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(Incorporated in Hong Kong with limited liability)
(Stock Code: 00123)

PROPOSED ISSUANCE BY A SUBSIDIARY OF GUARANTEED CORPORATE BONDS IN THE PRC

This is a voluntary announcement made by Yuexiu Property Company Limited (越秀地產股份有限公司) (the "**Company**").

PROPOSED ISSUANCE OF CORPORATE BONDS

The board of directors of the Company (the "**Board**") is pleased to announce that an application has been made by Guangzhou City Construction & Development Co. Ltd. (廣州市城市建設開發有限公司) (the "**Issuer**"), a 95%-owned subsidiary (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) of the Company, to the Shanghai Stock Exchange (上海證券交易所) (the "**SSE**") in respect of the proposed public issue of the guaranteed interest-bearing bonds with an aggregate principal amount of up to RMB8,000,000,000 (the "**Corporate Bonds**"). The Issuer is principally engaged in the development, operation, leasing and management of properties in the People's Republic of China (the "**PRC**") (including the operation and management of certain projects and project companies of the Group from which it is entitled to derive return and benefits pursuant to various intra-group arrangements and whose financial performance are consolidated into those of the Issuer).

The Corporate Bonds are proposed to be issued to qualified investors in the PRC and, upon issuance, to be listed on the SSE. The Issuer's payment obligations in respect of the Corporate Bonds to be issued are guaranteed by Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團有限公司), the ultimate controlling shareholder (as defined in the Listing Rules) of the Company.

Each of the Company and the Corporate Bonds has received a credit rating of "AAA" from a credit rating agency, China Chengxin Securities Rating Company Limited* (中誠信證券評估有限公司).

The Corporate Bonds will be placed and underwritten (if necessary) by Guangzhou Securities Co., Ltd.* (廣州證券股份有限公司) ("**GZ Securities**") and Jiuzhou Securities Co., Ltd.* (九州證券股份有限公司) ("**Jiuzhou Securities**") (collectively, the "**Joint Lead Underwriters**"). The Company will commence marketing of the Corporate Bonds after approvals from the China Securities and Regulatory Commission (the "**CSRC**") and the SSE in respect of the proposed issue of the Corporate Bonds have been obtained, depending on the market conditions, and will determine the coupon rate of the Corporate Bonds after book-building.

Further information, including but not limited to a draft offering circular in relation to the Corporate Bonds, has been published on the website of the SSE (www.sse.com.cn).

REASONS FOR AND BENEFITS OF THE PROPOSED ISSUANCE OF THE CORPORATE BONDS

The Board is of the view that the issuance of the Corporate Bonds will diversify the portfolio of financial instruments of the Company and its subsidiaries (collectively, the "**Group**"), and will effectively reduce the financing costs and optimise the debt structure of the Group and have a positive impact on the operations of the Group as a whole.

FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) in respect of the issuance and listing of the Corporate Bonds as and when appropriate in compliance with Listing Rules.

As the proposed issuance of the Corporate Bonds is subject to a number of conditions, including but not limited to approvals of the CSRC, the SSE and any other relevant governmental or regulatory authorities, it may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

By Order of the Board
Yuexiu Property Company Limited
Yu Tat Fung
Company Secretary

Hong Kong, 9 May 2016

As at the date of this announcement, the Board comprises:

Executive Directors: *ZHANG Zhaoxing (Chairman), ZHU Chunxiu, LIN Zhaoyuan,
LI Feng, OU Junming and OU Shao*

*Independent Non-
executive Directors:*

*YU Lup Fat Joseph, LEE Ka Lun and LAU Hon Chuen
Ambrose*

** For identification purpose only*