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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

POST-COMPLETION TRUE-UP PAYMENT FOR ACQUISITION OF A COMMERCIAL PROPERTY IN HANGZHOU

The Manager announces that:

- (i) based on the Completion Statement, the Target Group Adjusted NAV has been determined to be approximately minus RMB26,579,170;
- (ii) as the Target Group Adjusted NAV of approximately minus RMB26,579,170 (as set out in the Completion Statement) is higher than the Target Group Adjusted NAV of minus RMB32,556,000 (as set out in the Pro Forma Completion Statement), the Purchaser shall pay the True-up Payment of approximately RMB5,976,830 (being approximately HKD6,932,793) to the Vendor within five business days after 25 February 2019 in accordance with the Share Purchase Deed; and
- (iii) accordingly, the final Consideration (after taking into account the Target Group Adjusted NAV as set out in the Completion Statement and the True-up Payment) is RMB563,420,830.

Reference is made to the announcements of Yuexiu REIT dated 23 December 2018 (the “**Acquisition Announcement**”) and 28 December 2018 in relation to the acquisition of a commercial property in Hangzhou by Yuexiu REIT. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Acquisition Announcement.

Determination of Target Group Adjusted NAV and True-up Payment

The Manager announces that, the Completion Statement prepared based on the audited accounts of the Target Group as at the Completion Date audited by PricewaterhouseCoopers has been determined on 25 February 2019 in accordance with the procedures set out in the Share Purchase Deed.

Based on the Completion Statement, the Target Group Adjusted NAV has been determined to be approximately minus RMB26,579,170. As this amount is higher than the Target Group Adjusted NAV of minus RMB32,556,000 (as set out in the Pro Forma Completion Statement), the Purchaser shall pay the True-up Payment of approximately RMB5,976,830 (being approximately HKD6,932,793) to the Vendor within five business days after 25 February 2019 in accordance with the Share Purchase Deed.

The Manager understands that, as a result of the True-up Payment being payable by the Purchaser to the Vendor, an excess amount of approximately RMB609,513 is reasonably expected to become payable by the Vendor as taxes arising out of or relating to the Acquisition. In accordance with the terms of the Share Purchase Deed, the HKD equivalent of the True-up Payment of approximately RMB5,976,830 (being approximately HKD6,932,793) will be paid as follows: (i) approximately RMB5,367,317 (being approximately HKD6,225,792) in cash to the Vendor; and (ii) approximately RMB609,513 (being approximately HKD707,001) for deposit into the EIT Segregated Account.

Final Consideration for the Acquisition

Accordingly, the final Consideration (after taking into account the Target Group Adjusted NAV as set out in the Completion Statement and the True-up Payment) is RMB563,420,830.

General

This announcement is made pursuant to paragraph 10.3 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, 25 February 2019

As at the date of this announcement, the board of directors of the Manager is comprised as follows:

Executive Directors: Mr. LIN Deliang (Chairman) and Mr. CHENG Jiuzhou

Non-executive Directors: Mr. LI Feng and Mr. LIANG Danqing

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