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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**

#### **(I) EXTENSION OF EXISTING CONTINUING CONNECTED PARTY TRANSACTION WAIVER AND PROPOSED NEW ANNUAL CAPS FOR CERTAIN CONTINUING CONNECTED PARTY TRANSACTIONS**

**AND**

#### **(II) EXTRAORDINARY GENERAL MEETING AND CLOSURE OF REGISTER OF UNITHOLDERS**

**Independent Financial Adviser to the Independent Board Committee,  
the Independent Unitholders and the Trustee**



**SOMERLEY CAPITAL LIMITED**

#### **2020 WAIVER EXTENSION**

The 2017 Extended Waiver will expire on 31 December 2020. In light of the upcoming expiration of the 2017 Extended Waiver, the Manager has made a submission to the SFC to seek an extension of the 2017 Extended Waiver so that it will continue to apply for the three financial years ending 31 December 2023. As part of its submission, the Manager has also proposed New Annual Caps for the extended period.

#### **CIRCULAR**

The Circular containing, among other things: (a) letter from the Board to the Unitholders; (b) a letter from the Independent Board Committee; (c) a letter from the Independent Financial Adviser; (d) the views of the Trustee; and (e) the EGM Notice, will be sent to the Unitholders on or around 24 November 2020. The EGM will be held on 9 December 2020 at 10:30 a.m. at Plaza 1-4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, approving the New Continuing Connected Party Transactions, the 2020 Waiver Extension and the New Annual Caps.

## **CLOSURE OF REGISTER OF UNITHOLDERS**

In order to determine which Unitholders will qualify to attend and vote at the EGM, the register of Unitholders will be closed from 4 December 2020 to 9 December 2020 (both days inclusive) during which period no transfers of Units will be effected. For those Unitholders who are not already on the register of Unitholders, in order to qualify to attend and vote at the EGM, all Unit certificates accompanied by the duly completed transfer forms must be lodged with the unit registrar of Yuexiu REIT, Tricor Investor Services Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 3 December 2020.

## **2020 WAIVER EXTENSION**

### **1. Existing waivers in relation to certain continuing connected party transactions under Chapter 8 of the REIT Code**

As disclosed in the 2017 Circular, the SFC granted the 2008 CPT Waivers from strict compliance with certain requirements under Chapter 8 of the REIT Code in respect of certain continuing transactions between Yuexiu REIT on the one hand and certain connected persons on the other hand.

On 6 January 2011, Yuexiu REIT obtained the 2011 Extended CPT Waiver which extended the 2008 CPT Waivers for the three financial years ended 31 December 2013, and set new annual cap amounts for the then existing continuing connected party transactions for such period.

On 20 July 2012, the SFC granted the 2012 Modified and Extended Waiver in respect of the then existing continuing connected party transactions for the three financial years ended 31 December 2014, which superseded the 2011 Extended CPT Waiver. The 2012 Modified and Extended Waiver broadened the categories of the then existing continuing connected party transactions to additionally include those continuing connected party transactions with the Yuexiu Connected Persons Group in respect of Guangzhou IFC that arose as a result of Yuexiu REIT's acquisition of Guangzhou IFC in 2012 and set new annual cap amounts to accommodate such new continuing connected party transactions for that period.

On 11 December 2014, Yuexiu REIT obtained the 2014 Extended Waiver which extended the 2012 Modified and Extended Waiver for the three financial years ended 31 December 2017, and set new annual cap amounts for the then existing continuing connected party transactions for the three financial years ended 31 December 2017.

On 4 December 2017, Yuexiu REIT obtained the 2017 Extended Waiver which extended the 2014 Extended Waiver for the three financial years ending 31 December 2020, and set new annual cap amounts for the then existing continuing connected party transactions for the three financial years ending 31 December 2020. Details of such continuing connected party transactions and the 2017 Extended Waiver are set out in the 2017 Circular.

## 2. Expiration of the 2017 Extended Waiver

The 2017 Extended Waiver will expire on 31 December 2020. In accordance with the terms of the 2017 Extended Waiver, the 2017 Extended Waiver may be extended beyond 31 December 2020, and/or terms and the conditions of the 2017 Extended Waiver may be modified from time to time, provided that:

- (a) due approval of Independent Unitholders is obtained by way of an ordinary resolution to passed in a general meeting of Unitholders;
- (b) disclosure of details of the proposed extension and/or modification (as the case may be) shall be made by way of an announcement by the Manager of such proposal, and a circular and notice shall be issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (c) any extension of the period of the 2017 Extended Waiver shall, on each occasion of such extension, be for a period which shall expire not later than the third full financial year-end date of Yuexiu REIT after the date on which the approval referred to in paragraph (a) above is obtained.

## 3. Extension of the 2017 Extended Waiver

In light of the upcoming expiration of the 2017 Extended Waiver, the Manager has made a submission to the SFC to seek an extension of the 2017 Extended Waiver so that it will continue to apply for the three financial years ending 31 December 2023 (the “**2020 Waiver Extension**”). As part of its submission, the Manager has also proposed New Annual Caps for the extended period. The types of New Continuing Connected Party Transactions in respect of which the 2020 Waiver Extension is sought are the same as those referred to in the 2017 Circular.

On 9 June 2020, the SFC published a “Consultation Paper on Proposed Amendments to the Code on Real Estate Investment Trusts” (“**Consultation Paper**”), which proposed to, among others, broadly align the requirements for REITs’ connected party transactions and notifiable transactions with the Listing Rules, in line with existing policy and practices. Should the amendments to the REIT Code as set out in the Consultation Paper come into effect, members of Yuexiu Group (being parties to the New Continuing Connected Party Transactions) shall remain connected persons of Yuexiu REIT. Accordingly, the New Continuing Connected Party Transactions shall remain connected party transactions. In addition, should the proposed amendments to the REIT Code come into effect before 31 December 2020, the 2020 Waiver Extension (and resulting 2020 Extended Waiver) will no longer be required. The New Continuing Connected Party Transactions, if approved by the Independent Unitholders at the EGM, will comply with requirements under the REIT Code (as revised) (including disclosure in annual reports of Yuexiu REIT, auditors’ review procedures and annual review by the INEDs). The New Continuing Connected Party Transactions will also remain subject to the New Annual Caps for the financial years ending 31 December 2021, 2022 and 2023. If the New Continuing Connected Party Transactions are to subsist after 31 December 2023, or if any of the New Annual Caps is exceeded, or if there is any material change to the terms of the New Continuing Connected Party Transactions, Yuexiu REIT shall comply with all applicable requirements (including the announcement and Unitholders’ approval requirements) under the REIT Code (as revised).

#### **4. Opinions of the Board, the Independent Financial Adviser, the Independent Property Valuer, the Independent Board Committee and the Trustee**

The respective opinions of the Board, the Independent Financial Adviser, the Independent Board Committee and the Trustee with regard to the New Continuing Connected Party Transactions, the 2020 Waiver Extension and the New Annual Caps are set out in the Circular. Additionally, the Independent Property Valuer has also opined on the New Continuing Connected Party Transactions subsisting as at the Latest Practicable Date, as set out in the Circular.

The independent board committee has been established by the Board (the “**Independent Board Committee**”) to advise the Independent Unitholders on the New Continuing Connected Party Transactions, the 2020 Waiver Extension and the New Annual Caps. Somerley Capital Limited has been appointed the Independent Financial Adviser to provide its opinion on these matters to the Independent Board Committee, the Independent Unitholders and the Trustee.

Unitholders’ attention is drawn to the “Letter from the Independent Board Committee” set out in the Circular, which contains the Independent Board Committee’s recommendations to the Independent Unitholders and the “Letter from the Independent Financial Adviser” set out in the Circular, which contains among other things: (1) the Independent Financial Adviser’s opinion to the Independent Board Committee, the Independent Unitholders and the Trustee; (2) the principal factors taken into consideration by the Independent Financial Adviser; and (3) assumptions and qualifications adopted by the Independent Financial Adviser in arriving at such opinion.

### **GENERAL**

#### **1. Circular and EGM Notice**

Details of the above are more particularly set out in the Circular. The Circular containing among other things: (a) letter from the Board to the Unitholders; (b) a letter from the Independent Board Committee; (c) a letter from the Independent Financial Adviser; (d) the views of the Trustee; and (e) the EGM Notice, will be sent to the Unitholders on or around 24 November 2020. The EGM will be held on 9 December 2020 at 10:30 a.m. at Plaza 1-4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, approving the New Continuing Connected Party Transactions, the 2020 Waiver Extension and the New Annual Caps.

#### **2. Closure of register of Unitholders**

In order to determine which Unitholders will qualify to attend and vote at the EGM, the register of Unitholders will be closed from 4 December 2020 to 9 December 2020 (both days inclusive) during which period no transfers of Units will be effected. For those Unitholders who are not already on the register of Unitholders, in order to qualify to attend and vote at the EGM, all Unit certificates accompanied by the duly completed transfer forms must be lodged with the unit registrar of Yuexiu REIT, Tricor Investor Services Limited of Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on 3 December 2020.

### **3. Restrictions on voting**

9.9(f) of the REIT Code provides that where a Unitholder has a material interest in the resolution tabled for approval, and that interest is different from that of all other Unitholders, such Unitholder shall abstain from voting. Further, under paragraph 3.2 of Schedule 1 to the Trust Deed, where a Unitholder has a material interest in the resolution tabled for approval at a general meeting of the REIT, and that interest is different from the interests of other Unitholders as determined by the Manager (where the Unitholders concerned is (are) not connected persons of the Manager under the REIT Code) or the Trustee (where the Unitholders concerned is (are) connected persons of the Manager under the REIT Code, if appropriate, in its absolute opinion), such Unitholder shall be prohibited from voting its Units or being counted in the quorum for the general meeting.

Members of the Yuexiu Group are parties to the New Continuing Connected Party Transactions, and as such, have a material interest in the resolutions relating to the New Continuing Connected Party Transactions, the 2020 Waiver Extension and the New Annual Caps. Pursuant to the Trust Deed and the REIT Code, each of Yuexiu Property and Yue Xiu has agreed that it will abstain, and will procure that its respective controlling entities, holding companies, subsidiaries, associates and associated companies (as defined in the REIT Code) will abstain, from voting on the resolutions set out in the EGM Notice to approve the New Continuing Connected Party Transactions, the 2020 Waiver Extension and the New Annual Caps, except pursuant to a proxy given by Independent Unitholders where a specific direction as to voting is given.

So far as the Manager is aware, as at the Latest Practicable Date, the parties mentioned above as needing to abstain from voting are interested or deemed to be interested in 1,258,660,730 Units representing approximately 38.92% of the Units in issue.

To the best of the Manager's knowledge, information and belief, after having made reasonable enquiries, the Manager takes the view that, save as disclosed above, as at the Latest Practicable Date, no other Unitholder is required to abstain from voting at the EGM in respect of the resolutions pertaining to the New Continuing Connected Party Transactions, the 2020 Waiver Extension and the New Annual Caps.

## DEFINITIONS

In this announcement, the following definitions apply throughout unless otherwise stated. Also, where terms are defined and used in only one section of this document, those defined terms are not included in the table below:

2008 CPT Waivers	the waiver from strict compliance with the requirements of Chapter 8 of the REIT Code granted by the SFC on 1 February 2008, which is more fully described in the circular dated 4 February 2008 issued by Yuexiu REIT to the Unitholders
2011 Extended CPT Waiver	the extension to the 2008 CPT Waivers for the three financial years ended 31 December 2013 (and subject to new annual caps and conditions) granted by the SFC on 6 January 2011, which is more fully described in the circular dated 17 December 2010 issued by Yuexiu REIT to Unitholders
2012 Circular	the circular dated 30 June 2012 issued by Yuexiu REIT to Unitholders
2012 Modified and Extended Waiver	the waiver from strict compliance with the requirements of Chapter 8 of the REIT Code in respect of the new continuing connected party transactions for that period granted by the SFC on 20 July 2012, which is more fully described in the 2012 Circular
2014 Circular	the circular dated 25 November 2014 issued by Yuexiu REIT to Unitholders
2014 Extended Waiver	the extension to the 2012 Modified and Extended Waiver for the three financial years ending 31 December 2017 (and subject to new annual caps and conditions) granted by the SFC on 11 December 2014, which is more fully described in the 2014 Circular
2017 Circular	the circular dated 15 November 2017 issued by Yuexiu REIT to Unitholders
2017 Extended Waiver	the extension to the 2014 Extended Waiver for the three financial years ending 31 December 2020 (and subject to new annual caps and conditions) granted by the SFC on 4 December 2017, which is fully described in the 2017 Circular
2020 Waiver Extension	has the meaning ascribed to this term in the section headed “Extension of the 2017 Extended Waiver”
Board	the board of Directors

Circular	the circular of Yuexiu REIT in respect of the New Continuing Connected Party Transactions, the 2020 Waiver Extension and New Annual Caps which is expected to be despatched to the Unitholders on or around 24 November 2020
connected person	has the meaning ascribed to this term in the REIT Code
Director(s)	the director(s) of the Manager
EGM	the extraordinary general meeting of Unitholders convened by and referred to in the EGM Notice
EGM Notice	the notice included in the Circular in respect of the EGM to consider and, if thought fit, approve the New Continuing Connected Party Transactions, the 2020 Waiver Extension and New Annual Caps
Guangzhou IFC	the real property known as “Guangzhou International Finance Center” (廣州國際金融中心), located at No. 5 Zhujiang West Road, Tianhe District, Guangzhou, PRC
GZYY	Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團股份有限公司), a state-owned limited liability company incorporated in the PRC beneficially wholly-owned by the Guangzhou Municipal People’s Government of the PRC
Hong Kong	the Hong Kong Special Administrative Region of the People’s Republic of China
Independent Financial Adviser	Somerley Capital Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee, the Independent Unitholders and the Trustee on the New Continuing Connected Party Transactions, the 2020 Waiver Extension and New Annual Caps for the purpose of the REIT Code
Independent Unitholders	Unitholders other than those who have a material interest in the relevant resolutions, within the meaning of 8.11 of the REIT Code, and who are entitled to vote at the EGM
Latest Practicable Date	20 November 2020, being the latest practicable date prior to the printing of the Circular for the purpose of ascertaining certain information contained in the Circular
Listing Rules	The Rules Governing the Listing of Securities on the Stock Exchange

Manager	Yuexiu REIT Asset Management Limited (in its capacity as the manager of Yuexiu REIT), a company incorporated under the laws of Hong Kong
New Annual Caps	the proposed new annual cap amounts for the New Continuing Connected Party Transactions for the years ending 31 December 2021, 2022 and 2023, respectively
New Continuing Connected Party Transactions	the certain categories of continuing connected party transactions in respect of which the 2020 Waiver Extension is sought, which are fully described in the Circular
REIT Code	the Code on Real Estate Investment Trusts published by the SFC as amended, supplemented or otherwise modified for the time being
SFC	the Securities and Futures Commission of Hong Kong
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Stock Exchange	The Stock Exchange of Hong Kong Limited
Trust Deed	the trust deed constituting Yuexiu REIT dated 7 December 2005 and entered into between the Trustee and the Manager, as may be amended and supplemented from time to time
Trustee	HSBC Institutional Trust Services (Asia) Limited, in its capacity as trustee of Yuexiu REIT. All references to the Trustee in this announcement are, as the context may require, to the Trustee acting on behalf of Yuexiu REIT and on the instructions of the Manager
Unit	one undivided unit in Yuexiu REIT
Unitholder	any person registered as holding a Unit on the register of Unitholders
Yue Xiu	Yue Xiu Enterprises (Holdings) Limited, a limited liability company incorporated in Hong Kong which is wholly-owned by GZYX
Yuexiu Connected Persons Group	collectively, (i) the Yuexiu Holders; (ii) associates of the Yuexiu Holders; and (iii) entities or persons which are from time to time connected persons of Yuexiu REIT as a result of their connection with the Yuexiu Holders
Yuexiu Group	collectively, Yuexiu Property and its subsidiaries

Yuexiu Holders	subsidiaries of GZYY that are significant holders
Yuexiu Property	Yuexiu Property Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 123)
Yuexiu REIT	Yuexiu Real Estate Investment Trust, a Hong Kong collective investment scheme constituted as a unit trust and authorized under Section 104 of the SFO subject to applicable conditions from time to time (whose Units are listed on the Stock Exchange) and the companies controlled by it, as the context requires
%	per cent or percentage

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, 20 November 2020

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

<i>Executive Directors:</i>	<i>Mr. LIN Deliang (Chairman), Mr. CHENG Jiuzhou and Ms. OU Haijing</i>
<i>Non-executive Director:</i>	<i>Mr. LI Feng</i>
<i>Independent Non-executive Directors:</i>	<i>Mr. CHAN Chi On, Derek, Mr. CHAN Chi Fai, Brian, Mr. CHEUNG Yuk Tong and Mr. CHEN Xiaou</i>