the Investor and the Subscriber are entities within the same corporate group.

Modification and Restatement Agreement

In response to the Investor’s representations described above, on 15 November 2012, the REIT Manager and the Investor (in its capacity as agent acting for and on behalf of the Subscriber) entered into a modification and restatement agreement in respect of the PICC Placing Agreement (the “**Modification and Restatement Agreement**”) to facilitate the allotment and issuance of the Subscription Units to the Subscriber (instead of to the Investor as contemplated under the original PICC Placing Agreement), being the original intended beneficiary of such units, within three Business Days (instead of 48 hours as contemplated under the original PICC Placing Agreement) following the receipt by the Investor of the REIT Manager’s confirmation that the conditions have been fulfilled or waived (as the case may be) (the “**Confirmation Notice**”).

Save as disclosed above, the REIT Manager confirms that there is no change to the major terms of the PICC Placing Agreement summarised in the Launch Announcement, nor are there any other material modifications to the PICC Placing Agreement.

The REIT Manager also confirms that the terms of the Modification and Restatement Agreement and the transactions contemplated therein fall within the approval granted by the Independent Unitholders at the EGM.

Further, the REIT Manager confirms that the Modification and Restatement Agreement is entered into at arm’s length, on normal commercial terms, fair and reasonable, and in the interest of the Unitholders as a whole. Based on this confirmation given by the REIT Manager, the Trustee has no objection to the Modification and Restatement Agreement.

