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越秀地產股份有限公司
YUEXIU PROPERTY COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00123)

ANNOUNCEMENT

**(1) OFFER TO REPURCHASE FOR CASH
BY YUEXIU PROPERTY COMPANY LIMITED**

ANY AND ALL OF ITS

US\$350,000,000 3.25% NOTES DUE 2018 (ISIN: XS0878082899) (stock code: 4596)

UNDER ITS US\$2,000,000,000 MEDIUM TERM NOTE PROGRAMME

AND

(2) CONSENT SOLICITATION

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the provisions under Part XIVA of the SFO.

OFFER AND CONSENT SOLICITATION

The Company announces an invitation to Noteholders of the 2018 Notes to offer to tender any and all of their 2018 Notes for repurchase for cash by the Company. The 2018 Notes repurchased by the Company pursuant to the Offer will be cancelled. The Company also concurrently invites the Noteholders to approve certain proposed amendments to the terms and conditions of the 2018 Notes and the Trust Deed to provide the Company with the option to redeem all, but not some only, of the 2018 Notes remaining outstanding (if any) following completion of the Offer.

The Company will determine, in its sole discretion, the Repurchase Price payable by it for repurchase pursuant to Offer, as calculated using the Repurchase Spread determined pursuant to a Modified Dutch Auction Procedure. Noteholders may participate in the Offer and/or the Consent Solicitation by submitting valid Electronic Instructions in favour of the Proposal and in the form of either a Competitive Offer or a Non-Competitive Offer on or prior to the Expiration Time.

The Company has appointed DBS Bank Ltd. as Sole Structuring Adviser and CHB and DBS Bank Ltd. as Joint Dealer Managers, and D.F. King Ltd. as Tender and Tabulation Agent in relation to the Offer and Consent Solicitation. Noteholders include CHB, a connected person of the Company. As of the Commencement Date, CHB holds 2018 Notes with an outstanding principal amount of US\$30,000,000. Such 2018 Notes may be repurchased by the Company for up to an aggregate amount of US\$30,467,633.14 (equivalent to approximately HK\$237,038,185.83), which amount is equivalent to the sum of: (i) the aggregate Repurchase Price (calculated based on the Minimum Repurchase Spread and the Reference U.S. Treasury Security Rate as of 5:00 p.m. (Hong Kong time) on 14 July 2016 and assuming the Settlement Date occurs on 12 August 2016); and (ii) accrued interest on the 2018 Notes, but excludes any Consent Fee. CHB has irrevocably undertaken to the Company that to the extent it wishes to tender any 2018 Notes held by it pursuant to the Offer, it shall submit the relevant CHB Electronic Instructions on the day on which it receives the Custodian Notice from its direct custodian, provided that if the Custodian Notice is received by CHB after Hong Kong business hours, it shall submit the CHB Electronic Instructions on the next following Hong Kong business day. Each CHB Electronic Instruction shall be submitted as a Non-Competitive Offer pursuant to the Offer.

LISTING RULES IMPLICATIONS

In connection with the Offer and Consent Solicitation, the Company has appointed CHB to act as one of the Joint Dealer Managers pursuant to the Dealer Manager Agreement. CHB shall be entitled to a fee up to HK\$1,400,000 in acting as a Joint Dealer Manager pursuant to the Dealer Manager Agreement. The transactions with CHB contemplated under the Offer and Consent Solicitation and the Company's engagement of CHB as a Joint Dealer Manager pursuant to the Dealer Manager Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio as calculated in accordance with Chapter 14 of the Listing Rules using the aggregate sum of the Maximum CHB Repurchase Price, the Maximum CHB Consent Fee and the Maximum CHB Service Fee is more than 0.1% but less than 5.0%, the transactions with CHB contemplated under the Offer and Consent Solicitation and the Company's engagement of CHB as a Joint Dealer Manager pursuant to the Dealer Manager Agreement is subject to the reporting, annual review and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

OTHER INFORMATION

The Offer and Consent Solicitation is being made upon the terms and subject to the conditions set forth in the Memorandum. Noteholders should refer to the full terms and conditions of the Offer and Consent Solicitation set out in the Memorandum.

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the provisions under Part XIVA of the SFO.

BACKGROUND

Reference is made to the announcements of the Company dated 11 January 2013 and 17 January 2013 in relation to the establishment of the Programme and the issuance of US\$350,000,000 3.25% Notes due 2018 by the Company under the Programme and listed on the Stock Exchange (ISIN: XS0878082899) (stock code: 4596) (the "**2018 Notes**").

The Company now intends to invite Noteholders of the outstanding 2018 Notes (the aggregate principal amount of which as at the date of this announcement is US\$350,000,000) to offer to tender any and all of their 2018 Notes for repurchase for cash by the Company (the "**Offer**") at the Repurchase Price (which will be calculated using the Repurchase Spread to be determined pursuant to the Modified Dutch Auction Procedure) plus accrued interest.

Noteholders include CHB, a connected person of the Company. As of the Commencement Date, CHB holds 2018 Notes with an outstanding principal amount of US\$30,000,000. Such 2018 Notes may be repurchased by the Company for up to an aggregate amount of US\$30,467,633.14 (equivalent to approximately HK\$237,038,185.83), which amount is equivalent to the sum of: (i) the aggregate Repurchase Price (calculated based on the Minimum Repurchase Spread and the Reference U.S. Treasury Security Rate as of 5:00 p.m. (Hong Kong time) on 14 July 2016 and assuming the Settlement Date occurs on 12 August 2016); and (ii) accrued interest on the 2018 Notes, but excludes any Consent Fee (the “**Maximum CHB Repurchase Price**”). CHB has irrevocably undertaken to the Company that to the extent it wishes to tender any 2018 Notes held by it pursuant to the Offer, it shall submit the relevant Electronic Instruction(s) in respect of all such 2018 Notes it wishes to tender (the “**CHB Electronic Instructions**”) on the day on which it receives the electronic notice in relation to the Offer and Consent Solicitation from its direct custodian (the “**Custodian Notice**”), provided that if the Custodian Notice is received by CHB after Hong Kong business hours, it shall submit the CHB Electronic Instructions on the next following Hong Kong business day. Each CHB Electronic Instruction shall be submitted as a Non-Competitive Offer pursuant to the Offer.

In addition to the Offer, the Company concurrently invites the Noteholders to approve certain proposed amendments to the Terms and Conditions and the Trust Deed (the “**Proposal**”) to provide the Company with the option to redeem on giving not less than five calendar days’ prior notice (both days inclusive) all, but not some only, of the 2018 Notes remaining outstanding (if any) following completion of the Offer (the “**Consent Solicitation**”). Provided that the Proposal is approved by the Noteholders entitled to vote at the Meeting and the 2018 Notes Supplemental Trust Deed is executed, each Noteholder who has provided (and, if revocable, does not revoke) a valid Electronic Instruction in favour of the Extraordinary Resolution on or prior to the Expiration Time will be entitled to receive a Consent Fee. The maximum amount of the Consent Fee payable by the Company to CHB pursuant to the Consent Solicitation is US\$150,000 (equivalent to approximately HK\$1,200,000).

Summaries of the material terms of the Offer and Consent Solicitation are set out in this announcement. In addition, Noteholders should refer to the full terms and conditions of the Offer and Consent Solicitation set out in the Memorandum. The 2018 Notes repurchased by the Company pursuant to the Offer will be cancelled.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, save for CHB, all of the Noteholders are Independent Third Parties.

The Company has appointed DBS Bank Ltd. as Sole Structuring Adviser, CHB and DBS Bank Ltd. as Joint Dealer Managers, and D.F. King Ltd. as Tender and Tabulation Agent in relation to the Offer and Consent Solicitation. In respect of the services provided by DBS Bank Ltd. (as the Sole Structuring Adviser and a Joint Dealer Manager) and CHB (as a Joint Dealer Manager only) in relation to the Offer and Consent Solicitation, each of DBS Bank Ltd. and CHB will be entitled to fees up to an amount equivalent to a prescribed percentage of the notional amount of 2018 Notes repurchased by the Company pursuant to the Offer, which percentage was determined with reference to the proportions of responsibilities allocated to each of DBS Bank Ltd. and CHB (the “**Service Fees**”). The Service Fees were agreed between the Company and each of DBS Bank Ltd. and CHB based on arms’ length negotiations with reference to the prevailing market rate of such fees for similar transactions and prevailing market conditions. Accordingly, CHB shall be entitled to a fee of up to HK\$1,400,000 in acting as a Joint Dealer Manager pursuant to the Dealer Manager Agreement (the “**Maximum CHB Service Fee**”).

Taking into account the above, the Directors (including the independent non-executive Directors) consider that the Service Fees (including the Maximum CHB Service Fee) are fair and reasonable based on the current market conditions. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of DBS Bank Ltd. and D.F. King Ltd. is an Independent Third Party.

THE OFFER AND CONSENT SOLICITATION

Indicative Timetable of Events

The following table sets out the indicative timetable of events of the Offer and Consent Solicitation:

Date	Action
15 July 2016	<i>Commencement Date</i> <ul style="list-style-type: none">• Announcement of Offer and Proposal.• Notice of Meeting sent to the Direct Participants through the Clearing Systems.• Memorandum to be made available to eligible Direct Participants via the Clearing Systems and obtainable by Noteholders, upon request, free of charge from the Tender and Tabulation Agent.

29 July 2016 at
11:00 p.m.
(Hong Kong time)/
4:00 p.m.
(London time)

Early Consent Deadline

- Latest time and date for delivery of valid Electronic Instructions in favour of the Extraordinary Resolution to receive the Early Consent Fee in respect of the 2018 Notes.

5 August 2016 at
11:00 p.m.
(Hong Kong time)/
4:00 p.m.
(London time)

Expiration Time

- Latest time and date for delivery of valid Electronic Instructions through the Clearing Systems. Subject to the Trust Deed, latest time and date for obtaining a proxy form from the Registrar or the Issuing and Paying Agent and for the issuance or revocation of a voting instruction given other than by way of an Electronic Instruction.

8 August 2016 at
9:00 a.m.
(Hong Kong time)/
2:00 a.m.
(London time)

Price Determination Time

- As soon as practicable following the Expiration Time, the Company will determine, subject to the results of the Meeting, the Reference U.S. Treasury Security Rate, the Repurchase Spread, the Repurchase Yield, the Repurchase Price, the aggregate principal amount of 2018 Notes (if any) to be accepted by the Company for repurchase pursuant to the Offer and the Scaling Factor (if applicable).
- The Sole Structuring Adviser will calculate the Repurchase Price for the 2018 Notes according to the Modified Dutch Auction Procedure set out herein and in the Memorandum by reference to the applicable Repurchase Spread and the yield to maturity (calculated by the Sole Structuring Adviser in accordance with standard market practice at the Price Determination Time) of the applicable Reference U.S. Treasury Security, based on the bid side price of such Reference U.S. Treasury Security.

9 August 2016 at
9:00 a.m.
(Hong Kong time)/
2:00 a.m.
(London time)

Meeting

- Meeting of the holders of the 2018 Notes.
- If the Extraordinary Resolution is passed, the 2018 Notes Supplemental Trust Deed relating to such 2018 Notes and referred to in the Extraordinary Resolution will be signed by the Company and the Trustee.

As soon as reasonably
practicable following
the Meeting

Announcement of Results

- Announcement of (a) the results of the Meeting, (b) the aggregate principal amount of the 2018 Notes validly tendered in the Offer, (c) the aggregate principal amount of the 2018 Notes accepted by the Company for repurchase pursuant to the Offer and (the Scaling Factor (if applicable), (d) if the 2018 Notes are being accepted for repurchase pursuant to the Offer, the Repurchase Yield and the Repurchase Price, and (e) the aggregate principal amount of the 2018 Notes remaining outstanding (if any) following completion of the Offer, and notice to be given to Noteholders regarding the same by the Company.

Expected to be
on or around
12 August 2016

Settlement Date

- Payment of the settlement amount ((i) in respect of the 2018 Notes validly tendered and accepted for repurchase by the Company, the aggregate amount of the Repurchase Price, accrued interest and the applicable Consent Fee, and (ii) in respect of the 2018 Notes for which a vote in favour of the Proposal has been provided by a Noteholder participating in the Consent Solicitation only, the applicable Consent Fee) made to the relevant Noteholders through the Clearing Systems.
- The 2018 Notes blocked in the Clearing Systems to the order of the Tender and Tabulation Agent and not repurchased will cease to be blocked.
- Announcement of settlement of the Offer and Consent Solicitation.

For the avoidance of doubt, Noteholders will receive their regular interest payment for the 2018 Notes in respect of the interest payment date falling on 24 July 2016 in accordance with the Terms and Conditions, regardless of whether the Noteholders submit their 2018 Notes for repurchase in the Offer and/or vote in respect of the Proposal pursuant to the Consent Solicitation.

Material terms of the Offer

The following table summarises the material terms of the Offer:

Description of the Notes	International Securities	Outstanding Principal Amount	Reference U.S. Treasury Security	Maximum Repurchase Spread	Minimum Repurchase Spread	Repurchase Spread
	Identification Number (ISIN)/ Common Code					
2018 Notes	XS0878082899 / 087808289	US\$350,000,000	0.625 per cent. U.S. Treasury Security due 30 June 2018 (ISIN: US912828R937) ⁽¹⁾	+ 190 bps	+ 160 bps	As set out in the Memorandum to be determined pursuant to the Modified Dutch Auction Procedure

⁽¹⁾ or such other recognised relevant reference U.S. Treasury Security source as the Sole Structuring Adviser may in its absolute discretion select in accordance with standard market practice.

Modified Dutch Auction Procedure

Pursuant to the Offer, the Company will pay for each US\$1,000 in aggregate principal amount in respect of the 2018 Notes validly tendered for purchase and accepted by it, together with any Consent Fee and accrued interest, a Repurchase Price as calculated using the Repurchase Spread determined pursuant to a modified Dutch auction procedure (the “**Modified Dutch Auction Procedure**”).

Under the Modified Dutch Auction Procedure, the Company will determine, in its sole discretion, as soon as reasonably practicable following the Expiration Time and subject to the results of the Meeting:

- (i) the aggregate principal amount of the 2018 Notes (if any) validly tendered pursuant to the Offer that it determines, in its sole discretion, that it will accept for purchase pursuant to the Offer (the “**Acceptance Amount**”); and
- (ii) a single Repurchase Spread (expressed as a number of bps) (the “**Repurchase Spread**”) that it will use in the calculation of the repurchase price for the 2018 Notes (the “**Repurchase Price**”), taking into account the Acceptance Amount and the Offer Repurchase Spreads specified (or deemed to be specified, as set out below) by tendering Noteholders.

The Repurchase Spread will not be more than 190 bps (the “**Maximum Repurchase Spread**”) and not less than 160 bps (the “**Minimum Repurchase Spread**”) and will otherwise be the highest spread that will enable the Company to purchase the Acceptance Amount. The Company will not accept for purchase any 2018 Notes tendered at offer spreads less than the Repurchase Spread. The 2018 Notes offered for purchase at a repurchase spread lower than the Minimum Repurchase Spread will not be accepted pursuant to the Offer.

Electronic Instructions may be submitted in the form of either a Competitive Offer or a Non-Competitive Offer on or prior to the Expiration Time.

Competitive Offers

A Competitive Offer is an Electronic Instruction that specifies (i) an Offer Repurchase Spread that is no more than the Maximum Repurchase Spread and no less than the Minimum Repurchase Spread. If the Offer Repurchase Spread specified is not a whole increment of 5 bps, such repurchase spread will be rounded down to the nearest 5 bps increment for the purposes of the Modified Dutch Auction Procedure; and (ii) the principal amount of 2018 Notes that the Noteholder is tendering at that Offer Repurchase Spread (a “**Competitive Offer**”). The details of the Competitive Offer are more fully described in the Memorandum .

Non-Competitive Offers

Alternatively, on or prior to the Expiration Time, Noteholders may submit an Electronic Instruction in respect of the 2018 Notes that either (i) does not specify an Offer Repurchase Spread or (ii) specifies an Offer Repurchase Spread greater than the Maximum Repurchase Spread (a “**Non-Competitive Offer**”). Each Non-Competitive Offer whether falling within (i) or (ii) above will be deemed to have specified the Maximum Repurchase Spread. Non-Competitive Offers must specify the principal amount of 2018 Notes that the Noteholder is offering pursuant to such Non-Competitive Offer.

Acceptance and Pro Rata Allocations

All validly submitted Non-Competitive Offers will be accepted first, subject to possible pro-ration in the event that such tenders of 2018 Notes have been made in a greater principal amount than the Acceptance Amount. All validly submitted Competitive Offers that specify Offer Repurchase Spreads higher than the Repurchase Spread will be accepted second, subject to possible pro-ration in the event that such Competitive Offers, when aggregated with all validly submitted Non-Competitive Offers, result in a greater principal amount than the Acceptance Amount, and all validly submitted Competitive Offers that specify Offer Repurchase

Spreads equal to the Repurchase Spread will be accepted third, subject to possible pro-ration in the event that such Competitive Offers, when aggregated with all tenders of 2018 Notes referred to above and accepted for purchase, result in a greater principal amount than the Acceptance Amount.

When pro-ration is necessary, such pro rata allocations will be calculated by applying the Scaling Factor in the manner as more fully described in the Memorandum. In the event of any such pro-ration, the Company will only accept tenders of 2018 Notes subject to pro-ration to the extent that such pro-ration will not result in the Noteholder transferring 2018 Notes to the Company in an aggregate principal amount outstanding of less than the Minimum Offer Amount.

By submitting a valid Electronic Instruction to tender 2018 Notes in the Offer, Noteholders will be deemed to have automatically instructed the Registered Holder to authorise the Tender and Tabulation Agent to arrange for the appointment of two or more of its representatives as a proxy to attend the Meeting (and any adjournment of the Meeting) and to vote in favour of the Extraordinary Resolution at the Meeting in respect of any such 2018 Notes which are accepted for purchase by the Company pursuant to the Offer. It will not be possible to validly tender 2018 Notes in the Offer without at the same time giving such instructions to the Tender and Tabulation Agent. If a Noteholder submits 2018 Notes for repurchase in the Offer but such 2018 Notes are not accepted for purchase by the Company, no votes in favour of the Extraordinary Resolution will be cast by or on behalf of the Registered Holder in respect of such 2018 Notes.

The Company may reject tenders of 2018 Notes which it considers in its sole and absolute discretion for any reason and the Company is under no obligation to Noteholders to furnish any reason or justification for refusing to accept for purchase such tenders. For example, tenders of 2018 Notes may be rejected if the Offer is withdrawn or terminated, if the Offer Repurchase Spread specified in the Electronic Instruction is lower than the Repurchase Spread or if such Offer does not comply with the requirements of a particular jurisdiction or for any other reason.

Material terms of the Consent Solicitation

In addition to the Offer, the Company is inviting Noteholders to approve certain proposed amendments to the Terms and Conditions and the Trust Deed to provide the Company with the option to redeem all, but not some only, of the 2018 Notes remaining outstanding (if any) following completion of the Offer, on giving Noteholders not less than five calendar days' prior notice (both days inclusive) as set out in the Notice of Meeting.

The following table summarises the material terms of the Consent Solicitation:

Description of the Notes	International Securities Identification Number (ISIN)/ Common Code	Outstanding Principal Amount	Early Consent Fee	Ordinary Consent Fee
2018 Notes	XS0878082899/ 087808289	US\$350,000,000	US\$5.00 per US\$1,000 in aggregate principal amount	US\$2.50 per US\$1,000 in aggregate principal amount

Extraordinary Resolution

The Company is seeking the consent of holders of the 2018 Notes by way of an Extraordinary Resolution to certain modifications to the Terms and Conditions of the 2018 Notes to provide the Company with the option to redeem (the “**Call Option**”) on giving not less than five calendar days’ prior notice (both days inclusive) (the “**Optional Redemption Notice**”) all, but not some only, of the Notes remaining outstanding (if any) following completion of the Offer, on the redemption date (the “**Optional Redemption Date**”) specified in the Optional Redemption Notice at an early redemption price equal to 100.00 per cent. of the principal amount of the 2018 Notes plus accrued and unpaid interest up to (but excluding) the Optional Redemption Date.

Consent Fee

Pursuant to the Consent Solicitation, provided that the Proposal is approved by the Noteholders and the 2018 Notes Supplemental Trust Deed is executed, (i) each Noteholder entitled to vote at the Meeting and who provides a valid Electronic Instruction in favour of the Extraordinary Resolution on or prior to the Early Consent Deadline and (if revocable) does not revoke such Electronic Instruction on or prior to the Expiration Time will be eligible to receive an Early Consent Fee of US\$5.00 per US\$1,000 in aggregate principal amount of the 2018 Notes validly submitted by such Noteholder, and (ii) each Noteholder entitled to vote at the Meeting and who provides a valid Electronic Instruction in favour of the Extraordinary Resolution after the Early Consent Deadline but on or prior to the Expiration Time and (if revocable) does not revoke such Electronic Instruction on or prior to the Expiration Time will be eligible to receive an Ordinary Consent Fee of US\$2.50 per US\$1,000 in aggregate principal amount of the 2018 Notes validly submitted by such Noteholder. The Consent Fee was determined based on arms’ length negotiations between the Company, the Sole Structuring Adviser and the Trustee, with reference to the prevailing market rate of such fees for similar transactions and prevailing

market conditions. Noteholders who have delivered (and, if revocable, not revoked) valid Electronic Instructions in favour of the Proposal on or prior to the Expiration Time will only be entitled to either the Early Consent Fee or the Ordinary Consent Fee.

Accordingly, the maximum amount of the Consent Fee payable by the Company to CHB pursuant to the Consent Solicitation is US\$150,000 (equivalent to approximately HK\$1,200,000) (the “**Maximum CHB Consent Fee**”). Taking into account the above basis of determination of the Consent Fee, the Directors (including the independent non-executive Directors) consider that the Consent Fee (including the Maximum CHB Consent Fee) is fair and reasonable based on the current market conditions.

The Proposal is more particularly set out in: (i) the Extraordinary Resolution contained in the Notice of Meeting; and (ii) the draft 2018 Notes Supplemental Trust Deed, copies of which are available for inspection at the registered office of the Company and through the specified website of the Tender and Tabulation Agent and also at the location where the Meeting will be held 15 minutes prior to the Meeting.

Noteholders who do not wish to submit an Electronic Instruction can appoint a proxy other than the Tender and Tabulation Agent or make other arrangements to attend and/or vote at the Meeting by following the procedures set out in the Notice of Meeting. The Consent Fee will only be payable to Noteholders who provide a valid Electronic Instruction in favour of the Extraordinary Resolution and only if the Extraordinary Resolution is duly passed at the Meeting and the 2018 Notes Supplemental Trust Deed is executed. If a Noteholder attends and votes at the Meeting, such Noteholder will not be eligible to receive any Consent Fee.

Noteholders can participate in the Consent Solicitation (and receive any applicable Consent Fee) without submitting their 2018 Notes for repurchase in response to the Offer.

Meeting

The Meeting of holders of the 2018 Notes will be held on 9 August 2016 at 9:00 a.m. (Hong Kong time) for the purpose of considering and, if thought fit, passing the Extraordinary Resolution in respect of the 2018 Notes (which includes, among others, the Proposal) in accordance with the provisions of the Trust Deed.

Irrevocability

Subject to the Trust Deed, the submission of a valid Electronic Instruction in accordance with the procedures set out in the Memorandum will be irrevocable, save where the Company amends the Offer or the Consent Solicitation in any way that, in the opinion of the Company (in consultation with the Joint Dealer Managers), is materially prejudicial to Noteholders who have already submitted Electronic Instructions before the announcement of such amendment, in which case such Electronic Instruction may be revoked at any time from the date and time of such announcement until 11:00 p.m. (Hong Kong time) on the second business day in Hong Kong following such announcement (subject to the earlier deadlines required by the Clearing Systems and any intermediary through which Noteholders hold their 2018 Notes).

Expiration

The Offer begins on the Commencement Date and expires at the Expiration Time, unless the period for the Offer is extended or re-opened or the Offer is terminated or withdrawn prior to the Expiration Time. The Company may, subject to applicable laws, at its option and in its sole discretion, at any time before, in the case of the Offer, any acceptance by the Company of 2018 Notes validly tendered in the Offer and, in the case of the Consent Solicitation, at any time before the Expiration Time: (i) in respect of the Offer, extend the Early Consent Deadline or the Expiration Time, amend the Price Determination Time or re-open the Offer, as applicable; (ii) otherwise extend, re-open or amend the Offer or the Consent Solicitation (other than the terms of the Extraordinary Resolution) in any respect; (iii) delay acceptance or, subject to applicable law, purchase of 2018 Notes validly tendered in the Offer even if the Offer has expired; or (iv) terminate the Offer or the Consent Solicitation, including with respect to Electronic Instructions submitted before the time of such termination.

REASONS FOR AND BENEFITS OF THE OFFER AND CONSENT SOLICITATION

The Offer and Consent Solicitation are part of the Company's liability management activities, and are being made to reduce the Group's outstanding non-functional currency denominated debts, so as to reduce foreign exchange risk and to optimise the Group's capital structure. The repurchase of the 2018 Notes pursuant to the Offer will be financed by the Group's existing available banking facilities and internal resources.

Taking into account the abovementioned reasons and benefits, the Directors (including the independent non-executive Directors) are of the view that the terms and conditions of Offer and Consent Solicitation, as well as the terms of the Dealer Manager Agreement in respect of CHB's appointment as a Joint Dealer Manager, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

MEMORANDUM

The Company delivered the Memorandum (including the Notice of Meeting) to Noteholders (subject to the offer and distribution restrictions set out in the Memorandum) on 15 July 2016, and the same is also available upon request from the Joint Dealer Managers and the Tender and Tabulation Agent. The Memorandum sets out, among other things, the terms and conditions of the Offer and Consent Solicitation.

Before making a decision in respect of the Offer and Consent Solicitation, Noteholders should carefully consider all information as disclosed in the Memorandum.

LISTING RULES IMPLICATIONS

CHB is a non wholly-owned subsidiary of GZYY, which is the controlling shareholder of the Company. Therefore, CHB is a connected person of the Company.

Accordingly, the transactions with CHB contemplated under the Offer and Consent Solicitation and the Company's engagement of CHB as a Joint Dealer Manager pursuant to the Dealer Manager Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio as calculated in accordance with Chapter 14 of the Listing Rules using the aggregate sum of the Maximum CHB Repurchase Price, the Maximum CHB Consent Fee and the Maximum CHB Service Fee is more than 0.1% but less than 5.0%, the transactions with CHB contemplated under the Offer and in the Consent Solicitation and the Company's engagement of CHB as a Joint Dealer Manager pursuant to the Dealer Manager Agreement is subject to the reporting, annual review and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

CHB has irrevocably undertaken to the Company that notwithstanding anything contained in the Dealer Manager Agreement, it shall not provide any advice or assistance to the Company or DBS Bank Ltd. or partake in any discussions relating to, or otherwise have any involvement in or responsibility for, the determination of any Repurchase Price or Consent Fee pursuant to the Offer and/or the Consent Solicitation (collectively, the “**Repurchase Price and Consent Fee Responsibilities**”) and that the Repurchase Price and Consent Fee Responsibilities under the Dealer Manager Agreement will be performed solely by DBS Bank Ltd. as a Joint Dealer Manager. In view of the above, the Directors (including the independent non-executive Directors) consider that there is no additional benefit conferred on CHB that is not available to the other Joint Dealer Manager or Noteholders under the Offer and Consent Solicitation.

None of the Directors has a material interest in the Offer and Consent Solicitation or the Company’s engagement of CHB as a Joint Dealer Manager pursuant to the Dealer Manager Agreement. Accordingly, no Director was required by the Listing Rules to abstain from voting on the Board resolutions in respect of the Offer and/or Consent Solicitation or the Company’s engagement of CHB as a Joint Dealer Manager pursuant to the Dealer Manager Agreement.

OTHER INFORMATION

Any questions relating to the Offer and/or Consent Solicitation should be directed to the Joint Dealer Managers by email at liabilitymgmt@dbs.com. Documents can be found on the Tender and Tabulation Agent’s website: <https://sites.dfkingltd.com/yuexiu/>. All questions to the Tender and Tabulation Agent should be directed by telephone at (in London) +44 20 7920 9700 or (in Hong Kong) +852 3953 7230 or by email at yuexiu@dfkingltd.com.

THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL THE 2018 NOTES. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE MEMORANDUM.

The Offer is not being made to, and any offers to tender 2018 Notes pursuant to the Offer will not be accepted from, or on behalf of, holders of the 2018 Notes in any jurisdiction in which the making of such Offer would not be in compliance with the laws or regulations of such jurisdiction. In particular, persons located or resident in the United States, its territories and possessions, any state of the United States or the District of Columbia (the United States) may not participate

in the Offer. Restrictions on participation in the Offer and/or distributions of the Memorandum and any materials relating to the Offer also apply in the United Kingdom, Italy, France, Switzerland, Hong Kong and the PRC and may apply in other jurisdictions.

If any Noteholder is in any doubt as to the action it should take or is unsure of the impact of the Offer and/or Consent Solicitation, it is recommended to seek its own financial and legal advice, including with regard to any tax consequences, from its stockbroker, bank manager, solicitor, attorney, tax adviser or other independent financial or legal adviser. None of the Company, the Joint Dealer Managers, the Tender and Tabulation Agent, the Trustee or any of their respective directors, officers, employees, agents or affiliates provides any legal, business, tax, investment or other advice in connection with the Offer and/or Consent Solicitation.

DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

“2018 Notes”	has the meaning given to this term under the section headed “Background” of this announcement
“2018 Notes Supplemental Trust Deed”	the deed supplemental to the Trust Deed to be entered into by the Company and the Trustee in the event that the Extraordinary Resolution is passed at the Meeting to give effect to the Proposal
“Acceptance Amount”	has the meaning given to this term under the sub-section headed “Modified Dutch Auction Procedure” of this announcement
“Beneficial Owner”	a person who is the owner of a particular principal amount of the 2018 Notes, as shown in the records of the Clearing Systems or its Direct Participants
“Board”	the board of the Directors
“bps”	basis points
“Call Option”	has the meaning given to this term under the section headed “Material terms of the Consent Solicitation” of this announcement

“CHB”	Chong Hing Bank Limited (創興銀行有限公司), a limited liability company incorporated under the laws of Hong Kong and the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1111)
“CHB Electronic Instructions”	has the meaning given to this term under the section headed “Background” of this announcement
“Clearing Systems”	Euroclear Bank S.A./N.V. and Clearstream Banking S.A., and where the context permits, each a “ Clearing System ”
“Commencement Date”	15 July 2016
“Company”	Yuexiu Property Company Limited (越秀地產股份有限公司), a limited liability company incorporated under the laws of Hong Kong and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00123) and on the Singapore Exchange Securities Trading Limited
“Competitive Offer”	has the meaning given to this term under the sub-section headed “Competitive Offer” of this announcement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consent Fee”	the Early Consent Fee or the Ordinary Consent Fee, as applicable
“Consent Solicitation”	has the meaning given to this term under the section headed “Background” of this announcement
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Custodian Notice”	has the meaning given to this term under the section headed “Background” of this announcement
“Dealer Manager Agreement”	the dealer manager agreement dated 15 July 2016 entered into between the Company and the Joint Dealer Managers
“Direct Participant”	each person who is shown in the records of the Clearing System as a holder of an interest in the 2018 Notes

“Directors”	the directors of the Company
“Early Consent Deadline”	11:00 p.m. (Hong Kong time) on 29 July 2016 (subject to the right of the Company, in its sole discretion, to extend, re-open or amend the deadline and/or terminate or withdraw the Offer and/or the Consent Solicitation)
“Early Consent Fee”	a fee of US\$5.00 per US\$1,000 in aggregate principal amount of the 2018 Notes paid to all holders of 2018 Notes validly submitting Electronic Instructions in favour of the Proposal on or prior to the Early Consent Deadline and provided that the Proposal is approved by the Noteholders and the 2018 Notes Supplemental Trust Deed is executed
“Electronic Instruction”	the electronic participation and blocking instruction for submission by a Noteholder participating in the Offer and Consent Solicitation to the Clearing System no later than the Expiration Time, specifying the information required under the Memorandum for such Electronic Instructions depending on if such Noteholder wishes to (and is eligible to) participate in both the Offer and (therefore also) the Consent Solicitation, or such Noteholder wishes to (and is eligible to) participate in only the Consent Solicitation
“Extraordinary Resolution”	the extraordinary resolution to approve the Proposal in respect of the 2018 Notes respectively to be proposed and considered at the Meeting (as set out in Annex 1 to the Memorandum). An Extraordinary Resolution must be passed by a majority of at least 75% of the votes cast at the Meeting voting in favour of the resolution. The quorum requirement for the initial Meeting shall be 75% of the principal amount of 2018 Notes outstanding at the original Meeting and 25% at any adjourned Meeting
“Expiration Time”	11:00 p.m. (Hong Kong time) on 5 August 2016 (subject to the right of the Company in its sole discretion, to extend, re-open, or amend the deadline and/or terminate or withdraw the Offer and/or Consent Solicitation)
“Group”	the Company and its subsidiaries

“GZYX”	Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團有限公司), a limited liability company incorporated in the PRC which is beneficially wholly-owned by the Guangzhou Municipal People’s Government of the PRC and which is the ultimate controlling shareholder of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) who are not connected persons of the Company and are third parties independent of the Company and its connected persons
“Issuing and Paying Agent”	The Hongkong and Shanghai Banking Corporation Limited
“Joint Dealer Managers”	collectively, DBS Bank Ltd. and CHB
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maximum CHB Consent Fee”	has the meaning given to this term under the section headed “Material terms of the Consent Solicitation” of this announcement
“Maximum CHB Repurchase Price”	has the meaning given to this term under the section headed “Background” of this announcement
“Maximum CHB Service Fee”	has the meaning given to this term under the section headed “Background” of this announcement
“Maximum Repurchase Spread”	+ 190 bps
“Meeting”	the meeting of the holders of the 2018 Notes to be held at 9:00 a.m. (Hong Kong time) on 9 August 2016 at Linklaters, Level 10, Alexandra House, Chater Road, Central, Hong Kong, to consider and, if thought fit, pass the Extraordinary Resolution or any such adjourned meeting

“Memorandum”	the tender offer and consent solicitation memorandum dated 15 July 2016 issued by the Company to the Noteholders in connection with the Offer and Consent Solicitation
“Minimum Offer Amount”	US\$200,000 in principal amount
“Minimum Repurchase Spread”	+ 160 bps
“Modified Dutch Auction Procedure”	the procedure for determining the Repurchase Price as set out in the section headed “Material Terms of the Offer” of this announcement
“Non-Competitive Offer”	has the meaning given to this term under the sub-section headed “Non-Competitive Offer” of this announcement
“Noteholders”	the holders of the 2018 Notes, including, where the context so permits or requires, Direct Participants and Beneficial Owners
“Notice of Meeting”	the notice to Noteholders dated 15 July 2016 in respect of the Meeting, substantially in the form set out in Annex 1 to the Memorandum
“Offer”	has the meaning given to this term under the section headed “Background” of this announcement
“Offer Repurchase Spread”	the purchase spread, expressed in bps (in increments of 5 bps equal to or below the Maximum Repurchase Spread and equal to or in increments of 5 bps above the Minimum Repurchase Spread) offered by a Noteholder in respect of the 2018 Notes the subject of the Electronic Instruction. If the Offer Repurchase Spread specified in any Electronic Instruction is not in an increment of 5 bps, it will be rounded down to the nearest 5 bps increment
“Optional Redemption Date”	has the meaning given to this term under the sub-section headed “Extraordinary Resolution” of this announcement

“Optional Redemption Notice”	has the meaning given to this term under the sub-section headed “Extraordinary Resolution” of this announcement
“Ordinary Consent Fee”	a fee of US\$2.50 per US\$1,000 in aggregate principal amount of 2018 Notes paid to all holders of 2018 Notes validly submitting Electronic Instructions in favour of the Proposal after the Early Consent Deadline but on or prior to the Expiration Time, and provided that the Proposal is approved by the Noteholders and the 2018 Notes Supplemental Trust Deed is executed
“PRC”	the People’s Republic of China, and for the purposes of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Price Determination Time”	9:00 a.m. (Hong Kong time) on 8 August 2016 (subject to the right of the Company, in its sole discretion, to extend, re-open or amend such time and/or terminate or withdraw the Offer and/or the Consent Solicitation)
“Programme”	the medium term note programme in the principal amount of up to US\$2,000,000,000 established on 11 January 2013 by the Company
“Proposal”	the invitation by the Company to the Noteholders to approve the modification of the Terms and Conditions and the Trust Deed to insert the Call Option as set out in the Notice of Meeting and under the section headed “Background” of this announcement. Such invitation is made on the terms and subject to the conditions set out in the Memorandum and the Notice of Meeting
“Reference U.S. Treasury Security”	0.625 per cent. US Treasury due 30 June 2018 (ISIN: US912828R937) or such other recognised relevant reference U.S. Treasury Security source as the Sole Structuring Adviser may in its absolute discretion select in accordance with standard market practice

“Reference U.S. Treasury Security Rate”	the yield to maturity of the Reference U.S. Treasury Security (expressed as a percentage and rounded to the nearest third decimal point (with 0.0005 being rounded upwards)), calculated by the Sole Structuring Adviser at the Price Determination Time in accordance with standard market practice and based on the bid side price as displayed on Bloomberg Reference Page BBT1 (or, if such Bloomberg Reference Page is unavailable or manifestly erroneous, such other recognised quotation source as the Sole Structuring Adviser may in its absolute discretion select)
“Registered Holder”	HSBC Nominees (Hong Kong) Limited, as nominee of the common depository for the Clearing Systems
“Registrar”	The Hongkong and Shanghai Banking Corporation Limited
“Repurchase Price”	has the meaning given to this term under the sub-section headed “Modified Dutch Auction Procedure”, which shall be the cash repurchase price payable by the Company for each US\$1,000 in aggregate principal amount of the 2018 Notes accepted by it for repurchase pursuant to the Offer
“Repurchase Price and Consent Fee Responsibilities”	has the meaning given to this term under the section headed “Listing Rules Implications” of this announcement
“Repurchase Spread”	has the meaning given to this term under the sub-section headed “Modified Dutch Auction Procedure”, which shall be the highest repurchase spread (which shall not be greater than the Maximum Repurchase Spread and shall not be lower than the Minimum Repurchase Spread) that will enable the Company to repurchase the Acceptance Amount and shall be determined pursuant to the Modified Dutch Auction Procedure
“Repurchase Yield”	the sum of the Repurchase Spread, as determined at the Price Determination Time, and the Reference U.S. Treasury Security Rate

“Scaling Factor”	the factor which is equal to (i) the Acceptance Amount less the aggregate principal amount of 2018 Notes accepted for purchase not subject to pro-ration, divided by (ii) the aggregate principal amount of the 2018 Notes that have been validly tendered and accepted for purchase and are subject to pro-ration
“Service Fees”	has the meaning given to this term under the section headed “Background” of this announcement
“Settlement Date”	on or about 12 August 2016 (subject to the Meeting not being adjourned for lack of quorum and the right of the Company, in its sole discretion, to extend, re-open, amend and/or terminate or withdraw the Offer or extend, re-open, amend and/or terminate or withdraw the Consent Solicitation)
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	holders of shares of the Company
“Sole Structuring Adviser”	DBS Bank Ltd.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender and Tabulation Agent”	D.F. King Ltd.
“Terms and Conditions”	the terms and conditions of the 2018 Notes set out in Schedule 2 of the Trust Deed, as supplemented by the pricing supplement dated 16 January 2013
“Trust Deed”	the trust deed dated 11 January 2013 entered into between the Company and the Trustee and constituting the 2018 Notes (a first supplemental trust deed was executed by the Company and the Trustee on 4 June 2014 which does not apply to the 2018 Notes which were issued on 24 January 2013, prior to the execution of the first supplemental trust deed)
“Trustee”	The Hongkong and Shanghai Banking Corporation Limited

“United States”	United States of America
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent.

Any reference to a time of day in this announcement shall be a reference to Hong Kong time unless otherwise stated.

For the purpose of this announcement, unless otherwise indicated, conversion of US\$ into HK\$ is calculated at the exchange rate of US\$1.00 = HK\$7.78. This exchange rate is for illustration purposes only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.

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

Hong Kong, 15 July 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*