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## **VOLUNTARY ANNOUNCEMENT IN RELATION TO THE DISPOSAL**

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

### **THE DISPOSAL**

The Board announces that on 23 December 2018, Guangzhou Construction & Development Holdings (China) Limited (城市建設開發集團(中國)有限公司), a wholly-owned subsidiary of the Company (as vendor) (the “**Vendor**”), Yuexiu REIT 2018 Company Limited, a special purpose vehicle of Yuexiu Real Estate Investment Trust (“**Yuexiu REIT**”) (as purchaser) (the “**Purchaser**”) and the Company (as the Vendor’s guarantor) entered into a share purchase deed (the “**Share Purchase Deed**”), pursuant to which, the Vendor shall:

- (i) sell to the Purchaser the property known as “Hangzhou Victory Business Center Tower 2 (杭州維多利商務中心2幢)” located in Qianjiang New Town, Jianggan District, Hangzhou, Zhejiang Province, PRC (the “**Target Property**”) (through the sale of all the issued share capital of Wealthy Reach Holdings Ltd. (達富控股有限公司) (the “**Target Company**”), an indirect subsidiary of the Company, which indirectly wholly owns Hangzhou Yuehui Real Estate Development Co., Ltd.\* (杭州越輝房地產開發有限公司), which is the registered legal owner of the land use rights and current ownership rights underlying the Target Property; and
- (ii) assign to the Purchaser a shareholder loan of approximately RMB550,104,716.73 owing from the Target Company to the Vendor (the “**Loan**”) together with the rights attached to the Loan as at the date on which completion of the Disposal (as defined hereinafter) takes place

(the transactions described in (i) and (ii) above shall be referred to as the “**Disposal**”).

The total consideration for the Disposal is RMB590,000,000 (the “**Agreed Acquisition Amount**”), subject to adjustment in accordance with the completion statement as at completion of the Disposal (“**Completion**”). The Agreed Acquisition Amount was arrived at on an arm’s length basis after taking into account the valuation of the Target Property as at 30 September 2018 by Savills Valuation and Professional Services Limited, an independent property valuer, and represents a discount of approximately 1.7% to the appraised value of the Target Property as at 30 September 2018.

The directors of the Company (the “**Directors**”) (including the independent non-executive Directors) consider that the Agreed Acquisition Amount (including the basis of determination thereof) is fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

Completion of the Disposal is subject to certain conditions precedent (the “**Conditions**”) being fulfilled (or waived, if applicable) on or before 31 January 2019 (or such other date as the Purchaser and the Vendor may agree) and shall take place 10 business days after the date on which all such Conditions having been fulfilled (or waived, if applicable), or such other date as may be agreed by the Purchaser and the Vendor.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Disposal is in line with the Company’s operation structure of “Development, Operations and Finance”, and it would work to the mutual benefits of the Company and Yuexiu REIT. In addition, through the Disposal, the Company can recoup its investments on the Target Property.

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

Hong Kong, 24 December 2018

*As at the date of this announcement, the board of Directors comprises:*

*Executive Directors:* *LIN Zhaoyuan (Chairman), LIN Feng, LI Feng, CHEN Jing and LIU Yan*

*Independent Non-executive Directors:* *YU Lup Fat, Joseph, LEE Ka Lun and LAU Hon Chuen, Ambrose*