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越秀房地產投資信託基金

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

ANNOUNCEMENT

UPDATE AND APPLICATION FOR LISTING OF US\$1,500,000,000 GUARANTEED MEDIUM TERM NOTE PROGRAMME

This announcement is made pursuant to paragraph 10.3 of the REIT Code.

The REIT Manager proposes to update the Programme, and has applied to the Stock Exchange for the listing of the Updated Programme on the Stock Exchange for 12 months after 22 January 2021 by way of debt issues to professional investors (as defined in Chapter 37 of the Listing Rules) only. The listing of the Updated Programme is expected to become effective on or about 25 January 2021. Notwithstanding the above, the listing status of Notes previously issued under the Programme are unaffected.

Save as disclosed in this announcement, there has been no material change to the terms of the Programme as disclosed in the 2018 Programme Announcement and prior announcements referred to therein.

This announcement is made pursuant to paragraph 10.3 of the Code on Real Estate Investment Trusts (the “**REIT Code**”).

Reference is made to the announcement of Yuexiu Real Estate Investment Trust (“**Yuexiu REIT**”) dated 16 April 2018 regarding the proposed listing of the US\$1,500,000,000 Guaranteed Medium Term Note Programme (the “**Programme**”) (the “**2018 Programme Announcement**”) and other announcements referred to therein. Unless otherwise stated, terms defined in the 2018 Programme Announcement shall have the same meaning when used herein.

UPDATE AND APPLICATION FOR LISTING OF THE PROGRAMME

Pursuant to Rule 37.41 of the Listing Rules (which is directly applicable to the Issuer, being a wholly-owned subsidiary of Yuexiu REIT), the Programme is valid for issuing listed Notes for one year after the date it is published. Accordingly, the validity for issuing listed Notes under the Programme expired on 12 April 2019, being one year after the Programme was last published on 13 April 2018.

Accordingly, the REIT Manager proposes to update the Programme (the “**Updated Programme**”) and has applied to the Stock Exchange for the listing of the Updated Programme on the Stock Exchange for 12 months after 22 January 2021 by way of debt issues to professional investors (as defined in Chapter 37 of the Listing Rules) only. The listing of the Updated Programme is expected to become effective on or about 25 January 2021. Notwithstanding the above, the listing status of Notes previously issued under the Programme is unaffected.

The Updated Programme is guaranteed by HSBC Institutional Trust Services (Asia) Limited (in its capacity as trustee of, and with recourse limited to the assets of, Yuexiu REIT) and arranged by DBS Bank Ltd., CCB International Capital Limited, ABCI Capital Limited, Bank of China (Hong Kong) Limited, CLSA Limited, China International Capital Corporation Hong Kong Securities Limited, Chong Hing Bank Limited, CMB International Capital Limited, CMBC Securities Company Limited, Guotai Junan Securities (Hong Kong) Limited, Haitong International Securities Company Limited and Yue Xiu Securities Company Limited as arrangers (collectively, the “**Arrangers**”). To the best of the knowledge, information and belief of the REIT Manager, other than Chong Hing Bank Limited and Yue Xiu Securities Company Limited (the “**Yuexiu Arrangers**”), all of the Arrangers are independent third parties of Yuexiu REIT and are not connected persons of Yuexiu REIT.

The Updated Programme allows for the issue of Notes in any currency or tenor subject to compliance with relevant laws, regulations, directives or requirements. Notes may be interest bearing or non-interest bearing. Interest may accrue at a fixed rate or a floating rate or other variable rate. The Notes to be issued under the Updated Programme are unsecured. The REIT Manager considers that the Notes to be issued will be on customary terms.

The Updated Programme is rated “Baa3” by Moody’s Investors Service Inc., a subsidiary of Moody’s Investors Service, Inc. and “BBB-” by Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies, Inc. Tranches of Notes to be issued under the Updated Programme may be rated or unrated. Where a tranche of Notes is to be rated, such rating will not necessarily be the same as any rating assigned to the Updated Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Save as disclosed in this announcement, there has been no material change to the terms of the Programme as disclosed in the 2018 Programme Announcement and prior announcements referred to therein.

The Issuer will not issue any Notes if doing so will cause Yuexiu REIT's gearing ratio to exceed the 50% threshold permitted under paragraph 7.9 of the REIT Code. As disclosed in the latest audited financial statements of Yuexiu REIT, the gearing ratio of Yuexiu REIT is approximately 39.1%.

POTENTIAL CONNECTED PARTY TRANSACTIONS UNDER THE UPDATED PROGRAMME

An amended and restated dealer agreement relating to the Updated Programme and the offering and sale of Notes (the "**Amended and Restated Dealer Agreement**") was entered into by the Issuer, the REIT Manager and the Arrangers (as arrangers and dealers) on 22 January 2021. The Arrangers (as arrangers and dealers) include the Yuexiu Arrangers who are connected persons of Yuexiu REIT under paragraph 8.1(f) of the REIT Code by virtue of being associates (as defined in the REIT Code) of Yue Xiu Enterprises (Holdings) Limited, which is a substantial holder (as defined in the REIT Code) of Yuexiu REIT, and associates (as defined in the REIT Code) of the REIT Manager.

Therefore, any transactions with the Yuexiu Arrangers which may result from the Amended and Restated Dealer Agreement, comprising payment of fees for their services and/or subscription of Notes, will be connected party transactions of Yuexiu REIT under the REIT Code. The REIT Manager will comply with all connected party transactions requirements under Chapter 8 of the REIT Code in respect of any fees paid to the Yuexiu Arrangers, including reporting and announcement requirements. As the Yuexiu Arrangers will only subscribe for unsecured Notes on the same terms as the other Arrangers, the REIT Manager considers such transactions to be unsecured financial assistance received by Yuexiu REIT from a connected person on normal commercial terms, and accordingly, fully exempt from the REIT Code connected party transaction requirements (including reporting and announcement requirements) having regard to the exception under Rule 14A.90 of the Listing Rules.

After due consideration of the terms of the Updated Programme, including those of the Amended and Restated Dealer Agreement, and other relevant factors in connection with the financing needs of Yuexiu REIT, the board of directors of the REIT Manager (including the independent non-executive directors) are satisfied that: (i) the Updated Programme and the transactions contemplated thereunder are at arm's length, on normal commercial terms, and are fair and reasonable and in the interests of Yuexiu REIT, the independent Unitholders and the Unitholders as a whole, notwithstanding any transactions with the Yuexiu Arrangers as noted above; and (ii) the Updated Programme and the transactions contemplated thereunder are consistent with the investment objectives and strategy of Yuexiu REIT.

FURTHER ANNOUNCEMENT

The REIT Manager will make further announcements as and when required under the REIT Code, including in respect of any further change or update in relation to the Updated Programme and/or any issuance of Notes in the future (including the use of net proceeds of such issuance and its impact on Yuexiu REIT's gearing ratio). The REIT Manager will also publish a formal notice where the Notes are to be issued and listed on the Stock Exchange in accordance with the Listing Rules.

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 January 2021

As at the date of this announcement, the REIT Manager's board of directors comprises:

Executive Directors: Mr. LIN Deliang (Chairman), Mr. CHENG Jiuzhou and Ms. OU Haijing

Non-executive Director: 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*