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**New Century Real Estate Investment Trust**  
**開元產業投資信託基金**

*(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: 1275)**

**Managed by**  
**New Century Asset Management Limited**

**ANNOUNCEMENT**

**(1) PROPOSED EXTENSION AND MODIFICATION OF  
WAIVER IN RESPECT OF CERTAIN CONTINUING  
CONNECTED PARTY TRANSACTIONS  
AND  
(2) 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**

The Board announces that the REIT Manager wishes to: (a) extend and modify the 2016 Extended Waiver; and (b) propose the New Annual Caps in respect of the Relevant Lease Transactions for the three financial years ending 31 December 2022.

## **2019 EXTENDED AND MODIFIED WAIVER**

As disclosed in the Offering Circular, at the time of authorisation of New Century REIT under section 104 of the SFO in 2013, the REIT Manager had applied for and the SFC granted a number of waivers from strict compliance with the disclosure and Unitholders' approval requirements under Chapter 8 of the REIT Code in respect of certain connected party transactions of New Century REIT, including, among others, the 2013 Waiver.

The REIT Manager had applied for and on 16 July 2014, the SFC granted an approval for the 2014 Modified and Extended Waiver so that the scope of such waiver will be expanded from the two then existing hotels (i.e. New Century Grand Hotel Hangzhou and New Century Hotel Xiaoshan Zhejiang) to all Hotel Properties and, accordingly, the 2014 Modified and Extended Waiver will cover all Relevant Lease Transactions, which are lease transactions between members of New Century REIT Group as lessors and members of the Huge Harvest Group as lessees covered by the 2014 Modified and Extended Waiver in relation to all Hotel Properties (including both the Initial Hotel Properties and other hotels properties acquired by New Century REIT from time to time, excluding the lease transactions under the (i) Hotel Lease and Management Agreements (as defined in the Offering Circular); and (ii) Kaifeng New Hotel Lease Agreement) for the three financial years ending 31 December 2016 (and subject to the then new annual caps and conditions), with details described in the 2014 Circular.

The REIT Manager had further applied for and on 1 June 2016, the SFC granted an approval for the 2016 Extended Waiver so that such waiver will expire on 31 December 2019, with details described in the 2016 Circular.

The 2016 Extended Waiver will expire on 31 December 2019. The REIT Manager has applied to the SFC for an extension and modification of the 2016 Extended Waiver so that it applies for the three financial years ending 31 December 2022 and such that it will be expanded to cover associates and associated companies of Huge Harvest. As part of its submission, the REIT Manager has also proposed the New Annual Caps for the extended period.

## **INDEPENDENT UNITHOLDERS' APPROVAL**

The REIT Manager proposes to seek Independent Unitholders' approval, by way of Ordinary Resolution, at the EGM for the 2019 Extended and Modified Waiver (including the New Annual Caps).

## **CIRCULAR**

Details of the above are more particularly set out in the Circular to the Unitholders of New Century REIT. The Circular containing, among other things: (i) a letter from the Board to the Unitholders; (ii) a letter from the Independent Financial Adviser; (iii) a letter from the Independent Board Committee; and (iv) the views of the Trustee, will be sent to the Unitholders on or around 21 May 2019 together with the EGM Notice and the form of proxy for the EGM. The EGM will be held at Portion 2, 12/F The Center, 99 Queen's Road Central, Central, Hong Kong (Conference Room 2-4) on Wednesday, 5 June 2019 at 3:30 p.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the EGM Resolution set out in the EGM Notice.

## **CLOSURE OF REGISTER OF UNITHOLDERS**

In connection with the EGM, the register of Unitholders will be closed from Friday, 31 May 2019 to Wednesday, 5 June 2019 (both days inclusive) during which period no transfer of Units will be effected, in order to determine which Unitholders will qualify to attend and vote at the EGM.

Reference is made to (i) the Offering Circular; (ii) the 2014 Circular; (iii) the 2016 Circular; and (iv) the announcement of New Century REIT dated 1 June 2016, in relation to, among other things, granting of the 2016 Extended Waiver by the SFC.

**1. 2019 EXTENDED AND MODIFIED WAIVER (INCLUDING THE NEW ANNUAL CAPS)**

**(a) Background to the 2013 Waiver, the 2014 Modified and Extended Waiver and the 2016 Extended Waiver**

As disclosed in the Offering Circular, at the time of authorisation of New Century REIT under section 104 of the SFO in 2013, the REIT Manager had applied for and the SFC granted a number of waivers from strict compliance with the disclosure and Unitholders' approval requirements under Chapter 8 of the REIT Code in respect of certain connected party transactions of New Century REIT, including, among others, the 2013 Waiver in relation to certain lease agreements entered into between Huge Harvest Group and Zhejiang New Century Hotel and Xiaoshan Hotel Company, respectively.

The REIT Manager had applied for and on 16 July 2014, the SFC granted an approval for the 2014 Modified and Extended Waiver so that the scope of such waiver will be expanded from the two then existing hotels (i.e. New Century Grand Hotel Hangzhou and New Century Hotel Xiaoshan Zhejiang) to all Hotel Properties, and accordingly, the 2014 Modified and Extended Waiver will cover all Relevant Lease Transactions, which are lease transactions between members of New Century REIT Group as lessors and members of the Huge Harvest Group as lessees covered by the 2014 Modified and Extended Waiver in relation to all Hotel Properties (including both the Initial Hotel Properties and other hotels properties acquired by New Century REIT from time to time, excluding the lease transactions under the (i) Hotel Lease and Management Agreements (as defined in the Offering Circular); and (ii) Kaifeng New Hotel Lease Agreement) for the three financial years ending 31 December 2016 (and subject to the then new annual caps and conditions), with details described in the 2014 Circular.

The REIT Manager had further applied for and on 1 June 2016, the SFC granted an approval for the 2016 Extended Waiver so that such waiver will expire on 31 December 2019.

**(b) Expiration of the 2016 Extended Waiver**

The 2016 Extended Waiver will expire on 31 December 2019. In accordance with the terms of the 2016 Extended Waiver, the 2016 Extended Waiver may be extended beyond 31 December 2019, and/or the terms and conditions of the 2016 Extended Waiver may be modified from time to time, provided that:

- (a) the approval of Independent Unitholders is obtained by way of an Ordinary Resolution 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 REIT 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 2016 Extended Waiver shall be, on each occasion of such extension, for a period which shall expire not later than the third full financial year-end date of New Century REIT after the date on which the approval in (a) above is obtained.

**(c) Extension and modification of the 2016 Extended Waiver**

The REIT Manager has applied to the SFC for an extension and modification of the 2016 Extended Waiver so that it applies for the three financial years ending 31 December 2022 (the “**2019 Extended and Modified Waiver**”) and such that it will be expanded to cover associates and associated companies of Huge Harvest. Accordingly, the 2019 Extended and Modified Waiver will cover the Relevant Lease Transactions, which are lease transactions entered into between New Century REIT Group and Huge Harvest, its direct and indirect subsidiaries, associates and associated companies (i.e. the Huge Harvest Group), which excludes the lease transactions under (i) the Hotel Lease and Management Agreement (as defined in the Offering Circular) and (ii) Kaifeng New Hotel Lease Agreement. As part of its submission, the REIT Manager has also proposed the New Annual Caps for the extended period.

The modification of the 2016 Extended Waiver is sought mainly for the following reasons: (i) in May 2017, Huge Harvest and its direct and indirect subsidiaries underwent certain reorganization and restructuring steps (“**Huge Harvest Reorganization**”). As a result, although there was no change in any lessees (including New Century Hotel Management and New Century Tourism) under the Relevant Lease Transactions, due to the Huge Harvest Reorganization, the relevant lessees (including New Century Hotel Management and New Century Tourism) are no longer subsidiaries of Huge Harvest; and (ii) the 2019 Extended and Modified Waiver would also allow more flexibility to New Century REIT Group, such that it may potentially lease certain areas of the Hotel Properties (currently leased to Independent Third Parties) to other members which form part of the Huge Harvest Group.

**(d) Annual Caps**

***Historical Transaction Amounts and the 2016 Extended Annual Caps***

The (i) historical transaction amounts in respect of the Relevant Lease Transactions for the financial years ended 31 December 2017 and 2018 and the three months ended 31 March 2019; and (ii) 2016 Extended Annual Caps are set out in the table below.

	Historical Transaction Amounts			2016 Extended Annual Caps		
	RMB million			RMB million		
	For the year ended 31 December 2017	For the year ended 31 December 2018	For the three months ended 31 March 2019	For the year ended 31 December 2017	For the year ended 31 December 2018	For the year ending 31 December 2019
Relevant Lease Transactions	10.7	8.5	2.2	17.7 <sup>(1)</sup>	18.2 <sup>(2)</sup>	18.8 <sup>(3)</sup>

*Notes:*

- (1) The utilization rate for the year ended 31 December 2017 under the 2016 Extended Annual Caps was approximately 60.4%.
- (2) The utilization rate for the year ended 31 December 2018 under the 2016 Extended Annual Caps was approximately 46.9%.
- (3) For illustration purposes, the annualized utilization rate calculated based on the three months ended 31 March 2019 under the 2016 Extended Annual Caps is approximately 46.2%.

As disclosed in the 2016 Circular, the annual caps for the Relevant Lease Transactions for the financial years ending 31 December 2017, 2018 and 2019 in respect of all Hotel Properties granted by the SFC were RMB17.7 million, RMB18.2 million and RMB18.8 million respectively. Such annual caps represented the estimated rental income based on the: (i) an annual increment of 3%; (ii) a buffer of 25% having taken into account (a) unforeseeable market fluctuations; (b) potential leasing of certain area of the Hotel Properties that are currently leased to Independent Third Parties of New Century REIT to members of Huge Harvest Group on normal commercial terms should such opportunities arise during the three financial years ending 31 December 2019 upon expiry or termination of the lease agreements with such Independent Third Parties; and (c) possibility of new Relevant Lease Transactions in future hotels acquired by New Century REIT; (iii) the then current rent of all existing leases with members of the Huge Harvest Group within a three-year lease term; and (iv) potential leasing by Huge Harvest Group of all or part of the 10% reduced area in Kaifeng Hotel and Shanghai Hotel.

### ***New Annual Caps***

The REIT Manager proposes the aggregate annual value payable to New Century REIT Group by the Huge Harvest Group in respect of the Relevant Lease Transactions for each of the three financial years ending 31 December 2022 is not to exceed the respective annual cap amounts as follows:

	<b>For the year ending 31 December 2020 <i>RMB million</i></b>	<b>For the year ending 31 December 2021 <i>RMB million</i></b>	<b>For the year ending 31 December 2022 <i>RMB million</i></b>
New Annual Caps	11.2	11.6	11.9

### ***Basis of the New Annual Caps***

The New Annual Caps have been determined after careful consideration with general reference to historical transaction amounts and based on anticipated aggregate value of such transactions in the waiver period, taking into account: (i) an annual increment of 3% taking the following into consideration: (x) the increment rate of all existing leases under the Relevant Lease Transactions (including leases entered into between members of New Century REIT Group as lessors and members of the Huge Harvest Group or Independent Third Parties as lessees); and (y) the forecast for inflation in the PRC for the three financial years ending 31 December 2022 as published by the International Monetary Fund in October 2018; (ii) a buffer of 25% having taken into account (a) unforeseeable market fluctuations; (b) potential leasing of certain area of the Hotel Properties that are currently leased to Independent Third Parties of New Century REIT to members of the Huge Harvest Group on normal commercial terms should such opportunities arise during the three financial years ending 31 December 2022 upon expiry or termination of the lease agreements with such Independent Third Parties; and (c) possibility of new Relevant Lease Transactions in future hotels acquired by New Century REIT; and (iii) the current rent of all existing leases with members of the Huge Harvest Group within a three-year lease term.

The New Annual Caps are lower than the 2016 Extended Annual Caps. This is primarily due to the following reasons: (i) the disposal of the Shanghai Hotel in 2017, which resulted in there being fewer potential lease transactions between the New Century REIT Group and the Huge Harvest Group (which would have amounted to an average annual transaction amount of approximately RMB3.7 million for the three years ending 31 December 2019); and (ii) the REIT manager not taking into consideration the potential leasing by the Huge Harvest Group of all or part of the 10% reduced area in Kaifeng Hotel pursuant to the Kaifeng New Hotel Lease Agreement (as further described in the 2016 Circular) (which would have amounted to an average annual transaction amount of approximately RMB3.9 million for the three years ending 31 December 2019).

**(e) 2019 Extended and Modified Waiver**

The Board therefore proposes: (a) to seek an extension and modification of the 2016 Extended Waiver so that it applies for the three financial years ending 31 December 2022 and such that it will be expanded to cover associates and associated companies of Huge Harvest; and (b) to approve the New Annual Caps for the extended period. The types of connected party transactions in respect of which the 2019 Extended and Modified Waiver are sought are the same as those referred to in the 2016 Circular.

The REIT Manager has applied to the SFC for the 2019 Extended and Modified Waiver. Details of the 2019 Extended and Modified Waiver (including the New Annual Caps) are more particularly set out in the Circular, which is expected to be despatched on or around 21 May 2019 together with the EGM Notice and the form of proxy for the EGM.

## **2. OPINION OF THE INDEPENDENT FINANCIAL ADVISER**

Somerley Capital Limited has been appointed as the Independent Financial Adviser by the REIT Manager to advise the Independent Board Committee, the Independent Unitholders and the Trustee on the 2019 Extended and Modified Waiver (including the New Annual Caps).

The Independent Financial Adviser confirms that, it is of the view that (i) the subsisting Relevant Lease Transactions as at the Latest Practicable Date are conducted in the ordinary and usual course of business of New Century REIT, consistent with the investment objectives and strategy of New Century REIT, at arm's length and on normal commercial terms, fair and reasonable so far as New Century REIT and the Independent Unitholders are concerned and in the interests of New Century REIT and the Independent Unitholders as a whole; and that (ii) the 2019 Extended and Modified Waiver and the New Annual Caps are fair and reasonable so far as New Century REIT and the Independent Unitholders are concerned and in the interests of New Century REIT and the Independent Unitholders as a whole.

The Independent Financial Adviser therefore advises the Independent Board Committee to recommend, and the Independent Financial Adviser itself recommends, the Independent Unitholders to vote in favour of the EGM Resolution to approve the 2019 Extended and Modified Waiver (including the New Annual Caps) at the EGM. Details of the Independent Financial Adviser's opinion, together with the principal factors taken into consideration, and assumptions and qualifications in arriving at such opinion are set out in the "Letter from the Independent Financial Adviser" in the Circular.

### **3. OPINION OF THE INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee has been established by the Board to advise the Independent Unitholders on the 2019 Extended and Modified Waiver (including the New Annual Caps). Your attention is drawn to the “Letter from the Independent Board Committee”, which is set out in the Circular, which contains the Independent Board Committee’s recommendation to the Independent Unitholders. Having taken into account the opinion of the Independent Financial Adviser, together with the principal factors taken into consideration, and assumptions and qualifications in arriving at such opinion and also the Independent Financial Adviser’s recommendation, the Independent Board Committee considers that (i) the subsisting Relevant Lease Transactions as at the Latest Practicable Date are conducted in the ordinary and usual course of business of New Century REIT, consistent with the investment objectives and strategy of New Century REIT, at arm’s length and on normal commercial terms, fair and reasonable as far as New Century REIT and the Independent Unitholders are concerned and in the interests of New Century REIT and the Independent Unitholders as a whole; and that (ii) the 2019 Extended and Modified Waiver and the New Annual Caps are fair and reasonable so far as New Century REIT and the Independent Unitholders are concerned and in the interests of New Century REIT and the Independent Unitholders as a whole.

The Independent Board Committee therefore recommends that the Independent Unitholders vote in favour of the EGM Resolution to approve the 2019 Extended and Modified Waiver (including the New Annual Caps) at the EGM. Details of the Independent Board Committee’s recommendation are set out in the “Letter from the Independent Board Committee” in the Circular.

### **4. OPINION OF THE INDEPENDENT PROPERTY VALUER**

Savills Valuation and Professional Services Limited, appointed by the REIT Manager as the Independent Property Valuer, has confirmed that in its opinion, the subsisting Relevant Lease Transactions including the rental rates are at arm’s length, on normal commercial terms and consistent with normal business practice for contracts of the relevant type and at the prevailing market level when the parties entered into the contracts.

### **5. RECOMMENDATIONS AND VIEWS**

#### **The Board**

Having regard to the reasons for, terms of, factors and other information taken into consideration in relation to the 2019 Extended and Modified Waiver (including the New Annual Caps), the Directors (including all the Independent Non-executive Directors) confirm that:

- (i) the 2019 Extended and Modified Waiver and the New Annual Caps (including the basis of the New Annual Caps) are fair and reasonable so far as New Century REIT and the Independent Unitholders are concerned and in the interests of New Century REIT and the Independent Unitholders as a whole;

- (ii) the subsisting Relevant Lease Transactions as at the Latest Practicable Date are conducted in the ordinary and usual course of business of New Century REIT, consistent with the investment objectives and strategy of New Century REIT, at arm's length and on normal commercial terms, fair and reasonable so far as New Century REIT and the Independent Unitholders are concerned and in the interests of New Century REIT and the Independent Unitholders as a whole; and
- (iii) each of the Relevant Lease Transactions under the 2019 Extended and Modified Waiver (including the New Annual Caps) to be entered into for the three financial years ending 31 December 2022 after the Latest Practicable Date will be entered into: (a) in the ordinary and usual course of business of New Century REIT; and (b) on terms which are normal commercial terms at arm's length and are fair and reasonable as far as New Century REIT and the Independent Unitholders are concerned and in the interests of New Century REIT and the Independent Unitholders as a whole.

The Board therefore recommends that the Independent Unitholders to vote at the EGM in favour of the EGM Resolution to approve the 2019 Extended and Modified Waiver (including the New Annual Caps).

### **Trustee**

The Independent Financial Adviser has been appointed by the REIT Manager to advise the Independent Board Committee, the Independent Unitholders and the Trustee on the 2019 Extended and Modified Waiver (including the New Annual Caps). Details of the Independent Financial Adviser's opinion, together with the principal factors taken into consideration, and assumptions and qualifications in arriving at such opinion and also the Independent Financial Adviser's recommendation, are set out in the "Letter from the Independent Financial Adviser" in the Circular. Further, the Independent Board Committee has been appointed to advise the Independent Unitholders on the 2019 Extended and Modified Waiver (including the New Annual Caps) and its advice is set out in the "Letter from the Independent Board Committee" in the Circular.

Based and in sole reliance on: (1) the recommendations and views of the Board in the Circular and the information and assurances provided by the REIT Manager; (2) the Letter from the Independent Financial Adviser; and (3) the Letter from the Independent Board Committee, the Trustee, having taken into account its duties set out in the Trust Deed and the REIT Code, is of the view that: (a) the 2019 Extended and Modified Waiver (including the New Annual Caps) and the subsisting Relevant Lease Transactions as at the Latest Practicable Date are fair and reasonable so far as New Century REIT and the Independent Unitholders are concerned and in the interests of New Century REIT and the Independent Unitholders as a whole; and (b) based on the foregoing matters, it has no objection, subject to the approval of the Independent Unitholders, for the REIT Manager to proceed with the 2019 Extended and Modified Waiver (including the New Annual Caps). This view is being furnished for the sole purpose of complying with 10.10(o) of the REIT Code, and is not to be taken as a recommendation or representation by the Trustee of the merits of the 2019 Extended and Modified Waiver (including the New Annual Caps).



The Trustee has not made any assessment of the merits or impact of the 2019 Extended and Modified Waiver (including the New Annual Caps), other than for the purposes of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code. Accordingly, Unitholders who are in any doubt as to the merits or impact of the 2019 Extended and Modified Waiver (including the New Annual Caps) should seek their own financial or other professional advice.

## **6. IMPLICATIONS UNDER THE REIT CODE AND APPROVALS REQUIRED**

According to the 2016 Circular and subject to the waiver conditions as set out in the poll results announcement of New Century REIT dated 1 June 2016, the 2016 Extended Waiver covers all Relevant Lease Transactions which may from time to time be entered into between members of New Century REIT Group and members of the Huge Harvest Group (as defined in the 2016 Circular) in relation to all Hotel Properties owned by New Century REIT from time to time for the three financial years ending 31 December 2019.

Huge Harvest is a Significant Holder (that is, a holder of 10% or more of the outstanding Units) of New Century REIT, which is beneficially owned as to 83.90% by Mr. Chen Miaolin, and is therefore a connected person of New Century REIT. Members of the Huge Harvest Group (which includes associates and associated companies of the Huge Harvest) are therefore also connected persons of New Century REIT. The Relevant Lease Transactions under the 2016 Extended Waiver (and if approved at the EGM, the 2019 Extended and Modified Waiver) constitute connected party transactions under 8.5 of the REIT Code.

Pursuant to the 2016 Extended Waiver, the REIT Manager is required to issue an announcement and to issue a circular and notice to Unitholders in accordance with Chapter 10 of the REIT Code to seek the Independent Unitholders' approval to modify and further extend the 2016 Extended Waiver beyond 31 December 2019.

Accordingly, the REIT Manager intends to seek the Independent Unitholders' approval for the 2019 Extended and Modified Waiver (including the New Annual Caps).

Under paragraph 3.4 of Schedule 1 to the Trust Deed, a resolution put to the meeting of Unitholders shall be decided on a poll and the result of the poll shall be deemed to be the resolution of the meeting. Accordingly, the proposed Ordinary Resolution will be decided on a poll at the EGM and the result of the poll shall be deemed to be the resolution of the meeting.

## **7. RESTRICTIONS ON VOTING**

8.11 of the REIT Code requires that where a Unitholder has a material interest in the transaction tabled for approval, and that interest is different from that of all other Unitholders, such Unitholder shall abstain from voting at the general meeting.

Under paragraph 3.2 of Schedule 1 to the Trust Deed, where a Unitholder has a material interest in the transaction tabled for approval at a meeting of Unitholders, and that interest is different from the interests of other Unitholders, such Unitholder shall be prohibited from voting his/her/its Units at, or being counted in the quorum for, such meeting.

Pursuant to the REIT Code and the Trust Deed, by virtue of Huge Harvest's and Mr. Jin Wenjie's (being the chairman and non-executive Director of the REIT Manager and the chairman and executive director of New Century Hotel Management) material interest or deemed material interest in the 2019 Extended and Modified Waiver, Huge Harvest and Mr. Jin Wenjie shall abstain from voting their Units at, or being counted in the quorum for, the EGM. Huge Harvest and Mr. Jin Wenjie have agreed that they will abstain, and will procure that their associates and associated companies (as applicable) abstain, from voting at the EGM on the EGM Resolution to approve the 2019 Extended and Modified Waiver (including the New Annual Caps) except pursuant to a proxy given by the Independent Unitholders where a specific direction as to voting is given.

So far as the REIT Manager is aware, as at the Latest Practicable Date, Huge Harvest and Mr. Jin Wenjie were interested or deemed to be interested in 578,780,062 Units and 1,679,000 Units respectively, representing 60.14% and 0.17% of the Units in issue respectively.

As at the Latest Practicable Date, to the best of the REIT Manager's knowledge, information and belief after having made all reasonable enquiries, the REIT Manager is of the view that, save as disclosed, no other Unitholder is required to abstain from voting in respect of the EGM Resolution.

Other than Mr. Jin Wenjie being an executive director and chairman of New Century Hotel Management and Mr. Zhang Guanming being a non-executive Director and being a beneficial owner of Huge Harvest, no other Directors have a material interest in the 2019 Extended and Modified Waiver. Mr. Jin Wenjie and Mr. Zhang Guanming have abstained from voting on the board resolutions approving the same.

## **8. CIRCULAR AND EGM NOTICE**

The Circular will be despatched together with the EGM Notice and the form of proxy for the EGM to the Unitholders on or around 21 May 2019. The Circular contains the information necessary to enable the Unitholders to make an informed decision on whether to vote for or against the EGM Resolution, including without limitation, the waiver conditions of the 2019 Extended and Modified Waiver, if the 2019 Extended and Modified Waiver is approved by the Independent Unitholders at the EGM.

The EGM will be held at Portion 2, 12/F The Center, 99 Queen's Road Central, Central, Hong Kong (Conference Room 2-4) on Wednesday, 5 June 2019 at 3:30 p.m.. Unitholders' attention is drawn to the "Notice of Extraordinary General Meeting" set out in the Circular, which contains the full text of the proposed EGM Resolution in relation to the approval of the 2019 Extended and Modified Waiver (including the New Annual Caps).

## 9. CLOSURE OF REGISTER OF UNITHOLDERS

In connection with the EGM, the register of Unitholders will be closed from Friday, 31 May 2019 to Wednesday, 5 June 2019 (both days inclusive), during which period no transfer of Units will be effected, in order to determine which Unitholders will qualify to attend and vote at the EGM. For those Unitholders who are not already on the register of Unitholders, in order to qualify for attending the EGM (or at any adjournment thereof), all Unit certificates accompanied by the duly completed transfer forms must be lodged with the unit registrar of New Century REIT, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 30 May 2019.

### DEFINITIONS

“2013 Waiver”	means the waiver granted by the SFC to New Century REIT in June 2013 in relation to the leasing of certain areas in New Century Grand Hotel Hangzhou and New Century Hotel Xiaoshan Zhejiang by members of the Huge Harvest Group as lessees on the one hand and Zhejiang New Century Hotel and Xiaoshan Hotel Company (as the case may be) as lessors on the other hand
“2014 Circular”	means the circular dated 30 June 2014 issued by New Century REIT to the Unitholders, in relation to, among other things, the 2014 Modified and Extended Waiver
“2014 Modified and Extended Waiver”	means the modified and extended waiver for the Relevant Lease Transactions
“2016 Circular”	means the circular dated 17 May 2016 issued by New Century REIT to the Unitholders, in relation to, among other things, the 2016 Extended Waiver
“2016 Extended Annual Cap”	means the extended annual caps for the Relevant Lease Transactions for the three financial year ending 31 December 2019 as described in the 2016 Circular
“2016 Extended Waiver”	means the extended 2014 Modified and Extended Waiver for the Relevant Lease Transactions for the three financial years ending 31 December 2019 as described in the 2016 Circular
“2019 Extended and Modified Waiver”	means the proposed extension and modification of the 2016 Extended Waiver for the Relevant Lease Transactions for the three financial years ending 31 December 2022 as described in this announcement
“associate(s)”	has the meaning ascribed thereto in the REIT Code

“associated companies”	has the meaning ascribed thereto in the REIT Code
“Board”	means the board of Directors of the REIT Manager
“Business Day”	means a day (excluding, Saturdays, Sundays and public holidays) on which commercial banks are open for business in Hong Kong and the Stock Exchange is open for trading
“Circular”	means the circular to be despatched to the Unitholders in respect of the (1) proposed extension and modification of modified and extended waiver in respect of certain continuing connected party transactions; and (2) extraordinary general meeting and closure of register of Unitholders
“connected person(s)”	has the same meaning ascribed thereto under Chapter 8 of the REIT Code
“Directors”	means the directors of the REIT Manager, and each a “Director”
“EGM”	means the extraordinary general meeting of Unitholders convened by and referred to in the EGM Notice
“EGM Notice”	means the notice included in the Circular in respect of the EGM to consider and, if thought fit, approve the 2019 Extended and Modified Waiver (including the New Annual Caps)
“EGM Resolution”	means the Ordinary Resolution to be passed at the EGM, as set out in the EGM Notice and explained in the Circular
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Hotel Properties”	means the hotel properties owned by New Century REIT from time to time, currently being the Initial Hotel Properties, the Kaifeng Hotel and the Netherlands Hotel
“Huge Harvest”	means Huge Harvest International Limited (浩豐國際有限公司), a company incorporated in the British Virgin Islands on 11 January 2008, with 83.90%, 9.29% and 6.81% of its issued shares beneficially owned by Mr. Chen Miaolin, Mr. Chen Canrong and Mr. Zhang Guanming, respectively

“Huge Harvest Group”	means Huge Harvest, its direct and indirect subsidiaries, associates and associated companies
“Independent Board Committee”	means the independent board committee of the Board (comprising Mr. Angelini Giovanni, Mr. Yu Hon To David, and Professor He Jianmin, all of whom are Independent Non-executive Directors) which has been established to advise the Independent Unitholders on the 2019 Extended and Modified Waiver (including the New Annual Caps)
“Independent Financial Adviser”	means Somerley Capital Limited, a licensed corporation which is permitted to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Independent Non-executive Directors”	means the independent non-executive Directors of the REIT Manager as at the date of this announcement
“Independent Property Valuer”	means Savills Valuation and Professional Services Limited, the Principal Valuer engaged by New Century REIT for the three financial years ended 31 December 2018 as required under the REIT Code
“Independent Third Party(ies)”	means a third party independent of New Century REIT and not a connected person of New Century REIT
“Independent Unitholder(s)”	means Unitholder(s) other than those who have a material interest in the EGM Resolution
“Initial Hotel Properties”	means 杭州開元名都大酒店 (New Century Grand Hotel Hangzhou*), 浙江開元蕭山賓館 (New Century Hotel Xiaoshan Zhejiang*), 杭州千島湖開元度假村 (New Century Resort Qiandao Lake Hangzhou*), 寧波開元名都大酒店 (New Century Grand Hotel Ningbo*) and 長春開元名都大酒店 (New Century Grand Hotel Changchun*)
“Kaifeng Hotel”	means 開封開元名都大酒店 (New Century Grand Hotel Kaifeng*)
“Kaifeng New Hotel Lease Agreement”	has the meaning ascribed to “New Hotel Lease Agreement” as defined in the circular of New Century REIT dated 30 June 2015
“Latest Practicable Date”	means 17 May 2019 being the latest practicable date of ascertaining certain information contained in this announcement prior to its publication

“Listing Date”	means 10 July 2013, being the date on which the Units were first listed and from which dealings of the Units were permitted to take place on the Stock Exchange
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Master Hotel Lease and Management Agreement”	means the framework agreement between Zhejiang New Century Hotel, New Century Hotel Management, New Century Tourism and the REIT Manager dated 14 June 2013, which sets out the general guidelines and principles for the lease and management of the Initial Hotel Properties under the separate hotel lease and management agreements for each Initial Hotel Property
“Netherlands Hotel”	means Holiday Inn Eindhoven
“New Annual Caps”	means the proposed new annual caps for the Relevant Lease Transactions for the three financial years ending 31 December 2022
“New Century Grand Hotel Hangzhou”	means 杭州開元名都大酒店 (New Century Grand Hotel Hangzhou*), a hotel located in No. 818 Middle Shixin Road, Xiaoshan District, Hangzhou, Zhejiang Province, the PRC and is 100% directly held by Zhejiang New Century Hotel
“New Century Hotel Management”	means 浙江開元酒店管理股份有限公司 (Zhejiang New Century Hotel Management Co., Ltd.*), a company incorporated in the PRC and listed on the Main Board of the Stock Exchange (stock code: 1158), which is directly held by New Century Tourism as to 44.9%, which is in turn indirectly owned as to 85.2%, 8.5% and 6.3% by Mr. Chen Miaolin, Mr. Chen Canrong and Mr. Zhang Guanming respectively, and a member company of the Huge Harvest Group. New Century Hotel Management is the lessee and the hotel manager of the Initial Hotel Properties under the Master Hotel Lease and Management Agreement
“New Century Hotel Xiaoshan Zhejiang”	means 浙江開元蕭山賓館 (New Century Hotel Xiaoshan Zhejiang*), a hotel located in No. 77, Renmin Road, Xiaoshan District, Hangzhou, Zhejiang Province, the PRC and is 100% directly held by Xiaoshan Hotel Company
“New Century REIT”	means New Century Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO

“New Century REIT Group”	means New Century REIT and other companies or entities held or controlled by New Century REIT
“New Century Tourism”	means 開元旅業集團有限公司 (New Century Tourism Group Limited*), a limited liability company incorporated under the laws of the PRC
“Offering Circular”	means the offering circular dated 24 June 2013 and as supplemented on 29 June 2013, issued in connection with the initial public offering and listing of the Units on the Main Board of the Stock Exchange
“Ordinary Resolution(s)”	means a resolution or resolutions (as the context requires) passed at a meeting of Unitholders duly convened and held in accordance with the provisions contained in the Trust Deed and carried by a simple majority of the votes of those Unitholders present and entitled to vote in person or by proxy
“PRC”	means the People’s Republic of China excluding, for the purposes of this announcement only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Principal Valuer”	has the meaning ascribed to it under the REIT Code
“REIT Code”	means the Code on Real Estate Investment Trusts published by the SFC as amended, supplemented or otherwise modified for the time being or, for the purpose of the Trust Deed, from time to time, including but not limited to by published practice statements or in any particular case, by specific written guidance issued or exemptions or waivers granted by the SFC
“REIT Manager”	means New Century Asset Management Limited (開元資產管理有限公司), manager of New Century REIT
“Relevant Lease Transactions”	means the lease transactions between members of New Century REIT Group as lessors and members of the Huge Harvest Group as lessees which excludes the lease transactions under the (i) Hotel Lease and Management Agreements (as defined in the Offering Circular); and (ii) Kaifeng New Hotel Lease Agreement

“RMB”	means Renminbi, the lawful currency of the PRC
“SFC”	means the Securities and Futures Commission of Hong Kong
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified and the rules thereunder
“Shanghai Hotel”	means 上海松江開元名都大酒店 (Songjiang New Century Grand Hotel Shanghai*), which was disposed by New Century REIT Group with effect from 1 June 2017
“Significant Holder”	has the meaning ascribed to it in the REIT Code
“sqm”	means square metre
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“Trust Deed”	means the trust deed constituting New Century REIT dated 10 June 2013, entered into between the Trustee and the REIT Manager, as amended by the Supplemental Trust Deed dated 20 June 2013 and Second Supplemental Trust Deed dated 15 June 2015 (as may be further amended and supplemented from time to time)
“Trustee”	means DB Trustees (Hong Kong) Limited, in its capacity as trustee of New Century REIT
“Unit(s)”	means units of New Century REIT
“Unitholder(s)”	means any person registered as holding a Unit (other than HKSCC Nominees Limited) and any person holding Units through the Central Clearing and Settlement System
“Xiaoshan Hotel Company”	means 浙江銳至投資股份有限公司 (previously known as 浙江蕭山賓館股份有限公司) (Zhejiang Spearhead Investments Limited*), a joint stock company (non-listed) incorporated in the PRC on 8 September 1994, which is approximately 95.46% owned by Zhejiang New Century Hotel, and approximately 4.54% owned by 29 Independent Third Parties



“Zhejiang New Century Hotel” means 浙江開元酒店投資管理集團有限公司 (Zhejiang New Century Hotel Investment & Management Group Limited\*), a company incorporated in the PRC on 30 November 2001

*The English translation of company names in Chinese or another language which are marked with “\*” and the Chinese translation of company names in English which are marked with “\*” are for identification purposes only.*

By order of the Board  
**New Century Asset Management Limited**  
**as manager of New Century Real Estate Investment Trust**  
**Mr. Jin Wenjie**  
*Chairman*

Hong Kong, 20 May 2019

*As at the date of this announcement, the executive Director of the REIT Manager is Mr. Cheung Yat Ming, the non-executive Directors of the REIT Manager are Mr. Jin Wenjie, Mr. Zhang Guanming, Mr. Tong JinQuan and the Independent non-executive Directors of the REIT Manager are Mr. Angelini Giovanni, Mr. Yu Hon To David and Professor He Jianmin.*