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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

PAYMENT OF MANAGER'S FEE TO
NEW CENTURY ASSET MANAGEMENT LIMITED
BY WAY OF UNITS

Reference is made to the Announcement whereby the REIT Manager notified the Trustee in writing of its election for the Base Fee and the Variable Fee for the year ending 31 December 2020 to be paid to the REIT Manager wholly in the form of Units.

The Board announces that on 25 September 2020, 10,261,304 new Units have been issued to the REIT Manager at the price of HK\$1.1050 per Unit (being the Prevailing Market Price) as payment of the Manager's Fee of RMB9,921,399 (equivalent to HK\$11,338,741) (including a Base Fee of RMB6,795,364 (equivalent to HK\$7,766,130) and a Variable Fee of RMB3,126,035 (equivalent to HK\$3,572,611)) for the period from 1 January 2020 to 30 June 2020.

The REIT Manager held 41,101,333 Units of New Century REIT before payment of this Manager's Fee. Immediately after the issuance of the new Units as payment of the Manager's Fee, the REIT Manager holds 51,362,637 Units, representing approximately 5.20% of the 988,009,137 Units in issue.

This announcement is made pursuant to paragraph 10.4(k) of the Code on Real Estate Investment Trusts (the "**REIT Code**").

PAYMENT OF MANAGER'S FEE FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

Pursuant to the trust deed dated 10 June 2013 and as supplemented on 20 June 2013 and 15 June 2015 (the “**Trust Deed**”) constituting New Century Real Estate Investment Trust (“**New Century REIT**”), New Century Asset Management Limited (the “**REIT Manager**”), manager of New Century REIT, is entitled to receive, among others, the following fees:

- (i) a base fee (the “**Base Fee**”) not exceeding 0.3% (and being 0.3% as at the date of the Trust Deed) per annum of the value of the Deposited Property (as defined in the Trust Deed) of New Century REIT; and
- (ii) a variable fee (the “**Variable Fee**”, together with the Base Fee, the “**Manager's Fee**”) of 4% per annum of the Net Property Income (as defined in the Trust Deed) (before deduction therefrom of the Variable Fee) of real estates held by New Century REIT.

Reference is made to the announcement of New Century REIT dated 30 December 2019 (the “**Announcement**”), pursuant to which the REIT Manager notified the Trustee in writing on 30 December 2019 of its election for the Manager's Fee for the year ending 31 December 2020 to be paid to the REIT Manager wholly in the form of units of New Century REIT (the “**Units**”).

The board of directors of the REIT Manager (the “**Board**”) announces that on 25 September 2020, 10,261,304 new Units have been issued to the REIT Manager as payment of the Manager's Fee of RMB9,921,399 (equivalent to HK\$11,338,741) (including a Base Fee of RMB6,795,364 (equivalent to HK\$7,766,130) and a Variable Fee of RMB3,126,035 (equivalent to HK\$3,572,611)) for the period from 1 January 2020 to 30 June 2020. The REIT Manager held 41,101,333 Units before the issuance of new Units as payment of this Manager's Fee. Immediately after the issuance of the new Units as payment of the Manager's Fee, the REIT Manager holds 51,362,637 Units, representing approximately 5.20% of the 988,009,137 Units in issue.

In accordance with the Trust Deed, the number of Units issued to the REIT Manager as payment of the Manager's Fee shall be such number of Units as may be purchased for the relevant amount of the Manager's Fee at the price of HK\$1.1050 per Unit (being the prevailing market price as defined under the Trust Deed (the “**Prevailing Market Price**”), rounded down to the nearest whole number. The Prevailing Market Price shall, according to the Trust Deed, be determined by the REIT Manager as the volume weighted average closing price of the Units for all trades in Units on The Stock Exchange of Hong Kong Limited for the period of 10 trading days immediately preceding the date the relevant new Units are issued to the REIT Manager.

The Units are denominated in Hong Kong dollars. The exchange rate adopted by the REIT Manager to calculate the amount of Units issued by New Century REIT for the payment of the Manager's Fee (which is denominated in Renminbi) is the average closing exchange rate, as announced by the People's Bank of China, for the five business days immediately preceding the date of the relevant new Units are issued to the REIT Manager.

WAIVER OF REQUIREMENTS FOR UNITHOLDERS' APPROVAL

The payment of the Manager's Fee by way of Units is in accordance with the terms of the Trust Deed and does not require specific prior approval of the Unitholders pursuant to a waiver granted by the Securities and Futures Commission (the "SFC") as disclosed in the offering circular of New Century REIT dated 24 June 2013 and as supplemented on 29 June 2013 (the "Offering Circular") (the "Waiver").

As disclosed in the Offering Circular, the Waiver was granted by the SFC subject to the following conditions:

- (i) the number of Units issued to the REIT Manager by way of payment of the Manager's Fee for each financial year will be counted as part of the 20% (or such lower percentage as permitted by the REIT Code from time to time) of outstanding Units that the REIT Manager may issue in each financial year without Unitholders' approval pursuant to paragraph 12.2 of the REIT Code;
- (ii) in respect of each financial year, the maximum number of Units that may be issued to the REIT Manager as payment of all or part of the Manager's Fee for that financial year shall in aggregate be limited to such number of Units which represents 3% of the total number of Units outstanding as at the last day of the immediately preceding financial year plus the number of Units (if any) issued in the relevant financial year for the purpose of financing any acquisition of real estate by New Century REIT;
- (iii) any issuance of Units to the REIT Manager as payment of all or part of the Manager's Fee shall be made strictly in accordance with the requirements of the Trust Deed; and
- (iv) in the event that any payment of all or part of the Manager's Fee in the form of Units exceeds the relevant thresholds set out in paragraph 12.2 of the REIT Code and condition (ii) above, and Unitholders' approval is not obtained for the issue of Units for such purpose, then payment of that excess part of the Manager's Fee will be made by New Century REIT to the REIT Manager in cash.

The 10,261,304 Units issued to the REIT Manager as payment of the Manager's Fee for the period from 1 January 2020 to 30 June 2020, represented 1.06% of the Units then in issue as at 31 December 2019 (being 971,128,484 Units), which is less than the 3% limit stipulated by condition (ii) of the Waiver set out above. No Units were issued for the period from 1 January 2020 to 30 June 2020 for the purpose of financing any acquisition of real estate by New Century REIT.

PUBLIC FLOAT

Immediately before the payment of the 10,261,304 Units issued to the REIT Manager as payment of the Manager's Fee for the period from 1 January 2020 to 30 June 2020 ("**Payment of Manager's Fee**"), 247,510,336 Units, representing approximately 25.31% of the total number of Units in issue, were held by the public. Immediately after the Payment of Manager's Fee, 247,510,336 Units, representing approximately 25.05% of the total number of Units in issue, were held by the public. Accordingly, New Century REIT has maintained the minimum public float requirement of 25% after the Payment of Manager's Fee.

The unitholding structure of New Century REIT immediately before and after the Payment of Manager's Fees for the period from 1 January 2020 to 30 June 2020 is as follows:

	Immediately before Payment of Manager's Fee		Immediately after Payment of Manager's Fee	
	<i>Number of Units held</i>	<i>Approximate % of unitholding</i>	<i>Number of Units held</i>	<i>Approximate % of unitholding</i>
Huge Harvest International Limited	547,551,164	56.00	547,551,164	55.42
The REIT Manager	41,101,333	4.20	51,362,637	5.20
Skyline Horizon Consortium Ltd	139,450,000	14.27	139,450,000	14.11
Mr. Jin Wenjie ¹	1,679,000	0.17	1,679,000	0.17
Ms. Ho Wai Chu ²	456,000	0.05	456,000	0.05
Subtotal	730,237,497	74.69	740,498,801	74.95
Public Unitholders	247,510,336	25.31	247,510,336	25.05
Total	<u>977,747,833</u>	<u>100.00</u>	<u>988,009,137</u>	<u>100.00</u>

Note 1: Mr. Jin Wenjie is the chairman and a non-executive Director of the REIT Manager.

Note 2: Ms. Ho Wai Chu is the executive Director and Chief Executive Officer of the REIT Manager.

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

Hong Kong, 25 September 2020

As at the date of this announcement, the executive Director of the REIT Manager is Ms. Ho Wai Chu, the non-executive Directors of the REIT Manager are Mr. Jin Wenjie, Mr. Zhang Guanming, and the independent non-executive Directors of the REIT Manager are Mr. Angelini Giovanni, Mr. Yu Hon To David and Professor He Jianmin.