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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)

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ANNOUNCEMENT

PROPOSED ISSUE OF HK\$350,000,000 3.60% GUARANTEED NOTES DUE 2024 TO BE CONSOLIDATED AND TO FORM A SINGLE SERIES WITH THE HK\$770,000,000 3.60% GUARANTEED NOTES DUE 2024 ISSUED ON 28 MAY 2019 UNDER THE US\$1,500,000,000 GUARANTEED MEDIUM TERM NOTE PROGRAMME

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

The Board wishes to announce that on 11 June 2019, the Issuer, the REIT Manager and the Notes Manager entered into the Subscription Agreement, and the Issuer and the REIT Manager have executed the pricing supplement, pursuant to which the Notes Manager has agreed to subscribe for the aggregate nominal amount of HK\$350,000,000 3.60% guaranteed Notes due 2024 (which are to be consolidated and to form a single series with the HK\$770,000,000 3.60% guaranteed Notes due 2024 issued on 28 May 2019) and to pay for the net subscription moneys for the 2019 (Additional) Notes. The 2019 (Additional) Notes will be issued at 100% of their aggregate nominal amount plus accrued interest from, and including, 28 May 2019 (being the date on which the 2019 (Initial) Notes were issued) to, but excluding, the Issue Date. The gross proceeds of the 2019 (Additional) Notes to be issued are expected to be approximately HK\$350,500,000.

The 2019 (Additional) Notes will not be listed on the Stock Exchange. The 2019 (Additional) Notes will be offered and issued only to professional investors within the definition of “professional investor” under the SFO. To the best of the knowledge, information and belief of the directors of the REIT Manager, having made all reasonable enquiries, the 2019 (Additional) Notes will only be issued to independent third parties.

After due consideration of the terms of the Subscription Agreement and the 2019 (Additional) Notes, and other relevant factors in connection with the refinancing needs of Yuexiu REIT (including the terms of the 2019 (Initial) Notes), the Board (including the independent non-executive directors) is satisfied that: (i) the Subscription Agreement and the transactions contemplated thereunder are at arm’s length, on normal commercial terms, and are fair and reasonable and in the best interests of Yuexiu REIT, the independent Unitholders and the Unitholders as a whole; and (ii) the Subscription Agreement and transactions thereunder are consistent with the investment objectives and strategy of Yuexiu REIT.

The net proceeds from the issue of the 2019 (Additional) Notes are expected to be approximately HK\$349,000,000, and are intended to be used by Yuexiu REIT for the purposes of refinancing Yuexiu REIT’s existing facilities and funding the general corporate purposes of Yuexiu REIT and its subsidiaries.

Immediately after the issue of the 2019 (Additional) Notes and the refinancing of Yuexiu REIT’s existing facilities with the net proceeds from such issue, the gearing ratio of Yuexiu REIT is expected to increase from approximately 39.0% (as disclosed in the 2019 (Initial) Notes Pricing Announcement) to approximately 39.5%, which falls within the 45% threshold permitted under paragraph 7.9 of the REIT Code.

Completion of the Subscription Agreement is subject to the satisfaction, or waiver, of the conditions precedent in the agreement. In addition, the Subscription Agreement may be terminated under certain circumstances. As the Subscription Agreement may or may not be completed and the issue of the 2019 (Additional) Notes may or may not proceed, Unitholders and prospective investors are reminded to exercise caution when dealing in the units of Yuexiu REIT.

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

Reference is made to: (i) the announcement dated 16 April 2018 made by Yuexiu REIT Asset Management Limited (as manager of Yuexiu Real Estate Investment Trust) (the “**REIT Manager**”) pursuant to paragraph 10.3 of the REIT Code regarding the application for increase in size and listing of the US\$1,500,000,000 Guaranteed Medium Term Note Programme (the “**Programme Increase Announcement**”); (ii) the announcement dated 23 April 2018 made by the REIT Manager regarding the proposed issue of an aggregate principal amount of US\$400,000,000 4.75% guaranteed Notes due 2021 (the “**2018 Notes**”) (the “**2018 Notes Pricing Announcement**”); (iii) the announcement dated 27 April 2018 made by the REIT Manager regarding the issue of the 2018 Notes (the “**2018 Notes Issue Announcement**”); (iv) the announcement dated 21 May 2019 made by the REIT Manager regarding the proposed issue of an aggregate principal amount of HK\$770,000,000 3.60% guaranteed Notes due 2024 (the “**2019 (Initial) Notes**”) (the “**2019 (Initial) Notes Pricing Announcement**”); and (v) the announcement dated 28 May 2019 made by the REIT Manager regarding the issue of the 2019 (Initial) Notes (the “**2019 (Initial) Notes Issue Announcement**”). Unless otherwise stated or redefined, terms defined in the Programme Increase Announcement, the 2018 Notes Pricing Announcement, the 2018 Notes Issue Announcement, the 2019 (Initial) Notes Pricing Announcement or 2019 (Initial) Notes Issue Announcement shall have the same meaning when used herein.

SUBSCRIPTION AGREEMENT

Date: 11 June 2019

Parties:

- (1) the Issuer
- (2) the REIT Manager
- (3) DBS Bank Ltd. (the “**Notes Manager**”)

Subject to and in accordance with the provisions of the subscription agreement as described above (the “**Subscription Agreement**”), the Notes Manager has agreed to subscribe for the aggregate nominal amount of HK\$350,000,000 3.60% guaranteed Notes due 2024 (the “**2019 (Additional) Notes**”) to be consolidated and form a single series with the 2019 (Initial Notes) under the Updated Programme and to pay for the net subscription moneys for the 2019 (Additional) Notes. The Issuer has agreed to issue the 2019 (Additional) Notes on 14 June 2019 (the “**Issue Date**”) to the Notes Manager at the issue price of 100% of their aggregate nominal amount plus accrued interest from 28 May 2019 (being the date on which the 2019 (Initial) Notes were issued) to, but excluding, the Issue Date.

The Issuer, failing whom the REIT Manager, has agreed to pay to the Notes Manager a combined management and underwriting commission(s) and certain of its expenses in connection with the issue of the 2019 (Additional) Notes (the “**Note Manager Fees and Expenses**”). Such commission(s) will be deducted by the Notes Manager from the subscription moneys prior to payment to the Issuer. The Issuer, failing whom the REIT Manager, will reimburse the Notes Manager for its expenses in connection with the issue of the 2019 (Additional) Notes.

The 2019 (Additional) Notes will not be listed on the Stock Exchange. The 2019 (Additional) Notes will be offered and issued only to professional investors within the definition of “professional investor” under the SFO. To the best of the knowledge, information and belief of the directors of the REIT Manager, having made all reasonable enquiries, the 2019 (Additional) Notes will only be issued to independent third parties.

Conditions Precedent in the Subscription Agreement

The obligations of the Notes Manager to subscribe and pay for the 2019 (Additional) Notes are conditional upon, among other things:

- (a) the Issuer and the REIT Manager having performed all of their respective obligations under the Amended and Restated Dealer Agreement to be performed on or before the Issue Date of the 2019 (Additional) Notes and upon the accuracy, on the Issue Date of the 2019 (Additional) Notes, of the representations and warranties of the Issuer and the REIT Manager; and
- (b) the REIT Trustee having performed all of its obligations under the letter agreement from the REIT Trustee to the REIT Manager and the dealers named in the Amended and Restated Dealer Agreement (the “**REIT Trustee Letter**”) to be performed on or before the Issue Date of the 2019 (Additional) Notes and upon the accuracy, on the Issue Date of the 2019 (Additional) Notes, of the representations and warranties of the REIT Trustee in the REIT Trustee Letter.

To the best of the knowledge, information and belief of the directors of the REIT Manager, having made all reasonable enquiries, the Notes Manager is not a connected person of Yuexiu REIT under the REIT Code and is an independent third party.

TERMS AND CONDITIONS OF THE 2019 (ADDITIONAL) NOTES

The Issuer and the REIT Manager have executed the pricing supplement dated 11 June 2019 recording the final terms of the 2019 (Additional) Notes.

The 2019 (Additional) Notes are to be consolidated, are to form a single series and are to be interchangeable for trading purposes, with the 2019 (Initial) Notes. Accordingly, the terms and conditions of the 2019 (Additional) Notes are identical to the terms and conditions of the 2019 (Initial) Notes as described in the 2019 (Initial) Notes Pricing Announcement, save for the following terms:

Aggregate nominal amount:	HK\$350,000,000
Issue price:	100% of the aggregate nominal amount plus accrued interest from, and including, 28 May 2019 (being the date on which the 2019 (Initial) Notes were issued) to, but excluding, the Issue Date
Gross proceeds:	approximately HK\$350,500,000, being the aggregate nominal amount of the 2019 (Additional) Notes plus accrued interest from, and including, 28 May 2019 (being the date on which the 2019 (Initial) Notes were issued) to, but excluding, the Issue Date
Issue Date:	14 June 2019

For the avoidance of doubt, the interest commencement date and the maturity date of the 2019 (Additional) Notes are also identical to those of the 2019 (Initial) Notes, being 28 May 2019 and 28 May 2024, respectively. Based on the issue price of and the interest payable on the 2019 (Additional) Notes, the yield to maturity of the 2019 (Additional) Notes is 3.60%.

OPINION OF THE BOARD

After due consideration of the terms of the Subscription Agreement and the 2019 (Additional) Notes, and other relevant factors in connection with the refinancing needs of Yuexiu REIT (including the terms of the 2019 (Initial) Notes), the board of directors of the REIT Manager (the “**Board**”) (including the independent non-executive directors) is satisfied that: (i) the Subscription Agreement and the transactions contemplated thereunder are at arm’s length, on normal commercial terms, and are fair and reasonable and in the best interests of Yuexiu REIT, the independent Unitholders and the Unitholders as a whole; and (ii) the Subscription Agreement and transactions thereunder are consistent with the investment objectives and strategy of Yuexiu REIT.

OTHER INFORMATION

Use of net proceeds and gearing ratio

The net proceeds from the issue of 2019 (Additional) Notes are expected to be approximately HK\$349,000,000, and are intended to be used by Yuexiu REIT for the purposes of refinancing Yuexiu REIT's existing facilities and funding the general corporate purposes of Yuexiu REIT and its subsidiaries.

Immediately after the issue of the 2019 (Additional) Notes and the refinancing of Yuexiu REIT's existing facilities with the net proceeds from such issue, the gearing ratio of Yuexiu REIT is expected to increase from approximately 39.0% (as disclosed in the 2019 (Initial) Notes Pricing Announcement) to approximately 39.5%, which falls within the 45% threshold permitted under paragraph 7.9 of the REIT Code.

Further announcements

The REIT Manager will make further announcement(s) when the 2019 (Additional) Notes are issued and in the event of any change or update in relation to the Updated Programme or any issue of the Notes in the future.

Completion of the Subscription Agreement is subject to the satisfaction, or waiver, of the conditions precedent in the agreement. In addition, the Subscription Agreement may be terminated under certain circumstances. As the Subscription Agreement may or may not be completed and the issue of the 2019 (Additional) Notes may or may not proceed, Unitholders and prospective investors are reminded to exercise caution when dealing in the units of Yuexiu REIT.

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 June 2019

As at the date of this announcement, the board of directors of the REIT 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