THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

This circular appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.

If you have sold or transferred all your shares in Yuexiu Property Company Limited you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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

(Incorporated in Hong Kong with limited liability)

(Stock code: 00123)

(1) PROPOSED SUBSCRIPTION AND ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE AND APPLICATION OF WHITEWASH WAIVER; (2) MAJOR AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITIONS OF AN 86% INTEREST IN GUANGZHOU CITY PINXIU PROPERTY DEVELOPMENT COMPANY LIMITED; (3) PROPOSED RE-ELECTION OF DIRECTORS; (4) NOTICE OF GENERAL MEETING; AND (5) CLOSURE OF REGISTER OF MEMBERS

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

YU MING INVESTMENT MANAGEMENT LIMITED
禹 銘 投 資 管 理 有 限 公 司

A notice convening the GM (as defined herein) of Yuexiu Property Company Limited to be held at Plaza I-IV, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 3 April 2019 at 10:30 a.m. as set out on pages GM-1 to GM-3 of this circular. Whether or not you are able to attend the meeting, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the share registrar of Yuexiu Property Company Limited, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time fixed for the holding of the meeting or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting thereof (as the case may be) should you so wish.

18 March 2019

CONTENTS

EXPECTED TIMETABLE FOR THE ACQUISITIONS AND THE GM

Despatch of GM circular and the GM Notice	Monday, 18 March 2019
Latest time for lodging transfer documents for entitlements to the right to attend and vote at the GM	4:30 p.m., Friday, 29 March 2019
Latest time for lodging proxy forms for the GM	10:30 a.m., Monday, 1 April 2019
GM	10:30 a.m., Wednesday, 3 April 2019
Announcement of voting results of the GM	Wednesday, 3 April 2019

Notes:

(1) Shareholders should note that the dates or deadlines specified in the expected timetable for the Acquisitions and the GM as set out above, and in other parts of this circular, are indicative only. In the event any special circumstances arise, the Board may extend, or make adjustment to, the timetable if it considers it appropriate to do so. The Company will make an announcement to notify Shareholders and the Stock Exchange of any such extension or adjustment to the expected timetable.

(2) All times and dates in this circular refer to Hong Kong local times and dates.

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

"Acquisitions"	collectively, the 51% Acquisition and the 35% Acquisition
"Announcement"	the announcement of the Company dated 27 February 2019 in relation to, among others, the Transactions
"Appraised Value"	the value of the Project as at 31 December 2018 as determined by JLL. For more details, please refer to Appendix VC
"Articles"	the articles of association of the Company
"associate(s)"	has the meaning as ascribed to it under the Listing Rules
"associated company(ies)"	has the meaning as ascribed to it under the Takeovers Code
"Board"	the board of Directors
"close associate"	has the meaning as ascribed to it under the Listing Rules
"Company"	Yuexiu Property Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00123)
"connected person(s)"	has the meaning as ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning as ascribed to it under the Listing Rules
"Directors"	the directors of the Company
"Easyway"	東緯有限公司 (Easyway Incorporation Limited*), a company incorporated in Hong Kong with limited liability and which is a wholly-owned subsidiary of GZYX
"Enlarged Group"	the Group as enlarged by the Acquisitions
"Executive"	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director
"GCCD"	廣州市城市建設開發有限公司 (Guangzhou City Construction & Development Co. Ltd.), a limited liability company incorporated in the PRC and which is indirectly owned as to 95% by the Company and 5% by GZYX
"GM"	the general meeting of the Company to be convened to consider and, if thought fit, approve the Transactions, the re-election of Directors and the Whitewash Waiver

"Group"	the Company and its subsidiaries
"Guangzhou Metro"	廣州地鐵集團有限公司 (Guangzhou Metro Group Co., Ltd.*), a directly wholly-owned subsidiary of the Guangzhou Municipal People's Government of the PRC
"GZ Metro Subscriber"	Guangzhou Metro Investment Finance (HK) Limited (廣州地鐵投融資（香港）有限公司), a company incorporated in Hong Kong with limited liability and which is a wholly-owned subsidiary of Guangzhou Metro
"GZYX"	廣州越秀集團有限公司 (Guangzhou Yue Xiu Holding Limited*), a company incorporated in the PRC with limited liability, which is beneficially and directly wholly-owned by the Guangzhou Municipal People's Government of the PRC and is the ultimate controlling shareholder of the Company
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent board committee comprising all the independent non-executive Directors, namely Mr. Yu Lup Fat Joseph, Mr. Lee Ka Lun and Mr. Lau Hon Chuen Ambrose, established to advise the Shareholders in respect of whether the Transactions and the Whitewash Waiver are fair and reasonable and as to voting
"Independent Financial Adviser"	Yu Ming Investment Management Limited, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of whether the Transactions and the Whitewash Waiver are fair and reasonable and as to voting
"Independent Shareholders"	(a) for the purpose of the Acquisitions, Shareholders other than (i) any Shareholder who has a material interest in the Acquisitions other than its interest as a Shareholder; and (ii) any close associate of such Shareholder referred to in (a)(i);

	(b) for the purpose of the Subscription (including the Specific Mandate), Shareholders other than (i) any Shareholder who has a material interest in the Subscription (including the Specific Mandate) other than its interest as a Shareholder; (ii) any close associate of such Shareholder referred to in (c)(i); and (iii) any Shareholder who is interested or involved in the Subscription (including the Specific Mandate), the 51% Acquisition, the 35% Acquisition and/or the Whitewash Waiver other than its interest as a Shareholder, which includes any person acting in concert with such Shareholder referred to in (c)(iii);
	(c) for the purpose of the Whitewash Waiver, Shareholders other than any Shareholder who is interested or involved in the Whitewash Waiver, the 51% Acquisition, the 35% Acquisition and/or the Subscription other than its interest as a Shareholder, which includes any person acting in concert with such Shareholder;
	and in each case, other than GZYX and parties acting in concert with it (including the Relevant YXE Subsidiaries) and/or presumed to be acting in concert with it (namely: (i) Guangzhou Metro (including the GZ Metro Subscriber) and (ii) the Directors (other than the independent non-executive Directors))
"JLL"	Jones Lang LaSalle Corporate Appraisal and Advisory Limited
"Land"	the parcel of land for commercial and residential use of the Guanhu depot (官湖車輛段) and structure located on the No.13 subway line of Xintang Town (新塘鎮), Zengcheng District (增城區), Guangzhou, Guangdong Province, the PRC where a new metro terminal is to be constructed and operated by Guangzhou Metro
"Last Trading Day"	26 February 2019, being the last day of trading in the Shares on the Stock Exchange preceding the date of the Subscription Agreement
"Latest Practicable Date"	15 March 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Long Stop Date"	31 December 2019 or such other date as the Company and the GZ Metro Subscriber may agree in writing
"PRC"	the People's Republic of China and for the purpose of this circular excluding Hong Kong, Macau Special Administrative Region and Taiwan
"Purchaser"	廣州雲湖房地產開發有限公司 (Guangzhou Yunhu Real Estate Development Co., Ltd.*), a company incorporated in the PRC with limited liability and which is indirectly owned as to approximately 95.475% by the Company and approximately 4.525% by GZYX
"RMB"	Renminbi, the lawful currency of the PRC
"Relevant Period"	the period commencing from a date falling six months before the date of the Announcement up to and including the Latest Practicable Date
"Savills"	Savills Valuation and Professional Services Limited
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of the Company
"Shareholder(s)"	holder(s) of the Shares
"Specific Mandate"	the specific mandate proposed to be granted to the Directors by the Independent Shareholders at the GM to allot and issue the Subscription Shares in accordance with the Subscription Agreement
"sq.m."	square metres
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription for the Subscription Shares by the GZ Metro Subscriber pursuant to the Subscription Agreement
"Subscription Agreement"	the subscription agreement dated 27 February 2019 and entered into between the Company and the GZ Metro Subscriber in relation to the subscription of 3,080,973,807 Shares
"Subscription Price"	the subscription price of HK$2.00 per Subscription Share

"Subscription Share(s)"	3,080,973,807 new Shares to be subscribed by the GZ Metro Subscriber pursuant to the Subscription Agreement
"Takeovers Code"	The Code on Takeovers and Mergers and Share Buy-Backs
"Target Company"	廣州市品秀房地產開發有限公司 (Guangzhou City Pinxiu Property Development Company Limited*), a company incorporated in the PRC with limited liability
"Target Group"	collectively, the Target Company and the Target Holding Company
"Target Holding Company"	廣州東曉實業發展有限公司 (Guangzhou Dongxiao Industrial Development Company Limited*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of GZYX as at the Latest Practicable Date, which in turn owns 51% of equity interest in the Target Company
"Transactions"	collectively, the Subscription and the Acquisitions
"Transaction Documents"	collectively, the Subscription Agreement, the 51% Equity Transfer Agreement, the 51% Loan Assignment Agreements, the 35% Equity Transfer Agreement, the 35% Loan Assignment Agreement and the Initial Cost Amount Agreement
"Whitewash Waiver"	a waiver by the Executive pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code in respect of the obligations of GZYX and parties acting in concert with it to make a mandatory general offer for all of the issued Shares and other securities (if any) of the Company not already owned or agreed to be acquired by them which would otherwise arise as a result of completion of the Subscription
"Yuexiu REIT"	Yuexiu Real Estate Investment Trust
"YXE"	Yue Xiu Enterprises (Holdings) Limited
"YX Valuation Group"	the Group and associated companies of the Company (excluding Yuexiu REIT)
"%"	per cent.

For illustrative purpose only, RMB is converted into HK$ at an exchange rate of RMB1 = HK$0.86074 in this circular.

* *For identification purposes only*

越秀地產股份有限公司
YUEXIU PROPERTY COMPANY LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock code: 00123)

Executive Directors
Mr. Lin Zhaoyuan *(Chairman)*
Mr. Lin Feng
Mr. Li Feng
Ms. Chen Jing
Ms. Liu Yan

Independent Non-executive Directors
Mr. Yu Lup Fat Joseph
Mr. Lee Ka Lun
Mr. Lau Hon Chuen Ambrose

Registered Office
26th Floor
Yue Xiu Building
160 Lockhart Road
Wanchai, Hong Kong

18 March 2019

To the Shareholders

Dear Sir or Madam,

(1) PROPOSED SUBSCRIPTION AND ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE AND APPLICATION FOR WHITEWASH WAIVER; (2) MAJOR AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITIONS OF AN 86% INTEREST IN GUANGZHOU CITY PINXIU PROPERTY DEVELOPMENT COMPANY LIMITED; AND (3) PROPOSED RE-ELECTION OF DIRECTORS

INTRODUCTION

Reference is made to the Announcement. On 27 February 2019, the Group entered into the Transactions, comprising the Subscription and the Acquisitions, upon and subject to the respective terms and conditions of the Transaction Documents. The purposes of this circular are to provide you with, among other things, (i) further information on the Transactions and the Whitewash Waiver; (ii) a letter of recommendations from the Independent Board Committee in relation to the Transactions and the Whitewash Waiver; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Transactions and the Whitewash Waiver; (iv) further information on the application for the Whitewash Waiver; (v) financial information of the Group, the Target Holding Company and the Target Company; (vi) valuation reports on the Target Holding Company, the Target Company and the Project, respectively; (vii) summaries of the valuation reports of the properties held by the YX Valuation Group and properties held by Yuexiu REIT respectively; (viii) information relating to the Directors subject to re-election; and (ix) a notice of the GM.

SUMMARY OF THE TRANSACTIONS

Subscription of new Shares by the GZ Metro Subscriber

On 27 February 2019, the Company entered into a conditional Subscription Agreement with the GZ Metro Subscriber (a wholly-owned subsidiary of Guangzhou Metro) relating to the proposed subscription by the GZ Metro Subscriber of 3,080,973,807 Subscription Shares at the Subscription Price of HK$2.00 per Subscription Share, i.e. for a total consideration of HK$6,161,947,614. The Subscription Shares represent approximately 19.9% of the total number of issued Shares as enlarged by the allotment and the issue of the Subscription Shares (assuming there being no other changes in the total number of issued Shares between the Latest Practicable Date and the date of completion of the Subscription). The Subscription Price of HK$2.00 per Subscription Share represents a premium of approximately 22.0% to the closing price of HK$1.64 per Share as quoted on the Stock Exchange on 27 February 2019, being the date of the Subscription Agreement. Subject to the terms and conditions of the Subscription Agreement, the GZ Metro Subscriber shall have the right to nominate one candidate to be put forward for the appointment to the Board as a non-executive Director, which right of nomination shall cease if it holds less than 10% of the total number of issued Shares.

The Acquisitions

The Target Company was established by Guangzhou Metro to bid for the Land on which a mixed-use residential, commercial and public utilities project (the "**Project**") is built and developed. In May 2018, the Target Holding Company (an indirect wholly-owned subsidiary of GZYX) acquired 51% of the equity interest in the Target Company from Guangzhou Metro for approximately RMB670,914,000, and GZYX acquired interests in 51% of the loans then owing by the Target Company to Guangzhou Metro for approximately RMB6,709,137,000 (collectively the "**Original 51% Acquisition**"). Upon and after the Original 51% Acquisition, further loans had been extended by GZYX (in the aggregate principal amount of RMB347,644,000) to the Target Company, and Guangzhou Metro (in the aggregate principal amount of RMB334,011,000) to the Target Company respectively pro-rata to their equity interests.

Simultaneously with the entering into of the Subscription Agreement on 27 February 2019, the Purchaser entered into a set of agreements in relation to the Acquisitions. Pursuant to such agreements, the Purchaser has conditionally agreed to acquire, directly or indirectly, an aggregate of 86% of the equity interest in the Target Company together with the interests in the relevant loans in the Target Company and the Target Holding Company, respectively, in the following manner:

(a) Firstly, the Purchaser has agreed to acquire:

(i) 51% of the equity interest in the Target Company by way of acquiring (from a wholly-owned subsidiary of GZYX) the entire equity interest (being paid-up registered capital in the amount of RMB10,000,000) in the Target Holding Company for RMB10,413,000 (the "**51% Equity Transfer Consideration**"), which was agreed with reference to the net asset value of the Target Holding Company as at 31 December 2018 (which was calculated by JLL taking into account the Appraised Value of the Project as at 31 December 2018);

(ii) all of the interests in the loans owing by the Target Holding Company to GZYX (in the principal amount of RMB671,500,000, together with interest accrued at 6.5% per annum), ("**Target Holding Loan**") by way of assuming the assignment of such loans on a dollar-for-dollar basis; and

(iii) all of the interests in the loans corresponding to GZYX's 51% interest in the Target Company, owing by the Target Company to GZYX, together with accrued interest, by way of assuming the assignment of the interests in part of the loans (in the principal amount of RMB6,954,780,801 plus interest accrued at 6.5% per annum) (the "**51% Target Assignment Loan**") and refinancing the remaining part of the loans (in the principal amount of RMB102,000,000 plus interest accrued at 6.5% per annum) (the "**51% Purchaser Refinancing Loan**"), in each case on a dollar-for-dollar basis (the dollar amount of the Target Holding Loan, the 51% Target Assignment Loan and the 51% Purchaser Refinancing Loan, in each case together with accrued interest, are collectively referred to as the "**51% Loan Consideration**").

(b) Secondly, the Purchaser has agreed to acquire:

(i) 35% of the equity interest in the Target Company from Guangzhou Metro for RMB479,988,000 (the "**35% Equity Transfer Consideration**"), which was agreed with reference to 35% of the net asset value of the Target Company as at 31 December 2018 (which was calculated by JLL taking into account the Appraised Value of the Project as at 31 December 2018); and

(ii) interests in such loans corresponding to Guangzhou Metro's 35% interest in the Target Company owing by the Target Company to Guangzhou Metro, together with accrued interest, by way of assuming the assignment of the interests in part of the loans (in the principal amount of RMB4,772,888,785 plus interest accrued at 6.5% per annum) (the "**35% Target Assignment Loan**") and refinancing the remaining part of the loans (in the principal amount of RMB70,000,000 plus interest accrued at 6.5% per annum) (the "**35% Purchaser Refinancing Loan**") in each case on a dollar-for-dollar basis (collectively, the "**35% Loan Consideration**").

((b) above is referred to as the "**35% Acquisition**").

(c) Thirdly, the Purchaser has agreed to pay an amount to GZYX to cover the cost of capital attributable to the amount advanced by GZYX to Guangzhou Metro in relation to the Project before the Original 51% Acquisition and other incidental costs (the "**Initial Cost Amount**") (for illustrative purpose, assuming completion of the 51% Acquisition on 30 April 2019, the Initial Cost Amount would be approximately RMB259,448,030).

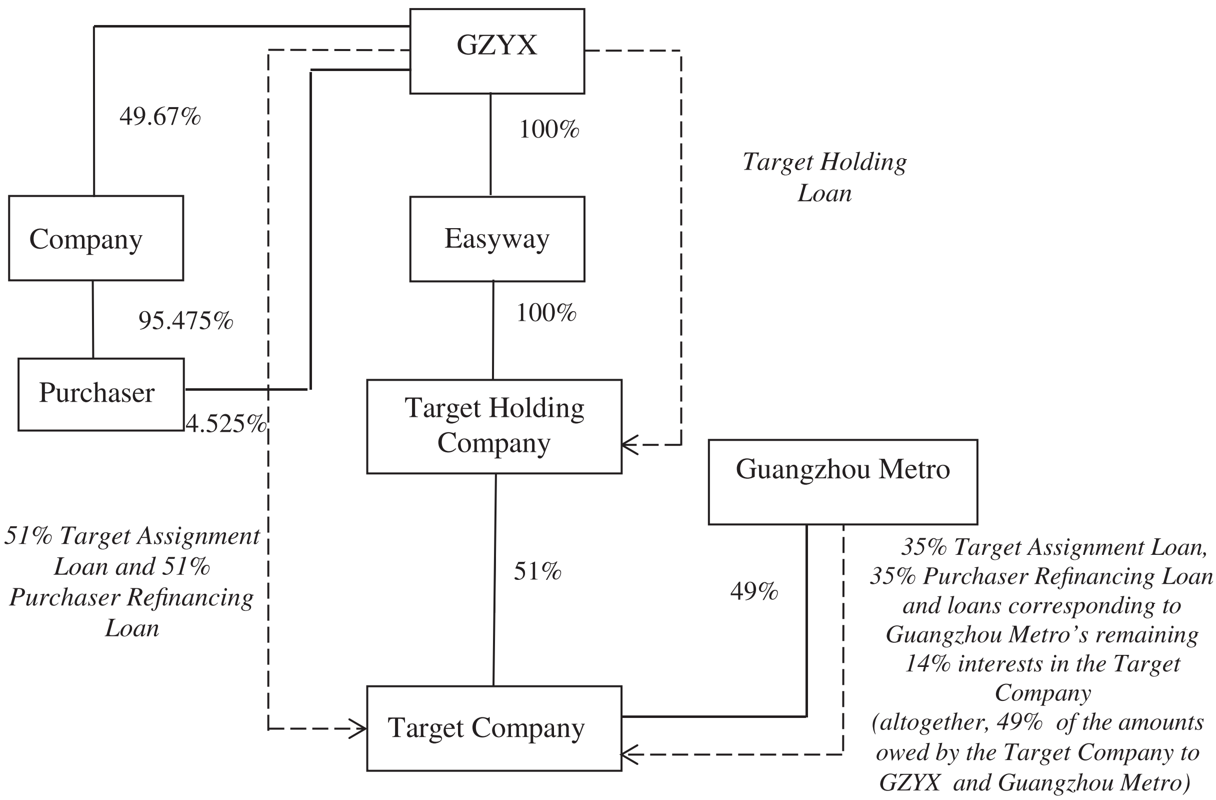
((a) and (c) above are collectively referred to as the "**51% Acquisition**")

For illustrative purpose, assuming completion of the Acquisitions on 30 April 2019 (being the date by which the Company targets to complete the Acquisitions): (i) the aggregate amount payable by the Purchaser to GZYX (and/or its wholly-owned subsidiary) for the 51% Acquisition (which includes (among other things) the Initial Cost Amount and the interest accrued on the outstanding loans subject to the 51% Acquisition) would be approximately RMB8,481,966,000; (ii) the aggregate amount payable by the Purchaser to Guangzhou Metro for the 35% Acquisition (which includes (among other things) the interest accrued on the outstanding loans subject to the 35% Acquisition) would be approximately RMB5,625,711,000; and (iii) therefore, the total amount payable by the Purchaser for the Acquisitions (the "**Total Acquisitions Amount**") would be approximately RMB14,107,677,000.

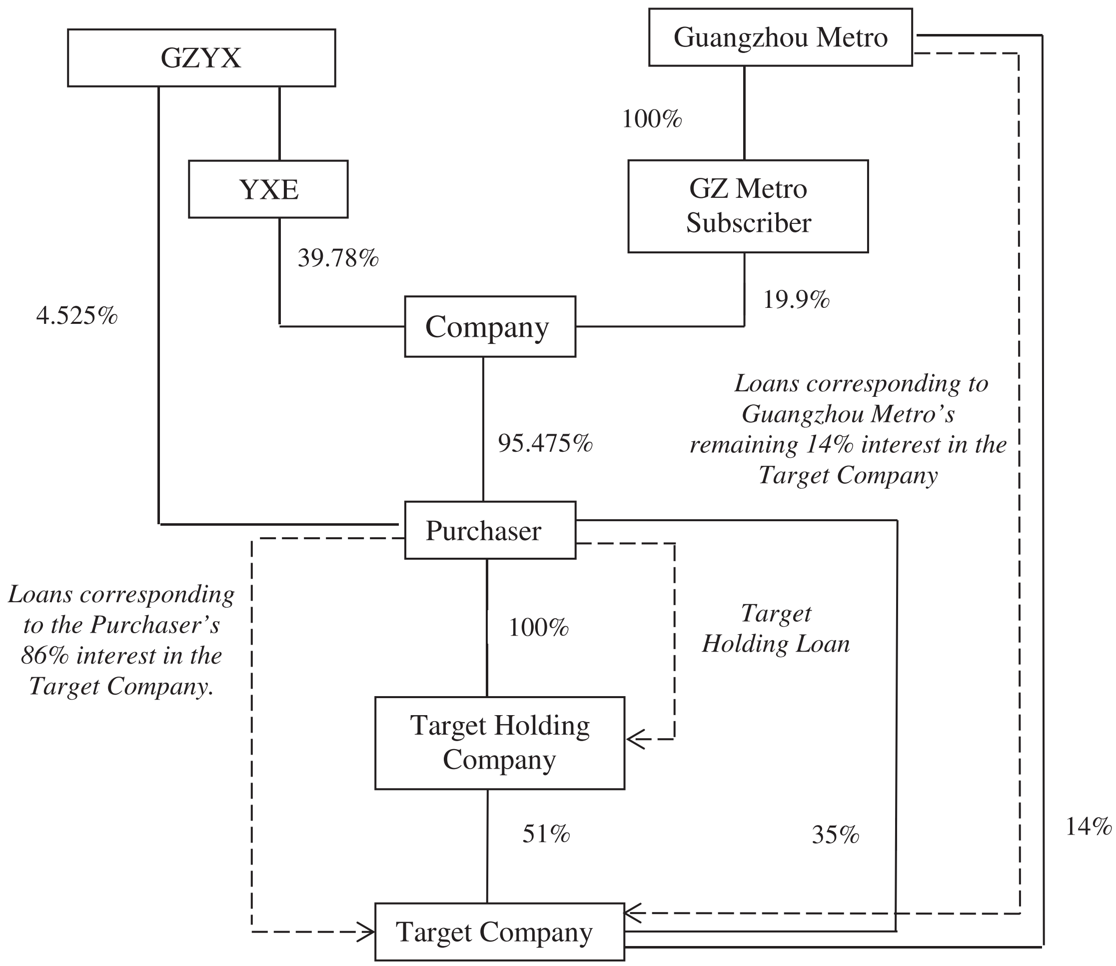
As a separate note, apart from the Initial Cost Amount, the aggregate amount payable by the Purchaser to GZYX (and/or its wholly-owned subsidiary) for the 51% Acquisition would be approximately equal to GZYX's acquisition cost for its 51% interests in the Project (taking into account the capital contributed and all loans extended by it to the Target Holding Company and/or the Target Company) plus interest accrued on the outstanding loans subject to the 51% Acquisition.

Corporate structure before and immediately after completion of the Transactions

Set out below is the simplified corporate structure chart before completion of the Transactions:



Set out below is the simplified corporate structure chart immediately after completion of the Transactions:



Note:

———— *indicates shareholding/holding of equity interest (direct interest or indirect effective interest)*

--------------> *indicates debt provided by one party to another*

THE SUBSCRIPTION

On 27 February 2019, the Company entered into the Subscription Agreement with the GZ Metro Subscriber (a wholly-owned subsidiary of Guangzhou Metro) pursuant to which the Company conditionally agreed to issue and allot under the Specific Mandate, and the GZ Metro Subscriber conditionally agreed to subscribe for, 3,080,973,807 Subscription Shares at the Subscription Price of HK$2.00 per Subscription Share, i.e. for a total consideration of HK$6,161,947,614.

The Subscription Agreement

Date: 27 February 2019

Parties: (i) the Company; and

(ii) the GZ Metro Subscriber

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, the GZ Metro Subscriber and its ultimate beneficial owners are not connected persons of the Company.

Number of the Subscription Shares

3,080,973,807 Subscription Shares

The Subscription Shares represent (i) approximately 24.8% of the total number of issued Shares as at the Latest Practicable Date; and (ii) approximately 19.9% of the total number of issued Shares as enlarged by the allotment and the issue of the Subscription Shares (assuming there being no other changes in the total number of issued Shares between the Latest Practicable Date and the date of completion of the Subscription).

Subscription Price

The Subscription Price of HK$2.00 per Subscription Share represents:

(a) a premium of approximately 22.0% to the closing price of HK$1.64 per Share as quoted on the Stock Exchange on 27 February 2019, being the date of the Subscription Agreement;

(b) a premium of approximately 20.5% to the closing price of HK$1.66 per Share as quoted on the Stock Exchange on the Last Trading Day;

(c) a premium of approximately 23.0% to the average of the closing prices per Share as quoted on the Stock Exchange for the five trading days ending on the Last Trading Day of approximately HK$1.63 per Share;

(d) a premium of approximately 25.4% to the average of the closing prices per Share as quoted on the Stock Exchange for the ten trading days ending on the Last Trading Day of approximately HK$1.60 per Share;

(e) a discount of approximately 36.0% to the audited net assets attributable to owners of the Company per Share of approximately HK$3.12 (equivalent to approximately RMB2.73) as at 31 December 2018; and

(f) a premium of approximately 13.0% to the closing price of HK$1.77 per Share as quoted on the Stock Exchange as at the Latest Practicable Date.

The net subscription price, after deduction of all estimated expenses, is estimated to be approximately HK$2.00 per Subscription Share.

The Subscription Price was determined based on arm's length negotiations between the Company and Guangzhou Metro with reference to the market price and the net asset value of the Shares as at the date of the Subscription Agreement.

Rights and ranking of the Subscription Shares

The Subscription Shares, when allotted, issued and fully paid, will rank pari passu in all respects among themselves and with the other Shares in issue on the date of completion of the Subscription, and together with the right to receive the dividends and other distributions the record date for which is on or after the date of completion of the Subscription. If completion of the Subscription takes place on or before the record date of the Company's final cash dividend (i.e. 6 June 2019), the GZ Metro Subscriber will be entitled to receive the Company's final cash dividend of HK$0.051 per Share (the payment of which is subject to Shareholders' approval at the forthcoming annual general meeting of the Company).

Conditions

The completion of the Subscription is conditional upon all of the following conditions having been satisfied (or waived, if applicable):

(a) the Independent Shareholders having passed all necessary resolutions at the GM to approve the Transaction Documents and the transactions contemplated thereunder (namely, the Subscription (including the Specific Mandate) and the Acquisitions) and the Whitewash Waiver;

(b) the Stock Exchange granting or agreeing to grant listing of, and permission to deal in, the Subscription Shares to be issued (and such listing and permission not being subsequently revoked prior to completion of the Subscription);

(c) the Whitewash Waiver being granted and not subsequently revoked prior to completion of the Subscription;

(d) the approval(s) of the relevant regulatory authorities which are necessary in connection with the execution, delivery and performance of the Transaction Documents and the transactions contemplated thereunder having been obtained (and such approval(s) not being subsequently revoked prior to completion of the Subscription) (conditions (a) to (d) are collectively referred to as the "**Regulatory Conditions**");

(e) the representations and warranties in respect of (i) the Company and (ii) the Subscription Shares being true and accurate and not misleading at the date of completion of the Subscription; and

(f) the representations and warranties in respect of the GZ Metro Subscriber and its beneficial owners being true and accurate and not misleading at the date of completion of the Subscription.

The GZ Metro Subscriber may in its absolute discretion waive either in whole or in part at any time by notice in writing to the Company condition (e) above; and the Company may in its absolute discretion waive either in whole or in part at any time by notice in writing to the GZ Metro Subscriber condition (f) above. All other conditions set out above cannot be waived by either party to the Subscription Agreement.

The Company shall use its reasonable endeavours to ensure that conditions (a) to (c) and (e) above are satisfied, and the GZ Metro Subscriber shall use reasonable endeavours to ensure that the condition (f) above is satisfied. Each party to the Subscription Agreement shall use its reasonable endeavours to ensure that condition (d) above is satisfied. The approval(s) required under condition (d) above has been obtained as at the Latest Practicable Date.

In the event that the above conditions are not fulfilled (or waived, if applicable) on or before the Long Stop Date:

(a) the Subscription Agreement shall lapse and be of no further force and effect but the customary surviving clauses ("**Surviving Provisions**") in the Subscription Agreement will continue to have effect;

(b) neither party to the Subscription Agreement shall have any claim against the other except for antecedent breaches or claims pursuant to the Surviving Provisions; and

(c) the Company shall reimburse the GZ Metro Subscriber for legal fees and out-of-pocket expenses which the GZ Metro Subscriber has reasonably incurred up to a maximum amount of HK$100,000.

Specific Mandate

The Subscription Shares will be issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the GM. The Specific Mandate, if approved, will be valid until completion of the Subscription or termination of the Subscription Agreement (whichever is earlier).

Application for Listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares. Subject to the granting by the Listing Committee of the Stock Exchange of approval for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange, dealings in the Subscription Shares will commence upon the completion of the Subscription.

Completion

The completion of the Subscription shall take place on the third business day after all of the conditions under the Subscription Agreement are satisfied (or waived, if applicable) (or such other date as the Company and the GZ Metro Subscriber may agree in writing).

Nomination of Director

Pursuant to the Subscription Agreement, to the extent permissible under the applicable laws, regulations, the Articles, the Listing Rules or by the Stock Exchange, upon completion of the Subscription, and for so long as the GZ Metro Subscriber beneficially owns at least 10% or more of the total number of issued Shares, the GZ Metro Subscriber shall have the right to nominate one candidate to be put forward for the appointment to the Board as a non-executive Director and the Company shall procure that such candidate be appointed to the Board as soon as practicable, provided that:

(a) such candidate fulfils the qualification and experience requirements of a director under the applicable laws, regulations, the Listing Rules and the Articles; and

(b) any Director so appointed by the Board will be subject to the retirement, re-election and Shareholders' approval requirements under the Articles and the Listing Rules.

If at any time the GZ Metro Subscriber holds less than 10% of the total number of issued Shares, the GZ Metro Subscriber shall procure that its nominee Director to immediately resign as a Director and holder of any office within the Company without any compensation for loss of office and the GZ Metro Subscriber's director nomination right shall cease thereafter.

Effect of the Subscription on shareholdings in the Company

For illustrative purpose, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date and (ii) immediately after completion of the Subscription (assuming there being no change in the total number of issued Shares from the Latest Practicable Date to the date of completion of the Subscription save for the issuance of the Subscription Shares):

	As at the Latest Practicable Date		**Immediately after completion of the Subscription**	
	No. of Shares	% of issued Shares (Approx.) *(Note 10)*	No. of Shares	% of issued Shares (Approx.) *(Note 10)*
Shareholders				
GZYX and parties acting in concert with it				
YXE *(Note 1)*	6,159,447,662	49.67	6,159,447,662	39.78
GZ Metro Subscriber *(Note 2)*	—	—	3,080,973,807	19.90
Mr. Lin Zhaoyuan *(Note 3)*	2,186,985	0.02	2,186,985	0.01
Mr. Li Feng *(Note 4)*	172,900	0.00	172,900	0.00
Ms. Chen Jing *(Note 5)*	—	—	—	—
Mr. Lin Feng *(Note 6)*	4,415,752	0.04	4,415,752	0.03
Ms. Liu Yan *(Note 7)*	17,000	0.00	17,000	0.00
Sub-total:	6,166,240,299	49.72	9,247,214,106	59.73
Other Directors				
Mr. Yu Lup Fat Joseph *(Note 8)*	4,000,000	0.03	4,000,000	0.03
Mr. Lee Ka Lun *(Note 9)*	3,200,000	0.03	3,200,000	0.02
Mr. Lau Hon Chuen Ambrose *(Note 10)*	4,841,200	0.04	4,841,200	0.03
Sub-total:	12,041,200	0.10	12,041,200	0.08
Public Shareholders	6,223,025,132	50.18	6,223,025,132	40.19
Total number of issued Shares	12,401,306,631	100	15,482,280,438	100

Notes:

1. Shareholding in the Company is held indirectly by YXE (a wholly-owned subsidiary of GZYX) through its various wholly-owned subsidiaries, namely, Superb Master Ltd., Bosworth International Limited, Novena Pacific Limited, Morrison Pacific Limited, Greenwood Pacific Limited, Goldstock International Limited and Yue Xiu Finance Company Limited (collectively, the "**Relevant YXE Subsidiaries**").

2. The GZ Metro Subscriber is presumed to be a party acting in concert with GZYX.

3. Mr. Lin Zhaoyuan is a director of certain Relevant YXE Subsidiaries and is presumed to be a party acting in concert with GZYX. Mr. Lin is also an executive Director who is interested in 2,186,985 Shares, out of which 373,464 Shares are owned by him as beneficial owner, 1,813,521 Shares are held for him as a beneficiary of the Yuexiu Property Company Limited Share Incentive Scheme Trust For Directors and Senior Management.

4. Mr. Li Feng is a director of certain Relevant YXE Subsidiaries and is presumed to be a party acting in concert with GZYX. Mr. Li is also an executive Director.

5. Ms. Chen Jing is a director of certain Relevant YXE Subsidiaries and is presumed to be a party acting in concert with GZYX. Ms. Chen is also an executive Director.

6. Mr. Lin Feng is an executive Director who is interested in 4,415,752 Shares, out of which 1,357,276 Shares are owned by him as beneficial owner, 2,958,476 Shares are held for him as a beneficiary of the Yuexiu Property Company Limited Share Incentive Scheme Trust For Directors and Senior Management and 100,000 Shares are held by his spouse. By virtue of being an executive Director, Mr. Lin is presumed to be a party acting in concert with GZYX pursuant to class (6) presumption under the definition of "acting in concert" under the Takeovers Code until completion of the Subscription.

7. Ms. Liu Yan is an executive Director. By virtue of being an executive Director, Ms. Liu is presumed to be a party acting in concert with GZYX pursuant to class (6) presumption under the definition of "acting in concert" under the Takeovers Code until completion of the Subscription.

8. Mr. Yu Lup Fat Joseph is an independent non-executive Director.

9. Mr. Lee Ka Lun is an independent non-executive Director.

10. Mr. Lau Hon Chuen Ambrose is an independent non-executive Director.

11. Certain percentage figures included in the table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

Equity fund raising by the Company in the past 12 months

Save for the Subscription, the Company has not raised any funds by an issue of equity securities in the 12 months preceding the date of this circular.

THE ACQUISITIONS

Simultaneously with the entering into of the Subscription Agreement on 27 February 2019, the Purchaser entered into a set of agreements in relation to the Acquisitions. Pursuant to such agreements, the Purchaser has conditionally agreed to acquire, directly or indirectly, an aggregate of 86% of the equity interest in the Target Company together with the interest in the relevant loans in the Target Company and the Target Holding Company, respectively, in the manner as summarized below.

1. The 51% Acquisition

(i) ***the 51% Equity Transfer Agreement dated 27 February 2019 ("51% Equity Transfer Agreement")***

Parties: Easyway (a wholly-owned subsidiary of GZYX) (as seller), GZYX, the Purchaser (a subsidiary of GCCD, which is in turn indirectly owned as to 95% by the Company and 5% by GZYX) (as purchaser) and the Target Company

(ii) ***the 51% Loan Assignment Agreements dated 27 February 2019 ("51% Loan Assignment Agreements")***

Parties:

(a) in respect of the Target Holding Loan: GZYX (as assignor), the Purchaser (as assignee) and the Target Holding Company (as debtor);

(b) in respect of the 51% Target Assignment Loan: GZYX (as assignor), the Purchaser (as assignee) and the Target Company (as debtor)

(iii) ***the Initial Cost Amount Agreement dated 27 February 2019 ("Initial Cost Amount Agreement")***

(the 51% Equity Transfer Agreement, the 51% Loan Assignment Agreements and the Initial Cost Amount Agreement are collectively referred to as the "**51% Acquisition Agreements**")

Parties: Easyway, the Purchaser and GZYX

Conditions

The effective date of each of the 51% Acquisition Agreements (the "**Acquisitions Effective Date**") shall be the day on which the last of the following conditions has been satisfied:

(a) the Regulatory Conditions having been satisfied; and

(b) completion of the Subscription having taken place.

Consideration, payment terms and completion

Subject to the Acquisitions Effective Date having occurred:

(a) the 51% Equity Transfer Consideration of RMB10,413,000 shall be payable in cash in full by the Purchaser to Easyway within five business days of the Acquisitions Effective Date, and completion of the 51% Equity Transfer shall take place on the date on which such transfer is registered at the relevant administration for industry and commerce ("**51% Equity Transfer Registration**");

(b) within ten business days of the date of completion of the 51% Equity Transfer Agreement:

(i) GZYX shall transfer to the Purchaser all of its rights and interests in the Target Holding Loan and the 51% Target Assignment Loan, and the Purchaser shall pay an equivalent amount to GZYX; and

(ii) the Purchaser shall provide a loan to the Target Company to enable it to repay the 51% Purchaser Refinancing Loan in full;

(c) the Purchaser shall, within ten business days of the date of completion of the 51% Equity Transfer Agreement, pay the Initial Cost Amount to GZYX in full.

Indemnity

Each party to the 51% Equity Transfer Agreement and the 51% Loan Assignment Agreements agrees to indemnify each other against all losses, debts, taxes, damages, litigation and settlement costs and expenses suffered by the non-defaulting party(ies) as a result of or in connection with any breach of the respective obligations of the defaulting party(ies).

Termination

After the 51% Equity Transfer Agreement becomes effective, no party thereto shall be entitled to terminate the 51% Equity Transfer Agreement except upon the occurrence of any of the following events:

(a) agreement in writing between the parties to the agreement; or

(b) termination pursuant to any applicable laws, rules and regulations or pursuant to other terms of the 51% Equity Transfer Agreement.

In the event that payment of the 51% Equity Transfer Consideration (or any part thereof) is overdue by the Purchaser for more than 30 business days of the Acquisitions Effective Date or the 51% Equity Transfer Registration does not take place within 30 business days of the Acquisitions Effective Date, Easyway or the Purchaser (as the case may be) who is not a defaulting party may terminate the 51% Equity Transfer Agreement whereupon such non-defaulting party shall be entitled to compensation for such default and for all losses from the Purchaser or Easyway (as the case may be) in the manner set out in the 51% Equity Transfer Agreement.

Upon termination of the 51% Equity Transfer Agreement due to default of any party, any part of the amounts payable under the 51% Acquisition Agreements (namely, the 51% Equity Transfer Consideration, the 51% Loan Consideration, the 51% Purchaser Refinancing Loan and the Initial Cost Amount) which has been paid shall be returned to the Purchaser. The defaulting party shall pay compensation and attend to all necessary procedures to unwind the 51% Equity Transfer pursuant to the terms of the 51% Equity Transfer Agreement and applicable laws and regulations.

2. **The 35% Acquisition**

(i) ***the 35% Equity Transfer Agreement dated 27 February 2019 ("35% Equity Transfer Agreement")***

Parties: Guangzhou Metro (as seller), the Purchaser (a non wholly-owned subsidiary of the Company) (as purchaser), the Target Holding Company and the Target Company

(ii) ***the 35% Loan Assignment Agreement dated 27 February 2019 ("35% Loan Assignment Agreement")***

(the 35% Equity Transfer Agreement and the 35% Loan Assignment Agreement are collectively referred to as "**35% Acquisition Agreements**")

Parties: Guangzhou Metro (as assignor) and the Purchaser (as assignee) and the Target Company (as debtor)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, Guangzhou Metro and its ultimate beneficial owners are not connected persons of the Company.

Conditions

The effective date of each of the 35% Acquisition Agreements shall be the Acquisitions Effective Date.

Consideration, payment terms and completion

Subject to the Acquisitions Effective Date having occurred:

(a) the 35% Equity Transfer Consideration of RMB479,988,000 shall be payable in cash in full by the Purchaser to Guangzhou Metro within five business days of the Acquisitions Effective Date, and completion of the 35% Equity Transfer shall take place on the date on which such transfer is registered at the relevant administration for industry and commerce ("**35% Equity Transfer Registration**");

(b) within ten business days of the date of completion of the 35% Equity Transfer Agreement:

 (i) Guangzhou Metro shall transfer to the Purchaser all its rights and interests in the 35% Target Assignment Loan, and the Purchaser shall pay an equivalent amount to Guangzhou Metro; and

 (ii) the Purchaser shall provide a loan to the Target Company to enable it to repay the 35% Purchaser Refinancing Loan in full.

Indemnity

Each party to the 35% Equity Transfer Agreement and the 35% Loan Assignment Agreement agrees to indemnify each other against all losses, debts, taxes, damages, litigation and settlement costs and expenses suffered by the non-defaulting party(ies) as a result of or in connection with any breach of the respective obligations of the defaulting party(ies).

Termination

After the 35% Equity Transfer Agreement becomes effective, no party thereto shall be entitled to terminate the 35% Equity Transfer Agreement except upon the occurrence of any of the following events:

(a) agreement in writing between the parties to the agreement; or

(b) termination pursuant to any applicable laws, rules and regulations or pursuant to other terms of the 35% Equity Transfer Agreement.

In the event that payment of the 35% Equity Transfer Consideration (or any part thereof) is overdue for more than 30 business days of the Acquisitions Effective Date or the 35% Equity Transfer Registration does not take place within 30 business days of the Acquisitions Effective Date, Guangzhou Metro or the Purchaser (as the case may be) who is not a defaulting party may terminate the 35% Equity Transfer Agreement whereupon such non-defaulting party shall be entitled to compensation for such default and for all losses from the Purchaser or Guangzhou Metro (as the case may be) in the manner set out in the 35% Equity Transfer Agreement.

Upon termination of the 35% Equity Transfer Agreement due to default of any party, any part of the amounts payable under the 35% Acquisition Agreements (namely, the 35% Equity Transfer Consideration, the 35% Loan Consideration and the 35% Purchaser Refinancing Loan) which has been paid shall be returned to the Purchaser. The defaulting party shall pay compensation and attend to all necessary procedures to unwind the 35% Equity Transfer pursuant to the terms of the 35% Equity Transfer Agreement and applicable laws and regulations.

3. **Management of the Target Company**

Pursuant to the 35% Equity Transfer Agreement, Guangzhou Metro and the Purchaser will cooperate to jointly develop the Project through the Target Company, with the Target Holding Company being mainly responsible for the overall daily operational management of the Project as well as the infrastructure development and operations of the Project. Unanimous approval of all the shareholders of the Target Company is required for the following matters: (i) increase or reduction of the registered capital; (ii) merger, division, change of company form, establishment of branch or subsidiary, dissolution and liquidation; and (iii) amendment(s) to the constitutive documents.

Board composition and reserved matters

Pursuant to the 35% Equity Transfer Agreement, the Target Company shall have a total of five directors, three of whom shall be appointed by the Target Holding Company (which will be a subsidiary of the Company after completion of the Acquisitions), one of whom shall be appointed by the Purchaser and one of whom shall be appointed by Guangzhou Metro. The aforesaid appointments are subject to the approval of shareholders holding more than two thirds of the voting rights in the Target Company. Shareholders of the Target Company are required to vote in favour in the resolutions in respect of such appointments in accordance with the 35% Equity Transfer Agreement.

Pursuant to the 35% Equity Transfer Agreement, the board approval thresholds required for various matters of the Target Company are as follows:

(i) unanimous approval of the directors of the Target Company:

1) amendment of the registered capital;

2) any merger, separation, change in company form, establishment of branch or subsidiary, dissolution or liquidation; and

3) amendment of the articles of association,

(ii) approval of more than two thirds of the directors of the Target Company:

1) convening of shareholders' meeting and reporting of the Target Company's affairs in shareholders' meetings;

2) review of the Target Company's asset valuation reports;

3) proposals relating to the Target Company's mortgages, guarantees and financing;

4) employment, change and dismissal of accounting firms responsible for the Target Company's audit matters; and

5) all matters relating to connected transactions and the determination of pricing principles of connected transactions; and

(iii) simple majority (i.e. approval of more than half of the directors of the Target Company): all other matters.

Further Funding

In the event that additional funds are required for the development and construction of the Project, the Target Company shall first seek external financing. In the event the Target Company's registered capital does not meet the requirements for obtaining external financing, subject to compliance with the respective internal approval procedures of the Purchaser, the Target Holding Company and Guangzhou Metro and subject to the approval of the shareholders of the Target Company at shareholders' meeting, the Purchaser, the Target Holding Company and Guangzhou Metro shall inject funds to increase the capital of the Target Company pro rata to their then respective equity holdings in the Target Company. In the event the Target Company does not have sufficient assets to secure its obligations under the external financing, subject to compliance with the respective internal approval procedures of the Purchaser, the Target Holding Company and Guangzhou Metro and subject to the approval of the shareholders of the Target Company at shareholders' meeting, the Purchaser, the Target Holding Company and Guangzhou Metro shall provide security or guarantee pro rata to their then respective equity holdings in the Target Company. In the event the Target Company has funding needs and external financing is insufficient to meet the capital required for the development and construction of the Project, the Purchaser, the Target Holding Company and Guangzhou Metro shall, subject to compliance with their respective internal approval procedures, provide additional shareholders' loans to the Target Company pro rata to their then respective equity holdings in the Target Company to ensure the normal operation of the Target Company and the development of the Project.

Profit distribution arrangements

Pursuant to the 35% Equity Transfer Agreement, the profits of the Target Company shall be shared by Guangzhou Metro, the Purchaser and the Target Holding Company in proportion to their respective equity interests in the Target Company.

Right of first refusal

Pursuant to the 35% Equity Transfer Agreement, Guangzhou Metro, the Purchaser and the Target Holding Company granted to each other a right of first refusal, where, subject to 95% or more of the total saleable area of the Project having been sold, any one of them (the "**Transferor**") may transfer its respective equity interest in the Target Company and assign all or any shareholder's loan (including any unpaid interest) owing to the Transferor by the Target Company by sending the other two parties a notice setting out the terms of the proposed transfer (including the proposed transfer price) and assignment. The Transferor may transfer all or part of its equity interest in the Target Company. It is the understanding between GZYX, Guangzhou Metro and the Target Holding Company that if the Transferor transfers any part of its equity interest in the Target Company, the Transferor must also assign the same percentage of interest in the shareholder's loan owing to the Transferor by the Target Company. Likewise, if the Transferor assigns any part of the shareholder's loans owing to the Transferor by the Target Company, the Transferor must also dispose of the corresponding percentage of its equity interest in the Target Company.

If the other two parties do not respond within three months of the date of the aforesaid notice as to whether they consent to the proposed transfer or wish to exercise their right of first refusal, they are deemed to have given consent to the proposed transfer and waived their right of first refusal. If the Transferor effects the proposed transfer, the final transfer price shall not be lower than the proposed transfer price stated in the aforesaid notice and the Transferor shall also assign, and procure the proposed transferee to accept the transfer of, all or any shareholder's loan (including any unpaid interest) owing to the Transferor by the Target Company as stated in the aforesaid notice as at and upon such transfer.

The Company will take into account the Listing Rules implications when it proposes to transfer its interests in the Target Company or when considering whether to exercise the abovementioned right of first refusal (pursuant to a proposed transfer of interests in the Target Company by the other party(ies) to the 35% Equity Transfer Agreement), and will comply with the applicable Listing Rules requirements (if any) in respect of the above.

The Target Holding Company and the Purchaser shall ensure that Guangzhou Metro's normal railway operations are not affected by the construction works of the Project, and that the Project complies with the safety management system and standards of Guangzhou Metro. If Guangzhou Metro becomes aware of a safety or quality issue caused by the Project failing to meet safety standards prescribed by Guangzhou Metro, it is entitled to demand for the construction works of the Project to be suspended, in which case the Target Holding Company and the Purchaser shall indemnify Guangzhou Metro against all losses suffered by Guangzhou Metro due to suspension of railway service and/or due to delay in construction works of the Project in accordance with the terms of the 35% Equity Transfer Agreement.

Construction works and operations related to the Project involve inherent risks including occupational and safety risks. The Target Holding Company, the Target Company and/or the Purchaser may incur liability to Guangzhou Metro or other third parties for, among other things, disruption to the metro service or safety or other incidents caused by or relating to the Project or its works or operations. In order to mitigate such risks, the Target Company would take reasonable measures in sourcing subcontractors for the Project, including imposing requirement for such subcontractors to take out appropriate insurance. However, there is no assurance that the Target Holding Company, the Target Company and/or the Purchaser would be able to transfer all such risks to the subcontractors. In addition, the Enlarged Group may also be subject to related reputational risks.

BASIS OF DETERMINATION OF THE TOTAL ACQUISITIONS AMOUNT

As at 31 December 2018, the Appraised Value of the Project as determined by JLL using the comparison approach (by making reference to comparable sales evidence as available in the relevant market) was approximately RMB16,180,000,000. For more details, please refer to a copy of the valuation report on the Project as set out in Appendix VC to this circular. Upon completion of the Acquisitions, the Purchaser will have a direct and indirect interest in an aggregate of 86% of the Project. As the Appraised Value only relates to the Project, it does not take into account the financing and shareholding structure of the Project and is not equivalent to the value of the Target Company that is being acquired (directly and indirectly through the Acquisitions). Accordingly, in negotiating the Total Acquisitions Amount, the Company has taken into account (among other things): (a) the net asset values of the Target Holding Company and the Target Company respectively as at 31 December 2018 calculated by JLL, which is described in more detail in the paragraph below, and (b) the Initial Cost Amount (for illustrative purpose, assuming completion of the 51% Acquisition on 30 April 2019, the Initial Cost Amount would be approximately RMB259,448,030).

In determining the net asset value of the Target Company as at 31 December 2018, JLL took into account (a) the potential fair value gain of the Project (which is accounted for as property under development and stated at cost in the Target Company's financial statements) of approximately RMB2,239,403,000 and the associated potential deferred tax liabilities of approximately RMB559,850,750 and (b) the liabilities of the Target Company, which mainly comprised of loans advanced by GZYX and Guangzhou Metro in the principal amount of approximately RMB13,836,825,000 in aggregate together with interest accrued up to 31 December 2018. Accordingly, JLL valued the net asset value of the Target Company at approximately RMB1,371,393,250 (equivalent to approximately HK$1,593,272,369) (the "**Target Company Valuation**"). As the sole asset held by the Target Holding Company (other than cash) is its 51% equity interest in the Target Company, JLL determined the value of the Target Holding Company as at 31 December 2018 by (among other things) valuing its interest in the Target Company at approximately RMB699,411,000 (being 51% of the Target Company Valuation). After accounting for the liabilities of the Target Holding Company as at the same date, which mainly comprised of shareholder's loans advanced by GZYX in the principal amount of approximately RMB671,500,000 together with interest accrued up to 31 December 2018, JLL determined that the net asset value of the Target Holding Company as at 31 December 2018 was approximately RMB10,413,000 (equivalent to approximately HK$12,097,730) (the "**Target Holding Company Valuation**").

Assuming that completion of the Acquisitions will take place on 30 April 2019 (being the date by which the Company targets to complete the Acquisitions), the Total Acquisitions Amount would be approximately RMB14,107,677,000 and comprises of: (1) the 51% Equity Transfer Consideration (which is equal to the Target Holding Company Valuation) and the 35% Equity Transfer Consideration (which is equal to 35% of the Target Company Valuation), respectively, (2) the aggregate amount of the 51% Loan Consideration and the 35% Loan Consideration (which, in each case, include interest accrued up to and including the date of completion of the Acquisitions), and (3) the Initial Cost Amount (i.e. RMB259,448,030).

The cash consideration of the 51% Acquisition and the 35% Acquisition that is reflected in the Unaudited Pro Forma Financial Information of the Enlarged Group as of 31 December 2018 only takes into account the interest accrued on the loans subject to the 51% Acquisition and the 35% Acquisition up to and including 31 December 2018 (being the date to which the Unaudited Pro Forma Financial Information of the Enlarged Group is made up) and not the date of completion of the Acquisitions. As a result, the total acquisitions amount (as shown in the Unaudited Pro Forma Financial Information of the Enlarged Group as of 31 December 2018) is approximately RMB13,834,919,000. However, as the actual amount of cash consideration of the 51% Acquisition and the 35% Acquisition will (among other things) depend on the aggregate amount of liabilities assumed by the Group as a result of the Transactions, it will be different from the corresponding amounts presented in the Unaudited Pro Forma Financial Information of the Enlarged Group as of 31 December 2018.

USE OF PROCEEDS OF THE SUBSCRIPTION

The gross proceeds of the Subscription are expected to be approximately HK$6,161,947,614. After deducting all relevant costs and expenses of approximately HK$1,547,000 payable by the Company, the net proceeds of the Subscription are expected to be approximately HK$6,160,400,600, which will be used for working capital purposes. For illustrative purpose, assuming completion of the Acquisitions will take place on 30 April 2019, the Company (through the Purchaser) would be required to pay the Total Acquisitions Amount of approximately RMB14,107,677,000 and the net effect of the Subscription and the Acquisitions for the Group on a consolidated basis would be a cash outflow of approximately RMB8,805,173,788 (equivalent to approximately HK$10,229,771,810).

FINANCIAL EFFECTS OF THE TRANSACTIONS

Upon completion of the Subscription, the Company will issue the Subscription Shares to the GZ Metro Subscriber at the Subscription Price of HK$2.00 per Share, which represents a premium of approximately 13.0% to the closing price of HK$1.77 per Share as quoted on the Stock Exchange as at the Latest Practicable Date, and the GZ Metro Subscriber will become the second largest shareholder of the Company.

Based on the Unaudited Pro Forma Financial Information of the Enlarged Group as of 31 December 2018, the net assets of the Enlarged Group would increase from RMB42.912 billion to RMB48.231 billion, which would help optimize the capital structure of the Enlarged Group and maintain its debt ratios within a reasonable range, while the net assets attributable to owners of the Company per ordinary Share of the Enlarged Group would be diluted from RMB2.73 per Share to RMB2.52 per Share. At the same time, based on the Unaudited Pro Forma Financial Information of the Enlarged Group as of 31 December 2018, the total amount of cash and cash equivalents and charged bank deposits would be maintained at a reasonable level of approximately RMB18.988 billion, representing approximately 10.7% of the total assets of the Enlarged Group. The net assets, cash and cash equivalents and charged bank deposit figures of the Enlarged Group which are referred to in this paragraph were extracted from the Unaudited Pro Forma Financial Information of the Enlarged Group as of 31 December 2018, which was prepared based on (among other things) a Total Acquisitions Amount of approximately RMB13,834,919,000. As the actual amount of the cash consideration of the 51% Acquisition and the 35% Acquisition will be different from the corresponding amounts presented in the Unaudited Pro Forma Financial Information of the Enlarged Group as at 31 December 2018, the abovementioned figures as at the date of completion of the Acquisitions will also be different from the corresponding amounts presented in the Unaudited Pro Forma Financial Information of the Enlarged Group as of 31 December 2018.

After taking into account the Enlarged Group's internal resources, cash flow from operations and the present facilities available, the Enlarged Group is expected to have sufficient working capital to satisfy its present requirements for at least the next 12 months from the date of this circular in the absence of unforeseen circumstances. Therefore, it is expected that the payment of consideration for the Transactions would not have any material adverse impact on the overall liquidity of the Enlarged Group. Last but not least, the Enlarged Group's premium land reserve GFA in Guangzhou would increase as a result of the Transactions, which would contribute significantly to the sales and cash flow of the Enlarged Group.

Subject to, among other things, (i) the actual closing market price of the Shares on the date of completion of the Subscription, (ii) the exchange rate on that date and (iii) the fair values of the identifiable assets acquired and liabilities assumed of the Target Group, it is expected that the Enlarged Group may record an amount of goodwill or bargain purchase as a result of the Transactions. For illustrative purpose, based on the closing market price of the Shares of HK$1.44 per Share on 31 December 2018 and as shown in the Unaudited Pro Forma Financial Information of the Enlarged Group as of 31 December 2018, the Enlarged Group would recognize a bargain purchase in the amount of approximately RMB1.25 billion as a result of the Transactions. Assuming that the above (ii) and (iii) in the Unaudited Pro Forma Financial Information of the Enlarged Group remain unchanged, (a) for each HK$0.05 per Share of appreciation/depreciation in the market price of the Shares, it is expected that the bargain purchase of the Enlarged Group would decrease/increase by approximately RMB135 million; and (b) if the closing market price of the Shares on the date of completion of the Subscription were equal to the closing market price of the Shares as at the Latest Practicable Date (i.e. HK$1.77 per Share), the Enlarged Group would recognize a bargain purchase of approximately RMB360 million as a result of the Transactions. If a bargain purchase is finally recorded, the amount will be reflected in the consolidated statement of profit or loss of the Enlarged Group in the current year; if a goodwill is recorded, it will be tested for impairment on the balance sheet date and the impairment provision, if any, will be reflected in the consolidated statement of profit or loss of the Enlarged Group in the current year. In each case, such amount will not be taken into account in determining the core net profits of the Enlarged Group (based on which a distribution decision is made).

As a result of completion of the Transactions: (a) the Target Holding Company will become a wholly-owned subsidiary of the Company; (b) the Target Company will become indirectly and directly owned as to 86% and 14% by the Company and Guangzhou Metro, respectively, and (c) the financial results of the Target Holding Company and the Target Company will be consolidated into those of the Company.

FINANCIAL INFORMATION OF THE TARGET HOLDING COMPANY AND THE TARGET COMPANY

The Target Holding Company

The audited consolidated financial information of the Target Holding Company prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants from 23 January 2018 (being the date of incorporation of the Target Holding Company) to 31 December 2018 is as follows:

	RMB'000
Revenue	—
Net loss before taxation	444,815
Net loss after taxation	340,632

The audited consolidated total assets and the audited consolidated net asset value of the Target Holding Company as at 31 December 2018 were RMB15,649,681,000 *(Note)* and RMB313,972,000 *(Note)*, respectively as stated in the audited consolidated accounts of the Target Holding Company from 23 January 2018 (being the date of incorporation of the Target Holding Company) to 31 December 2018.

The Target Company

The audited financial information of the Target Company from 5 December 2017 (being date of incorporation of the Target Company) to 31 December 2017 and for the financial year ended 31 December 2018, is as follows:

	From 5 December 2017 (date of incorporation of the Target Company) to 31 December 2017	**For the financial year ended 31 December 2018**
	RMB'000	*RMB'000*
Revenue	—	—
Net loss before taxation	19	424,194
Net loss after taxation	14	318,145

The audited total assets and the audited net liabilities of the Target Company as at 31 December 2018 were RMB14,328,284,000 *(Note)* and RMB308,159,000 *(Note)*, respectively as stated in the audited accounts of the Target Company for the year ended 31 December 2018.

Note: Such respective book value of total assets or net asset value as shown in the audited consolidated accounts of the Target Holding Company or the audited accounts of the Target Company (as the case may be) as at 31 December 2018 has not yet reflected the latest valuation of the Project.

INFORMATION OF THE PARTIES TO THE TRANSACTIONS AND THE PROJECT

The Company

The Company is principally engaged in property development and investment, mainly focusing on properties in Guangzhou and gradually expanding into the Pearl River Delta, Yangtze River Delta, Bohai Rim Economic Zone and Central Region.

The GZ Metro Subscriber

The GZ Metro Subscriber is principally engaged in financing and investment holding. It is a wholly-owned subsidiary of Guangzhou Metro.

The Target Holding Company

The Target Holding Company is currently an investment holding company whose sole asset (other than cash) is a 51% equity interest in the Target Company.

The Target Company

The Target Company is the sole registered owner of the Land.

Easyway

Easyway is an investment holding company which is wholly-owned by GZYX.

The Purchaser

The Purchaser is currently an investment holding company.

GZYX

GZYX, through its various subsidiaries, engages in various businesses including (among others) financial business, property development, infrastructure and construction.

Guangzhou Metro

Guangzhou Metro is a wholly State-owned company under the Guangzhou Municipal Government of the PRC. Established in 1992, Guangzhou Metro is responsible for the financing, investment, construction, operation, property development and expansion of Guangzhou's urban rail transportation. As at the Latest Practicable Date, Guangzhou Metro indirectly owns approximately 7.21% shareholding in Chong Hing Bank Limited, a subsidiary of GZYX.

The Project

The Project under construction on the Land is a mixed-use residential, commercial and public utilities project with a total gross floor area of up to 1,461,549 sq.m., out of which the total saleable area is approximately 940,179 sq.m.. Approximately 50,000 sq.m. saleable area of the Project has begun its pre-sale phase as at the Latest Practicable Date.

In relation to the Group II Properties as referred to in the valuation report on the Project set out in Appendix VC of this circular, the Project Company will, depending on its construction schedule, apply for the Construction Work Commencement Permits required for the commencement of construction works at different stages according to the applicable laws and regulations.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The strategic value

The Company believes that its poised business strategy of "Railway + Property" could be substantiated and realised with the introduction of Guangzhou Metro as a strategic Shareholder. The Company believes that if Guangzhou Metro (through its subsidiary) were to become a strategic Shareholder, the Company would be better placed (vis-à-vis its competitors) to gain the rights to participate in different new metro station property development projects the bid of which is won by Guangzhou Metro. The Project is the first of such projects. The Company believes that the business synergies created between the Company and Guangzhou Metro would allow the Company to stand in a good position despite the current uncertainties in the PRC property market.

The Subscription

The Subscription is beneficial to the Company from a financial perspective, given the Subscription Price represents a substantial premium to the market price of the Shares as at the date of the Subscription Agreement and the Subscription would strengthen the Company's financial position (as relative to its position if the Acquisitions were to proceed without the Subscription). The Company also believes that the introduction of Guangzhou Metro as a new Shareholder by itself would strengthen the Company's shareholder base. Based on available public information, as at 31 December 2017, Guangzhou Metro has a total asset of approximately RMB266.467 billion with total revenue of approximately RMB9.117 billion. This demonstrates Guangzhou Metro's strong financial position and the significance of its business operations.

The Project

The Project, "Yue Galaxy" (品秀星圖), is in close proximity to Guanhu Station of Line 13 of the Guangzhou Metro network which has been in operation since December 2017. It is expected that the Project will be a mixed-use residential, commercial and public utilities project with a total gross floor area of up to 1,461,549 sq.m. and conveniently located with good transportation facilities. The large-scaled residential complex, expected to be equipped with community facilities (such as educational, commercial, cultural facilities), will help to increase the Company's high-quality project reserve in Guangzhou. The Xintang area, where the Project is located, is an important transportation hub which connects Guangzhou and Dongguan and provides good development prospects for the Project. It is also expected that, given its large scale, the Project would contribute significantly to the sales and cash flow of the Group.

The view of the Board

As none of the Directors had a material interest in the Transactions and the Whitewash Waiver, no Director has abstained from voting on the relevant board resolutions of the Company. Taking into account the reasons and benefits described above, the Board considers that the terms of the

Transactions, comprising the Subscription (including the determination of the Subscription Price) and the Acquisitions (and including consideration thereof), are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

INTENTION OF GZYX

Upon completion of the Transactions, GZYX will continue to be the single largest Shareholder and the controlling Shareholder (as defined under the Listing Rules).

GZYX considers and confirms that:

(i) it is intended that the Group will continue with its existing business following completion of the Transactions;

(ii) it shares the view of the Directors as disclosed in the paragraph headed "Reasons for and benefits of the Transactions" above, in which it is mentioned that the Transactions are in the interests of the Group; and

(iii) there is no intention to introduce any major changes to the existing business of the Group or the continued employment of the Group's employees and there is no intention to redeploy the fixed assets of the Group other than in its ordinary course of business after completion of the Transactions.

TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER

As at the Latest Practicable Date, GZYX and parties acting in concert or presumed to be acting in concert (as named below) with it were interested in, and controlled or were entitled to exercise control over, the voting rights in respect of, directly and indirectly, an aggregate of 6,166,240,299 Shares, representing approximately 49.72% of the voting rights of the Company. Parties presumed to be acting in concert with GZYX under the Takeovers Code comprise: (i) Guangzhou Metro (including the GZ Metro Subscriber); (ii) Mr. Lin Zhaoyuan and Mr. Li Feng (each being a director of certain Relevant XYE Subsidiaries, an executive Director and a Shareholder); (iii) Ms. Chen Jing (being a director of certain Relevant YXE Subsidiaries and an executive Director); and (iv) all of the other Directors (other than the independent non-executive Directors) (namely, Mr. Lin Feng and Ms. Liu Yan, each of whom is an executive Director and therefore presumed to be acting in concert with GZYX by virtue of class (6) presumption under the definition of "acting in concert" under the Takeovers Code. The aforesaid class (6) presumption will cease upon completion of the Subscription).

As the Subscription will increase the aggregate voting rights held by GZYX and parties acting in concert or presumed to be acting in concert with it (as named above) by more than 2% from approximately 49.72% to approximately 59.73% (assuming there being no change in the total number of issued Shares from the Latest Practicable Date to the date of completion of the Subscription save for the issuance of the Subscription Shares) within a 12-month period, the Subscription will give rise to an obligation on the part of GZYX and parties acting in concert with it to make a mandatory general offer for all of the issued Shares and other securities (if any) of the Company not already owned or agreed to be acquired by them under Rule 26 of the Takeovers Code, unless a waiver is granted by the Executive (i.e. the Whitewash Waiver).

Accordingly, GZYX has applied to the Executive for the Whitewash Waiver pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, approval of at least 75% votes by the Independent Shareholders present and voting (either in person or by proxy) in respect of the Whitewash Waiver and more than 50% votes of the Independent Shareholders present and voting (either in person or by proxy) in respect of the Subscription at the GM by way of poll. If the Whitewash Waiver is not granted by the Executive, or if granted, is not approved by the Independent Shareholders, the Subscription (and the entire Transactions) will not proceed.

If the Whitewash Waiver is approved by the Independent Shareholders, the potential holding of voting rights of the Company held by GZYX and parties acting in concert with it (including the GZ Metro Subscriber) resulting from the Subscription will exceed 50% of the voting rights of the Company. GZYX and parties acting in concert with it (including the GZ Metro Subscriber) may further increase their holdings of voting rights of the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

As at the Latest Practicable Date, the Company does not believe that the Transactions give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this circular, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular. The Company notes that the Executive may not grant the Whitewash Waiver if the Transactions do not comply with other applicable rules and regulations.

IMPLICATIONS UNDER LISTING RULES

As at the Latest Practicable Date, GZYX wholly owns YXE (the controlling shareholder of the Company) and is therefore an associate of YXE and hence, a connected person of the Company. As such, the 51% Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Guangzhou Metro is wholly-owned by the Guangzhou Municipal People’s Government of the PRC, which is a PRC Governmental Body as defined in the Listing Rules. Accordingly, Guangzhou Metro is not a connected person of the Company by virtue of its relationship with the Guangzhou Municipal People’s Government of the PRC.

As YXE is the controlling shareholder of the Company, it is a “controller” as defined under Rule 14A.28 of the Listing Rules. The Target Holding Company is a substantial shareholder (as defined in the Listing Rules) of the Target Company and an associate of YXE (by virtue of it and YXE both being wholly-owned subsidiaries of GZYX). Pursuant to Rule 14A.28 of the Listing Rules, although Guangzhou Metro is not a connected person of the Company as at the Latest Practicable Date, the 35%

Acquisition is a connected transaction of the Company as the 35% Acquisition involves the Purchaser (a subsidiary of the Company) acquiring from Guangzhou Metro the 35% equity interest in the Target Company, the substantial shareholder of whom (i.e. the Target Holding Company) is an associate of YXE (the controller).

The Subscription itself is not a connected transaction under the Listing Rules. Since its completion is a non-waivable condition for, among others, the Acquisitions to becoming effective and that the subscriber under the Subscription and the seller of the 35% Acquisition are under the Guangzhou Metro group, the Company takes a prudent view and treats the Subscription as if it were a connected transaction of the Company and will comply with the requirements under Chapter 14A of the Listing Rules accordingly.

As the highest applicable percentage ratio in respect of the 51% Acquisition and the 35% Acquisition, on an aggregated basis, exceeds 25% but is less than 100%, the Acquisitions and the transactions contemplated thereunder, on an aggregated basis, constitute major and connected transactions of the Company. Accordingly, the transactions contemplated under the Acquisitions are subject to the reporting, announcement, circular and the approval of the Independent Shareholders at the GM under Chapters 14 and 14A of the Listing Rules.

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate, which is subject to the approval of the Independent Shareholders at the GM. Upon completion of the Transactions, the GZ Metro Subscriber will become a connected person of the Company under the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all of the independent non-executive Directors, has been established to advise the Independent Shareholders regarding the Transactions and the Whitewash Waiver.

Yu Ming Investment Management Limited has been appointed as the Independent Financial Adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Transactions and the Whitewash Waiver, such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code and the Listing Rules, respectively.

PROPOSED RE-ELECTION OF DIRECTORS

Separately from the Transactions and the Whitewash Waiver, in accordance with Article 98 of the Company's articles of association, Mr. Lin Feng and Ms. Liu Yan (both were appointed as executive Directors with effect from 14 August 2018) shall hold office only until the next following general meeting of the Company. Accordingly, they will retire at the General Meeting.

Mr. Lin Feng and Ms. Liu Yan, being eligible, will offer themselves for re-election at the General Meeting. Biographical details of the above-mentioned Directors, which are required to be disclosed by the Listing Rules, are set out below.

1. Mr Lin Feng ("**Mr Lin**"), aged 48, was appointed Vice Chairman, executive director and General Manager of the Company in August 2018. Mr Lin is also a director and deputy general manager of GCCD, chairman of Hangzhou Yuexiu Property Development Limited, the general manager of urban renewal projects group (i.e. the Company's urban renewal sector) and director of Guangzhou Yuexiu Commercial Real Estate Investment & Management Co., Limited. Mr Lin graduated from Guangdong University of Finance & Economics (formerly known as Guangdong Commercial College) in accounting with a Bachelor's degree in economics. Mr. Lin holds a Master's degree in business administration from the University of Western Sydney and the qualification of accountant awarded by the Ministry of Finance of the People's Republic of China. Since 1994, Mr Lin has joined Guangzhou City Construction Development Holding Co., Limited. He served as deputy general manager of Finance Department and of Corporate Management Department and general manager of Finance Department of GCCD and assistant to general manager of the Company. He has served as a deputy general manager of the Company since 2014 and has been in charge of investment sector, finance sector and business operation within East China. He has also participated in various major capital operation and financing projects of the Company with extensive experience in enterprise investment decision making and funds management.

   Save as disclosed above, Mr Lin does not have any relationship with any other directors, senior management or substantial or controlling shareholders (each as defined in the Listing Rules) of the Company, and Mr Lin Feng has not held any directorships in other listed public companies, the securities of which are listed in Hong Kong or overseas, in the past three years preceding the date of this circular. As at the Latest Practicable Date, Mr Lin has a personal interest in 1,357,276 shares, a family interest of 100,000 shares and other interest of 2,958,476 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

   There is no service agreement between the Company and Mr Lin. Mr Lin will retire and be eligible for re-election in accordance with the articles of association of the Company. Mr Lin is entitled to receive a salary of RMB1,540,000 per annum from the Company. In addition, Mr Lin is entitled to a discretionary bonus to be determined with reference to his job responsibilities and the performance and profitability of the Company and its subsidiaries.

   Save as disclosed above, there is no other matter concerning Mr Lin that is required to be brought to the attention of the Shareholders and there is no information that is required to be disclosed herein pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

2. Ms Liu Yan ("**Ms Liu**"), aged 40, was appointed executive director of the Company in August 2018. Ms Liu is the Head and General Manager of Human Resources Department and General Manager of the Management Department of GZYX and YXE. She is also a

director of GCCD, Guangzhou Yuexiu Financial Holdings Group Co., Limited (廣州越秀金融控股集團股份有限公司), a company listed on The Shenzhen Stock Exchange (Stock Code: 000987), Guangzhou Yuexiu Jinrong Holdings Group Co., Limited, Guangzhou Yuexiu Financial Leasing Co., Limited, Shanghai Yuexiu Finance Leasing Co., Limited and Guangzhou Paper Group Limited. Ms Liu graduated from Nankai University with a Bachelor's degree in sociology and a Master's degree in sociology and from Shanghai Jiao Tong University with an Executive Master of business administration degree. She holds the qualification of Human Resources Management and Economics (intermediate level). Ms Liu joined GZYX in July 2002 and has led the implementation of several major projects for GZYX on mobilization and optimization of human resources, development of appraisal system and sound and efficient management. Ms Liu has extensive work experience in human resources management and operation management in large business enterprises.

Save as disclosed above, Ms Liu does not have any relationship with any other directors, senior management or substantial or controlling shareholders (each as defined in the Listing Rules) of the Company, and Ms Liu has not held any directorships in other listed public companies, the securities of which are listed in Hong Kong or overseas, in the past three years preceding the date of this circular. As at the Latest Practicable Date, Ms Liu has a personal interest in 17,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is no service agreement between the Company and Ms Liu. Ms Liu will retire and be eligible for re-election in accordance with the articles of association of the Company. Ms Liu is entitled to receive a salary of RMB1,490,000 per annum from the Company. In addition, Ms Liu is entitled to a discretionary bonus to be determined with reference to her job responsibilities and the performance and profitability of the Company and its subsidiaries.

Save as disclosed above, there is no other matter concerning Ms Liu that is required to be brought to the attention of the Shareholders and there is no information that is required to be disclosed herein pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 1 April 2019 to Wednesday, 3 April 2019 (both days inclusive), during which no transfer of Shares will be effected, to determine the eligibility of the Shareholders to participate in the GM. For Shareholders not already on the register of the members of the Company, in order to qualify to attend and vote at the GM, all transfer(s) of Share(s) (together with the relevant Share certificate(s)) must be lodged with the Company's share registrar, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration by no later than 4:30 p.m. on Friday, 29 March 2019.

GM AND CIRCULAR

The GM will be held at 10:30 a.m. on 3 April 2019 at Plaza I-IV, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing the resolutions set out in the notice of the GM, which is set out on pages GM-1 to GM-3 of this circular. Given the passing of the resolutions approving the Transaction Documents and the transactions contemplated thereunder (namely, the Subscription (including the Specific Mandate) and the Acquisitions) and the Whitewash Waiver is a non-waivable condition in each of the Transaction Documents, the approval for the Transaction Documents and the transactions contemplated thereunder (namely, the Subscription (including the Specific Mandate) and the Acquisitions) are combined into one single resolution to be approved at the GM as set out in the notice of GM enclosed with this crcular. Accordingly, if such resolution is not passed at the GM, the Transactions will not proceed.

Whether or not you are able or intend to attend and vote at the GM in person, you are requested to complete and return the enclosed form of proxy to the Company's share registrar, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the GM or any adjourned meeting thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting in person at the GM or any adjourned meeting thereof should you so wish, and in such event, the instrument appointing a proxy will be deemed to be revoked. The voting in respect of the resolutions to be proposed at the GM will be conducted by way of a poll.

You can vote at the GM if you are a Shareholder on 3 April 2019. You will find enclosed with this circular the notice of the GM (please refer to pages GM-1 to GM-3 in this circular) and a form of proxy for use for the GM.

VOTING

All the resolutions set out in the notice of the GM would be decided by poll in accordance with the Listing Rules and the articles of association of the Company. On a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy shall have one vote for every fully paid Share held. A Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy who is entitled to more than one vote need not use all of his/its votes or cast all of his/its votes in the same way. After the conclusion of the GM, the poll results will be published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at http://www.yuexiuproperty.com.

Pursuant to the Takeovers Code, any Shareholder who is interested or involved in the Subscription (including the Specific Mandate), the 51% Acquisition, 35% Acquisition and/or the Whitewash Waiver other than its interest as a Shareholder shall abstain from voting on the relevant resolutions to approve the same to be proposed at the GM.

Given the relevant resolutions to approve the Subscription and the Whitewash Waiver are non-waivable conditions to the 51% Acquisition Agreements to which GZYX is a party, the Relevant YXE Subsidiaries (all being wholly-owned subsidiaries of YXE, which in turn is a wholly-owed subsidiary of GZYX and hence, parties acting in concert with GZYX under the Takeovers Code) are considered to be interested in the Subscription and the Whitewash Waiver. Each of them shall abstain from voting on all the relevant resolutions to approve the Transaction Documents and the transactions contemplated thereunder (namely, the Subscription (including the Specific Mandate) and the Acquisitions) and the Whitewash Waiver to be proposed at the GM. Further, each of Mr. Lin Zhaoyuan, Mr. Li Feng (each being a director of certain Relevant YXE Subsidiaries and presumed to be acting in concert with GZYX) is also an executive Director and a Shareholder who, together, were interested in 2,359,885 Shares, in aggregate (representing not more than 0.02% of the total issued Shares). All of the other Directors (other than the independent non-executive Directors) (namely, Mr. Lin Feng and Ms. Liu Yan) are presumed to be acting in concert with GZYX solely by virtue of class (6) presumption under the definition of “acting in concert” under the Takeovers Code, until completion of the Subscription. Accordingly, all Directors (other than the independent non-executive Directors) will abstain from voting on all the relevant resolutions to approve the Transaction Documents and the transactions contemplated thereunder (namely, the Subscription (including the Specific Mandate) and the Acquisitions) and the Whitewash Waiver to be proposed at the GM. In addition, although none of the independent non-executive Directors are required to abstain from voting under the Takeovers Code, each of them have elected to abstain from voting on all the relevant resolutions to approve the Transaction Documents and the transactions contemplated thereunder (namely, the Subscription (including the Specific Mandate) and the Acquisitions) and the Whitewash Waiver to be proposed at the GM.

Save as disclosed above, to the best of the information and knowledge of GZYX and the GZ Metro Subscriber, no other existing Shareholder is required to, or otherwise will, abstain from voting on the relevant resolutions to approve the Subscription and the Whitewash Waiver for the purpose of the Takeovers Code. Completion of the Subscription is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and the Subscription (including the Specific Mandate), and the Whitewash Waiver being approved by the Independent Shareholders.

Pursuant to the Listing Rules, any Shareholder who has a material interest in any of the Transaction Documents and the transactions contemplated thereunder other than its interest as a Shareholder, and such Shareholder’s close associates shall abstain from voting on the resolutions to approve the same to be proposed at the GM. The Relevant YXE Subsidiaries (all being wholly-owned subsidiaries of YXE (a wholly-owed subsidiary of GZYX) and hence, associates of GZYX (who is having a material interest in the Transactions) are being considered to have a material interest in the Transactions) shall abstain from voting on the relevant resolutions to approve the Transaction Documents and the transactions contemplated thereunder (namely, the Subscription (including the Specific Mandate) and the Acquisitions) and the Whitewash Waiver to be proposed at the GM. In addition, although none of Mr. Li Feng, Mr. Lin Zhaoyuan, Mr. Lin Feng, Ms. Liu Yan and the independent non-executive Directors (each being also a Shareholder) are required to abstain from voting under the Listing Rules, each of them will abstain from voting on all the relevant resolutions approving the Transaction Documents and the transactions contemplated thereunder (namely, the Subscription (including the Specific Mandate) and the Acquisitions) and the Whitewash Waiver to be proposed at the GM.

Save as disclosed above, to the best of the information and knowledge of GZYX and the GZ Metro Subscriber, no other existing Shareholder is required to, or otherwise will, abstain from voting on the relevant resolutions to approve the Transactions for the purpose of the Listing Rules.

RECOMMENDATIONS

You are advised to read carefully the letter from the Independent Board Committee on pages 39 to 41 of this circular. The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, the text of which is set out on pages 42 to 77 of this circular, consider that (a) the terms and conditions of the Transaction Documents and the transactions contemplated thereunder (namely, the Subscription (including the Specific Mandate) and the Acquisitions) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole; and (b) the Whitewash Waiver is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions to approve the Transaction Documents and the transactions contemplated thereunder (namely, the Subscription (including the Specific Mandate) and the Acquisitions) and the Whitewash Waiver at the GM.

The Board considers that (1) the terms of the Transactions Documents and the transactions contemplated thereunder (namely, the Subscription (including the Specific Mandate) and the Acquisitions) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole; and (2) the Whitewash Waiver is fair and reasonable and in the interests of the Company and the Shareholders as a whole, and recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the GM.

Shareholders and potential investors of the Company should be aware that the Transactions are subject to certain conditions being satisfied (or waived, if applicable), therefore the completion of the Transactions may or may not proceed. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By Order of the Board
Yuexiu Property Company Limited
Lin Zhaoyuan
Chairman and executive Director

The following is the text of the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Transaction Documents and the transactions contemplated thereunder (namely, the Subscription (including the Specific Mandate) and the Acquisitions) and the Whitewash Waiver.

越秀地產股份有限公司
YUEXIU PROPERTY COMPANY LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock code: 00123)

18 March 2019

To the Independent Shareholders

Dear Sir or Madam,

(1) PROPOSED SUBSCRIPTION AND ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE AND APPLICATION OF WHITEWASH WAIVER;
(2) MAJOR AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITIONS OF AN 86% INTEREST IN GUANGZHOU CITY PINXIU PROPERTY DEVELOPMENT COMPANY LIMITED;
(3) PROPOSED RE-ELECTION OF DIRECTORS;
(4) NOTICE OF GM;
AND
(5) CLOSURE OF REGISTER OF MEMBERS

We refer to the circular of the Company dated 18 March 2019 (the "**Circular**") of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to (1) whether the terms and conditions of the Transaction Documents and the transactions contemplated thereunder (namely, the Subscription (including the Specific Mandate) and the Acquisitions) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole; (2) whether the Whitewash Waiver is fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (3) how to vote in respect to the resolutions to be proposed at the GM to approve the Transaction Documents and the transactions contemplated thereunder (namely, the Subscription (including the Specific Mandate) and the Acquisitions) and the Whitewash Waiver after taking into account the recommendation of the Independent Financial Adviser.

We wish to draw your attention to (i) the letter of advice from the Independent Financial Adviser. Details of the advice of the Independent Financial Adviser, together with the principal factors and reasons it has taken into consideration, as set out on pages 42 to 77 of the Circular; and (ii) the letter from the Board as set out on pages 6 to 38 of the Circular.

Having considered the terms of the Transactions Documents and the transactions contemplated thereunder and the Whitewash Waiver and the principal factors and reasons considered by and the opinion of the Independent Financial Adviser as set out in its letter of advice, we consider that the: (1) terms and conditions of the Transaction Documents and the transactions contemplated thereunder (namely, the Subscription (including the Specific Mandate) and the Acquisitions) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole; and (2) the Whitewash Waiver is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend that the Independent Shareholders to vote in favour of the resolutions to approve the Transaction Documents and the transactions contemplated thereunder (namely, the Subscription (including the Specific Mandate) and the Acquisitions) and the Whitewash Waiver at the GM.

Yours faithfully,
For and on behalf of
the Independent Board Committee

YU Lup Fat Joseph	**LEE Ka Lun**	**LAU Hon Chuen Ambrose**
Independent Non-executive Director	*Independent Non-executive Director*	*Independent Non-executive Director*

The following is the full text of a letter of advice from Yu Ming Investment Management Limited to the Independent Board Committee and the Independent Shareholders in relation to the Transactions and the Whitewash Waiver, which has been prepared for the purpose of inclusion in this circular.

YU MING INVESTMENT MANAGEMENT LIMITED
禹銘投資管理有限公司

18 March 2019

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

(1) PROPOSED SUBSCRIPTION AND ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE AND APPLICATION FOR WHITEWASH WAIVER (2) MAJOR AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITIONS OF 86% INTEREST IN GUANGZHOU CITY PINXIU PROPERTY DEVELOPMENT COMPANY LIMITED

INTRODUCTION

Reference is made to the announcement of the Company dated 27 February 2019 in connection with the Transactions and the Whitewash Waiver, details of which are set out in the section headed "Letter from the Board" (the "**Letter**") in the circular of the Company dated 18 March 2019 (the "**Circular**") to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 27 February 2019, the Group entered into the following Transactions upon and subject to the terms and conditions of the Transaction Documents:

(1) Subscription of new shares by the GZ Metro Subscriber

On 27 February 2019, the Company entered into a conditional Subscription Agreement with the GZ Metro Subscriber (a wholly-owned subsidiary of Guangzhou Metro) relating to the proposed subscription by the GZ Metro Subscriber of 3,080,973,807 Subscription Shares at the Subscription Price of HK$2.00 per Subscription Share, i.e. for a total consideration of HK$6,161,947,614. The Subscription Shares represent approximately 19.9% of the total number of issued Shares as enlarged by the allotment and the issue of the Subscription Shares (assuming there being no other changes in the total number of issued Shares between the Latest Practicable Date and the date of completion of the Subscription). The Subscription Price of HK$2.00 per Subscription Share represents a premium of approximately 22.0% to the closing price of HK$1.64 per Share as quoted on the Stock Exchange on 27 February 2019, being the date of the Subscription Agreement.

(2) Acquisitions of an 86% interest in the Target Company

Simultaneously with the entering into of the Subscription Agreement on 27 February 2019, the Purchaser entered into a set of agreements in relation to the Acquisitions. Pursuant to such agreements, the Purchaser has conditionally agreed to acquire, directly or indirectly, an aggregate of 86% of the equity interest in the Target Company together with the interest in the relevant loans in the Target Company and the Target Holding Company, respectively, in the following manner:

(a) Firstly, the Purchaser has agreed to acquire:

(i) 51% of the equity interest in the Target Company by way of acquiring (from a wholly-owned subsidiary of GZYX) the entire equity interest in the Target Holding Company for RMB10,413,000, which was agreed with reference to the net asset value of the Target Holding Company as at 31 December 2018 (which was calculated by JLL taking into account the Appraised Value of the Project as at 31 December 2018);

(ii) all of the interests in the loans owing by the Target Holding Company to GZYX (in the principal amount of RMB671,500,000 together with interest accrued at 6.5% per annum) by way of assuming the assignment of such loans on a dollar-for-dollar basis; and

(iii) all of the interests in the loans corresponding to GZYX's 51% interest in the Target Company, owing by the Target Company to GZYX, together with accrued interest, by way of assuming the assignment of the interests in part of the loans (in the principal amount of RMB6,954,780,801 plus interest accrued at 6.5% per annum) and refinancing the remaining part of the loans (in the principal amount of RMB102,000,000 plus interest accrued at 6.5% per annum), in each case on a dollar-for-dollar basis.

(b) Secondly, the Purchaser has agreed to acquire:

(i) 35% of the equity interest in the Target Company from Guangzhou Metro for RMB479,988,000, which was agreed with reference to 35% of the net asset value of the Target Company as at 31 December 2018 (which was calculated by JLL taking into account the Appraised Value of the Project as at 31 December 2018); and

(ii) interests in such loans corresponding to Guangzhou Metro's 35% interest in the Target Company owing by the Target Company to Guangzhou Metro, together with accrued interest, by way of assuming the assignment of the interests in part of the loans (in the principal amount of RMB4,772,888,785 plus interest accrued at 6.5% per annum) and refinancing the remaining part of the loans (in the principal amount of RMB70,000,000 plus interest accrued at 6.5% per annum), in each case on a dollar-for-dollar basis.

(c) Thirdly, the Purchaser has agreed to pay an Initial Cost Amount to GZYX to cover the cost of capital attributable to the amount advanced by GZYX to Guangzhou Metro in relation to the Project before the Original 51% Acquisition and other incidental costs (for illustrative purpose, assuming completion of the 51% Acquisition on 30 April 2019, the Initial Cost Amount would be approximately RMB259,448,030).

For illustrative purpose, assuming completion of the Acquisitions on 30 April 2019 (being the date by which the Company targets to complete the Acquisitions): (i) the aggregate amount payable by the Purchaser to GZYX (and/or its wholly-owned subsidiary) for the 51% Acquisition (which includes (among other things) the Initial Cost Amount and the interest accrued on the outstanding loans subject to the 51% Acquisition) would be approximately RMB8,481,966,000; (ii) the aggregate amount payable by the Purchaser to Guangzhou Metro for the 35% Acquisition (which includes (among other things) the interest accrued on the outstanding loans subject to the 35% Acquisition) would be approximately RMB5,625,711,000; and (iii) therefore, the total amount payable by the Purchaser for the Acquisitions would be approximately RMB14,107,677,000.

Takeovers Code implications and application for Whitewash Waiver

As at the Latest Practicable Date, GZYX and parties acting in concert or presumed to be acting in concert (as named below) with it were interested in, and controlled or were entitled to exercise control over, the voting rights in respect of, directly and indirectly, an aggregate of 6,166,240,299 Shares, representing approximately 49.72% of the voting rights of the Company. Parties presumed to be acting in concert with GZYX under the Takeovers Code comprise: (i) Guangzhou Metro (including the GZ Metro Subscriber); (ii) Mr. Lin Zhaoyuan and Mr. Li Feng (each being a director of certain Relevant YXE Subsidiaries, an executive Director and a Shareholder); (iii) Ms. Chen Jing (being a director of certain Relevant YXE Subsidiaries and an executive Director); and (iv) all of the other Directors (other than the independent non-executive Directors) (namely, Mr. Lin Feng and Ms. Liu Yan, each of whom is an executive Director) and therefore presumed to be acting in concert with GZYX by virtue of class (6) presumption under the definition of "acting in concert" under the Takeovers Code. The aforesaid class (6) presumption will cease upon completion of the Subscription.).

The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, approval of at least 75% votes by the Independent Shareholder present and voting (either in person or by proxy) in respect of the Whitewash Waiver and more than 50% votes of the Independent Shareholders present and voting (either in person or by proxy) in respect of the Subscription at the GM by way of poll.

Implications under Listing Rules

As at the Latest Practicable Date, GZYX wholly owns YXE (the controlling shareholder of the Company) and is therefore an associate of YXE and hence, a connected person of the Company. As such, the 51% Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Guangzhou Metro is wholly-owned by the Guangzhou Municipal People's Government of the PRC, which is a PRC Governmental Body as defined in the Listing Rules. Accordingly, Guangzhou Metro is not a connected person of the Company by virtue of its relationship with the Guangzhou Municipal People's Government of the PRC. However, pursuant to Rule 14A.28 of the Listing Rules, the 35% Acquisition is a connected transaction of the Company as the 35% Acquisition involves the Purchaser (a subsidiary of the Company) acquiring from Guangzhou Metro the 35% equity interest in the Target Company, the substantial shareholder of whom (i.e. the Target Holding Company) is an associate of YXE (the controller).

The Subscription itself is not a connected transaction under the Listing Rules. Since its completion is a non-waivable condition for, among others, the Acquisitions becoming effective and that the subscriber under the Subscription and the seller of the 35% Acquisition are under the Guangzhou Metro group, the Company takes a prudent view and treats the Subscription as if it were a connected transaction of the Company and will comply with the requirements under Chapter 14A of the Listing Rules accordingly.

As the highest applicable percentage ratio in respect of the 51% Acquisition and the 35% Acquisition, on an aggregated basis, exceeds 25% but is less than 100%, the Acquisitions and the transactions contemplated thereunder, on an aggregated basis, constitute major and connected transactions of the Company. Accordingly, the transactions contemplated under the Acquisitions are subject to the reporting, announcement, circular and the approval of the Independent Shareholders at the GM under Chapters 14 and 14A of the Listing Rules.

The Subscription Shares will be allotted and issued pursuant to the Specific Mandate, which is subject to the approval of the Independent Shareholders at the GM. Upon completion of the Transactions, the GZ Metro Subscriber will become a connected person of the Company under the Listing Rules.

The Relevant YXE Subsidiaries (all being wholly-owned subsidiaries of YXE and hence, parties acting in concert with GZYX under the Takeovers Code and associates (as defined under the Listing Rules) of GZYX) and all Directors who are also Shareholders will abstain from voting on all resolutions to be proposed at the GM.

Independent Board Committee and Independent Financial Adviser

The Independent Board Committee, comprising all of the independent non-executive Directors, has been established to advise the Independent Shareholders regarding the Transactions and the Whitewash Waiver.

Yu Ming Investment Management Limited has been appointed as the Independent Financial Adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Transactions and the Whitewash Waiver, such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code and the Listing Rules, respectively.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the statements, information, opinions and representations contained in the Circular and the statements, information, opinions and representations provided to us by the Directors through management, officers and professional advisers of the Company ("**Relevant Information**"). We have assumed that all Relevant Information provided to us by the Directors for which they are solely responsible are, to the best of their knowledge, true, complete and accurate at the time they were made and continue to be so on the date of this letter and the Independent Shareholders will be notified of any material changes to such statements, information, opinions and/or representations as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

We have no reason to suspect that any Relevant Information has been withheld, nor are we aware of any fact or circumstance which would render the Relevant Information provided and presented to us untrue, inaccurate, incomplete or misleading. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading. We have not, however, carried out any independent verification on the Relevant Information provided to us by the Directors, nor have we conducted any independent investigation into the business and affairs of the Group.

We acted as the independent financial adviser to advise the independent board committee of the Company in respect of the connected transactions of the Company (details of the connected transactions were set out in the circular of the Company dated 23 November 2016, the circular of the Company dated 19 May 2017, the announcement of the Company dated 26 June 2017 and the circular of the Company dated 9 March 2018). These previous engagements had been completed after the issue of the respective announcement and circular of the Company. As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Company or any other parties that could reasonably be regarded as relevant to our independence. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we comply with Rule 2.6 of the Takeovers Code and Rule 13.84 of the Listing Rules and are eligible to give independent advice in respect of the Transactions and the Whitewash Waiver to the Independent Board Committee and the Independent Shareholders.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our recommendation in relation to the terms of the Transactions and the Whitewash Waiver, we have taken into consideration the following principal factors and reasons:

I. INFORMATION OF THE GROUP

(a) Background of the Group

The Company is incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00123). It is principally engaged in property development and investment, mainly focusing on properties in Guangzhou and gradually expanding into the Pearl River Delta, Yangtze River Delta, Bohai Rim Economic Zone and Central Region.

According to the 2018 annual results announcement of the Company dated 27 February 2019 ("**Results Announcement**"), as at 31 December 2018, the land bank of the Group was approximately 19.41 million sq.m. with a total of 58 projects in 14 cities in the PRC, of which approximately 10.92 million sq.m is attributable to the interest of the Group.

In terms of regional composition, Guangzhou accounted for approximately 39.3% of the total landbank, Pearl River Delta (excluding Guangzhou) accounted for approximately 8.9%, Yangtze River Delta accounted for approximately 19.4%, Central China Region accounted for approximately 18.7%, Bohai Rim Economic Zone accounted for approximately 12.8%, Hainan accounted for approximately 0.5% and Hong Kong accounted for approximately 0.4%.

A summary of the land bank of the Group as at 31 December 2018 is as follows:

	Location	**Land bank** *(GFA in sq.m.)*	**Properties under development** *(GFA in sq.m.)*	**Properties for future development** *(GFA in sq.m.)*
1	Guangzhou	7,620,100	4,746,000	2,874,100
2	Pearl River Delta (excluding Guangzhou)	1,730,000	1,515,200	214,800
3	Yangtze River Delta	3,763,600	2,095,100	1,668,500
4	Central China Region	3,638,600	2,598,400	1,040,200
5	Bohai Rim	2,487,600	1,180,800	1,306,800
6	Hainan	100,500	—	100,500
7	Hong Kong	72,100	—	72,100
	Total	19,412,500	12,135,500	7,277,000

In the year ended 31 December 2018, the value of the aggregate contracted sales (including contracted sales by joint venture projects) of the Group was approximately RMB57.78 billion, a year-on-year increase of 41.4% and accounted for approximately 105.1% of the full year contracted sales target of RMB55.0 billion. The gross floor area ("**GFA**") of the aggregate contracted sales (including contracted sales by joint venture projects) was approximately 2.77 million sq.m., representing a year-on-year increase of 24.7%. The average selling price was approximately RMB20,900 per sq.m., a year-on-year increase of 13.6%.

(b) Financial information on the Group

A summary of financial information of the Group is extracted from the Results Announcement in Table-1 below:

Table-1: Financial highlights of the Group

	For the year ended 31 December	
	2017	**2018**
	Audited	*Audited*
	RMB'000	*RMB'000*
Revenue	23,793,908	26,433,444
Gross profit	6,108,107	8,392,922
Profit before tax	4,785,410	6,783,402
Profit after tax	2,331,646	3,039,493

	As at 31 December	
	2017	**2018**
	Audited	*Audited*
	RMB'000	*RMB'000*
Non-current assets	37,196,884	35,183,877
Current assets	95,633,596	133,636,621
Current liabilities	52,196,851	72,629,069
Non-current liabilities	43,956,742	53,279,711
Net assets	36,988,918	42,911,718

The revenue of the Group mainly generated from property development, property investment and property management. For the year ended 31 December 2018, the revenue of the Group was approximately RMB26.4 billion, representing a year-on-year increase of 11.1%. Profit attributable to equity holders was approximately RMB2.7 billion, representing a year-on-year increase of 20.7%. Core net profit (profit attributable to equity holders excluding net fair value loss on revaluation of investment properties and the related tax effect and net foreign exchange loss recognised in consolidated statement of profit or loss) was approximately RMB2.81 billion, representing a year-on-year increase of 19.6%. The increase in revenue and profit was mainly due to increase in average selling price per GFA and that more GFA were delivered to customers in 2018.

As at 31 December 2018, the Group's total assets amounted to approximately RMB168.8 billion, representing an increase of approximately 26.8% from approximately RMB133.1 billion as at 31 December 2017. Non-current assets of the Group, which mainly consist of investment properties, interests in joint ventures and interests in associated entities, amounted to approximately RMB35.2 billion as compared to approximately RMB37.2 billion as at 31 December 2017. The Group's current assets recorded an increase of approximately 39.7% from approximately RMB95.6 billion as at 31 December 2017 to approximately RMB133.6 billion as at 31 December 2018, which was mainly resulted from the increase in properties under development, other receivables, prepayments and deposits and cash and cash equivalents. The Group had a cash and cash equivalents of approximately RMB22.0 billion as at 31 December 2018, representing an increase of approximately 32.0% from RMB16.7 billion as at 31 December 2017.

Total liabilities of the Group increased by approximately 30.9% from approximately RMB96.2 billion as at 31 December 2017 to approximately RMB125.9 billion as at 31 December 2018. The increase in total liabilities was mainly due to the increase in contract liabilities of approximately RMB31.6 billion.

As at 31 December 2018, the total equity attributable to owners of the Company amounted to approximately RMB33.8 billion, which represented an increase of approximately 4.3% from approximately RMB32.4 billion as at 31 December 2017.

(c) Business outlook of the Group

As set out in the Results Announcement, looking forward to 2019, the global economy will continue to grow slowly, and the prospect of China-US trade negotiations will bring uncertainties to the recovery of the global economy. The external environment is complex and grave, and changes and worries weighed on stable economic operation. Chinese economy is still in and will remain in an important period of strategic opportunities for a long time. It is expected that the government will continue to adhere to the overarching principle of "seeking growth while maintaining stability" while insisting on the main direction of the supply-side structural reform. Also, the government will accelerate the construction of a modern economic system, innovate and improve macrocontrol, coordinate and promote stable growth, advance reform, adjust structure, improve people's well-being, and guard against risks. Moreover, the government will continue to adopt proactive fiscal policies and prudent and neutral monetary policies. It is anticipated that Chinese macro economy will maintain a continuous and steady growth as a whole in 2019.

In 2019, as an important pillar of the national economy, the real estate industry is expected to remain stable as a whole. The regulatory policies on the real estate market will continue and remain stable, focusing on city-specific policies and policy optimisation, speeding up the long term mechanism of the real estate market, and ensuring the steady and healthy development of the real estate industry. The real estate market is expected to remain basically stable in general supply and price with continuous market differentiation. The market in the tier-1 and certain key tier-2 cities will stabilise. The market demand support base of tier-3 and tier-4 cities is relatively weak, therefore the downward pressure of sales is relatively high. However, cities that are dominated by first-home buyers and upgraders will have development opportunities. The government will continue to increase the supply of land and optimise the supply structure so that the land market will gradually return to rational. Supply of credit fund will remain stable in general, but is eased moderately in response to the economic downturn. Funding cost tends to decline, and the financing environment will gradually improve. At the same time, there will be many new opportunities for new business such as commercial properties, elderly-care industry and long-term leasing business, and the real estate industry will remain in a stable development period.

Achieving Annual Targets

In 2019, the Group will adhere to the theme of "in-depth management ability improvement, operation-driven development" and devote every effort to achieve its annual sales and business targets. With regard to sales, the Group will achieve high sell-through rate and cash collection rate through managing the pace of sales, precise launches, flexible marketing and innovative channels, with an aim to achieve the annual sales target. With regard to the operation, the Group will speed up project development and asset turnover to continuously enhance profitability and return of equity level. With regard to the product development, adhering to customer needs to improve the competitiveness of products, the Group will focus on building and optimising its product lines to better satisfy with rigid and improved demand. With respect to the human resource, the Group will deepen the implementation of the mechanism of co-investment and share incentive scheme, step up the cultivation and introduction of core talents, thereby enhancing the organizational support capability of business.

Consolidating the Unique Resource Acquisition Platform

The Group will continue to cultivate its unique advantage to acquire quality land resources via various means, forming a multi-channel model combination of "Open Market Auctions + Group Incubation + Cooperation with State-owned Enterprises + Railway + Urban Renewal + Merger and Acquisition + Business parks". The Group will focus on fast turnover projects in accordance with the requirement of controlled pace, optimised structure, strict standard and precise layout in open land market. The Group will deepen and leverage the advantages of cooperation with state-owned enterprises, and continue to expand the depth and breadth of cooperation with the "Railway + Properties" to acquire land resources. Furthermore, via deep participation in urban renewal projects, the Group will actively pursue merger & acquisition opportunities in the secondary market. Following the national strategy of the Greater Bay Area, the Group will seize the opportunities of strategic development of the Greater Bay Area to maintain and further strengthen its dominant position in market.

Upholding the Strategy of "Coordinated Development of Both Residential and Commercial Properties"

"Coordinated development of both residential and commercial properties" is one of the important development strategies of the Group. The Group will continue to deepen the whole industry chain business model of "development + operations + securitisation". On one hand, by accelerating the enhancement of planning, professional operational capabilities, the Group will strengthen its basic commercial property steadily. On the other hand, by continuous enhancement of investment acquisition and capital operation, the Group will proactively explore asset-light fast-turnover business model, thus developing commercial properties business into an important "stabiliser" and core competitive advantage of the Group.

Ensuring Financial Prudence and Security

In light of liquidity risks, interest rate risks and foreign exchange risks arising from increased economic volatility, the Group will speed up collection of sales proceeds. Moreover, the Group will make full use of all kinds of financial instruments through the comprehensive use of onshore and offshore financing channels to leverage the advantage of whole industry chain for financing, optimise capital management, thereby reducing the funding cost, and providing multiple financing channels as well as reasonable debt structure. At the same time, the Group shall further strengthen the function of risk control, improve the financial risk monitoring system, and enhance the risk early-warning.

Steady Advancement of New Businesses

Regarding the urban renewal business, the Group will fully leverage the advantages of resources of state-owned enterprises, expand the urban renewal business, and deepen the collaboration model with "Railway + Properties". The Group also strengthens the cooperation with state-owned enterprises to tap into their stock of land resources. Moreover, in order to continuously acquire quality land resources the Group will actively participate in "three old" redevelopments. For elderly-care business, the Group will effectively operate existing projects, actively explore new projects, integrate medical care and resources at home and abroad, and create a model of combining medical care and elderly care, both in multi-ways and multi-levels. Concerning the long-term leasing business, the Group will speed up housing leasing business through multi-platforms, multi-channels and multi-ways, focus on the stateowned stock projects cooperation and asset-light operation model. Emphasis will also be placed on steadily strengthening the development of property "+ industries", "+ towns" and other new businesses. Meanwhile, the Group will integrate high-quality educational resources from Guangdong-Hong Kong-Macau Greater Bay Area to accelerate "+ education" business.

II. SUBSCRIPTION OF NEW SHARES BY GZ METRO SUBSCRIBER

On 27 February 2019 (after trading hours), the Company entered into the Subscription Agreement with the GZ Metro Subscriber (a wholly-owned subsidiary of Guangzhou Metro) pursuant to which the Company conditionally agreed to issue and allot under the Specific Mandate, and the GZ Metro Subscriber conditionally agreed to subscribe for, 3,080,973,807 Subscription Shares at the Subscription Price of HK$2.00 per Subscription Share, i.e. for a total consideration of HK$6,161,947,614.

The Subscription Agreement

Date: 27 February 2019

Parties: (i) the Company; and

(ii) the GZ Metro Subscriber

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, the GZ Metro Subscriber and its ultimate beneficial owners are not connected persons of the Company.

Number of the Subscription Shares

3,080,973,807 Subscription Shares

The Subscription Shares represent (i) approximately 24.8% of the total number of issued Shares as at the Latest Practicable Date; and (ii) approximately 19.9% of the total number of issued Shares as enlarged by the allotment and the issue of the Subscription Shares (assuming there being no other changes in the total number of issued Shares between the Latest Practicable Date and the date of completion of the Subscription).

Subscription Price

The Subscription Price of HK$2.00 per Subscription Share represents:

(a) a premium of approximately 22.0% to the closing price of HK$1.64 per Share as quoted on the Stock Exchange on 27 February 2019, being the date of the Subscription Agreement;

(b) a premium of approximately 20.5% to the closing price of HK$1.66 per Share as quoted on the Stock Exchange on the Last Trading Day;

(c) a premium of approximately 23.0% to the average of the closing prices per Share as quoted on the Stock Exchange for the five trading days ending on the Last Trading Day of approximately HK$1.63 per Share;

(d) a premium of approximately 25.4% to the average of the closing prices per Share as quoted on the Stock Exchange for the ten trading days ending on the Last Trading Day of approximately HK$1.60 per Share;

(e) a discount of approximately 36.0% to the audited net assets attributable to owners of the Company per Share of approximately HK$3.12 (equivalent to approximately RMB2.73) as at 31 December 2018; and

(f) a premium of approximately 13.0% to the closing price of HK$1.77 per Share as quoted on the Stock Exchange as at the Latest Practicable Date.

The net subscription price, after deduction of all estimated expenses, is estimated to be approximately HK$2.00 per Subscription Share.

The Subscription Price was determined based on arm's length negotiations between the Company and Guangzhou Metro with reference to the market price and the net asset value of the Shares.

Rights and ranking of the Subscription Shares

The Subscription Shares, when allotted, issued and fully paid, will rank pari passu in all respects among themselves and with the other Shares in issue on the date of completion of the Subscription, and together with the right to receive the dividends and other distributions the record date for which is on or after the date of completion of the Subscription. If completion of the Subscription takes place on or before the record date of the Company's final cash dividend (i.e., 6 June 2019), the GZ Metro Subscriber will be entitled to receive the Company's final cash dividend of HKD0.051 per Share (the payment of which is subject to Shareholders' approval at the forthcoming annual general meeting of the Company.)

Conditions

The completion of the Subscription is conditional upon all of the following conditions having been satisfied (or waived, if applicable):

(a) the Independent Shareholders having passed all necessary resolutions at the GM to approve the Transaction Documents and the transactions contemplated thereunder (namely the Subscription (including the Specific Mandate) and the Acquisitions) and the Whitewash Waiver;

(b) the Stock Exchange granting or agreeing to grant listing of, and permission to deal in, the Subscription Shares to be issued (and such listing and permission not being subsequently revoked prior to completion of the Subscription);

(c) the Whitewash Waiver being granted and not subsequently revoked prior to completion of the Subscription;

(d) the approval(s) of the relevant regulatory authorities which are necessary in connection with the execution, delivery and performance of the Transaction Documents and the transactions contemplated thereunder having been obtained (and such approval(s) not being subsequently revoked prior to completion of the Subscription) (conditions (a) to (d) are collectively referred to as the "**Regulatory Conditions**");

(e) the representations and warranties in respect of (i) the Company and (ii) the Subscription Shares being true and accurate and not misleading at the date of completion of the Subscription; and

(f) the representations and warranties in respect of the GZ Metro Subscriber and its beneficial owners being true and accurate and not misleading at the date of completion of the Subscription.

The GZ Metro Subscriber may in its absolute discretion waive either in whole or in part at any time by notice in writing to the Company condition (e) above; and the Company may in its absolute discretion waive either in whole or in part at any time by notice in writing to the GZ Metro Subscriber condition (f) above. All other conditions set out above cannot be waived by either party to the Subscription Agreement.

The Company shall use its reasonable endeavours to ensure that conditions (a) to (c) and (e) above are satisfied, and the GZ Metro Subscriber shall use reasonable endeavours to ensure that the condition (f) above is satisfied. Each party to the Subscription Agreement shall use its reasonable endeavours to ensure that condition (d) above is satisfied. The approval(s) required under condition (d) above has been obtained as at the Latest Practicable Date.

In the event that the above conditions are not fulfilled (or waived, if applicable) on or before the Long Stop Date:

(a) the Subscription Agreement shall lapse and be of no further force and effect but the customary surviving clauses ("**Surviving Provisions**") in the Subscription Agreement will continue to have effect;

(b) neither party to the Subscription Agreement shall have any claim against the other except for antecedent breaches or claims pursuant to the Surviving Provisions; and

(c) the Company shall reimburse the GZ Metro Subscriber for legal fees and out-of-pocket expenses which the GZ Metro Subscriber has reasonably incurred up to a maximum amount of HK$100,000.

Specific Mandate

The Subscription Shares will be issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the GM. The Specific Mandate, if approved, will be valid until completion of the Subscription or termination of the Subscription Agreement (whichever is earlier).

Application for Listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares. Subject to the granting of the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange, dealings will commence upon the completion of the Subscription.

Completion

The completion of the Subscription shall take place on the third business day after all of the conditions under the Subscription Agreement are satisfied (or waived, if applicable) (or such other date as the Company and the GZ Metro Subscriber may agree in writing).

Nomination of Director

Pursuant to the Subscription Agreement, to the extent permissible under the applicable laws, regulations, the Articles, the Listing Rules or by the Stock Exchange, upon completion of the Subscription, and for so long as the GZ Metro Subscriber beneficially owns at least 10% or more of the total number of issued Shares, the GZ Metro Subscriber shall have the right to nominate one candidate to be put forward for the appointment to the Board as a non-executive Director and the Company shall procure that such candidate be appointed to the Board as soon as practicable, provided that:

(a) such candidate fulfils the qualification and experience requirements of a director under the applicable laws, regulations, the Listing Rules and the Articles; and

(b) any Director so appointed by the Board will be subject to the retirement, re-election and Shareholders' approval requirements under the Articles and the Listing Rules.

If at any time the GZ Metro Subscriber holds less than 10% of the total number of issued Shares, the GZ Metro Subscriber shall procure that its nominee Director to immediately resign as a Director and holder of any office within the Company without any compensation for loss of office and the GZ Metro Subscriber's director nomination right shall cease thereafter.

Although the Articles do not contain any terms that set out the minimum requirement of equity interest in the Company held by a Shareholder in order to be entitled to the right to nominate a director(s), taking into account the appointment of the representative of Guangzhou Metro (in the event that it remains as a substantial Shareholder after completion of the Subscription) as non-executive Director is expected to facilitate the potential cooperation between the Group and Guangzhou Metro, we consider the 10% equity interest threshold that GZ Metro Subscriber is required to nominate a non-executive Director is fair and reasonable.

Effect of the Subscription on shareholdings in the Company

For illustrative purpose, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Subscription (assuming there being no change in the total number of issued Shares from the Latest Practicable Date to the date of completion of the Subscription save for the issuance of the Subscription Shares):

	As at the Latest Practicable Date		**Immediately after completion of the Subscription**	
	No. of Shares	*% of issued Shares (Approx.) (Note 10)*	*No. of Shares*	*% of issued Shares (Approx.) (Note 10)*
Shareholders				
GZYX and parties acting in concert with it				
YXE *(Note 1)*	6,159,447,662	49.67	6,159,447,662	39.78
GZ Metro Subscriber (*Note 2*)	—	—	3,080,973,807	19.90
Mr. Lin Zhaoyuan *(Note 3)*	2,186,985	0.02	2,186,985	0.01
Mr. Li Feng *(Note 4)*	172,900	0.00	172,900	0.00
Ms. Chen Jing *(Note 5)*	—	—	—	—
Mr. Lin Feng *(Note 6)*	4,415,752	0.04	4,415,752	0.03
Ms. Liu Yan *(Note 7)*	17,000	0.00	17,000	0.00
Sub-total:	6,166,240,299	49.72	9,247,214,106	59.73
Other Directors				
Mr. Yu Lup Fat Joseph *(Note 8)*	4,000,000	0.03	4,000,000	0.03
Mr. Lee Ka Lun *(Note 9)*	3,200,000	0.03	3,200,000	0.02
Mr. Lau Hon Chuen Ambrose *(Note 10)*	4,841,200	0.04	4,841,200	0.03
Sub-total:	12,041,200	0.10	12,041,200	0.08
Public Shareholders	6,223,025,132	50.18	6,223,025,132	40.19
Total number of issued Shares	12,401,306,631	100	15,482,280,438	100

Notes:

1. Shareholding in the Company is held indirectly by YXE (a wholly-owned subsidiary of GZYX) through its various wholly-owned subsidiaries, namely, Superb Master Ltd., Bosworth International Limited, Novena Pacific Limited, Morrison Pacific Limited, Greenwood Pacific Limited, Goldstock International Limited and Yue Xiu Finance Company Limited (collectively, the "**Relevant YXE Subsidiaries**").

2. The GZ Metro Subscriber is presumed to be a party acting in concert with GZYX.

3. Mr. Lin Zhaoyuan is a director of certain Relevant YXE Subsidiaries and is presumed to be a party acting in concert with GZYX. Mr. Lin is also an executive Director who is interested in 2,186,985 Shares, out of which 373,464 Shares are owned by him as beneficial owner, 1,813,521 Shares are held for him as a beneficiary of the Yuexiu Property Company Limited Share Incentive Scheme Trust For Directors and Senior Management.

4. Mr. Li Feng is a director of certain Relevant YXE Subsidiaries and is presumed to be a party acting in concert with GZYX. Mr. Li is also an executive Director.

5. Ms. Chen Jing is a director of certain Relevant YXE Subsidiaries and is presumed to be a party acting in concert with GZYX. Ms. Chen is also an executive Director.

6. Mr. Lin Feng is an executive Director who is interested in 4,415,752 Shares, out of which 1,357,276 Shares are owned by him as beneficial owner, 2,958,476 Shares are held for him as a beneficiary of the Yuexiu Property Company Limited Share Incentive Scheme Trust For Directors and Senior Management and 100,000 Shares are held by his spouse. By virtue of being a Director, Mr. Lin is presumed to be a party acting in concert with GZYX pursuant to class (6) presumption under the definition of "acting in concert" under the Takeovers Code until completion of the Subscription.

7. Ms. Liu Yan is an executive Director. By virtue of being a Director, Ms. Liu is presumed to be a party acting in concert with GZYX pursuant to class (6) presumption under the definition of "acting in concert" under the Takeovers Code until completion of the Subscription.

8. Mr. Yu Lup Fat Joseph is an independent non-executive Director.

9. Mr. Lee Ka Lun is an independent non-executive Director.

10. Mr. Lau Hon Chuen Ambrose is an independent non-executive Director.

11. Certain percentage figures included in the table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

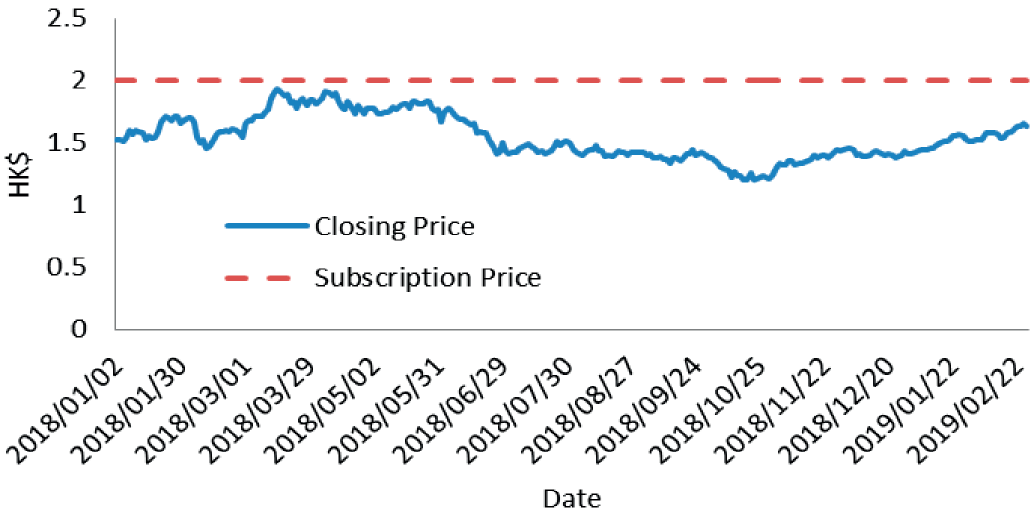
As shown in from the table above, the existing public Shareholders' shareholdings will be diluted from approximately 50.18% as at the Latest Practicable Date to approximately 40.19% immediately after the completion of Subscription.

Taking into account (i) the benefits of the Transactions as discussed under the section headed "VII. Reasons and benefits of the Transactions" below; and (ii) the Subscription Price is fair and reasonable so far as the Company and the Independent Shareholders are concerned as discussed under the sub-paragraph "Evaluation of the Subscription Price" below, we are of the view that the dilution effect on the shareholding of existing public Shareholders in the Company is acceptable so far as the Company and the Independent Shareholders are concerned.

Evaluation of the Subscription Price

Historical share performance

Set out below is a chart reflecting movements in the closing prices of the Shares as quoted on the Stock Exchange from 2 January 2018 up to and including the date of the Subscription Agreement (the "**Review Period**"), which represented a sufficient period of time to provide a general overview of the recent price performance of the Shares.



As shown in the chart above, the closing prices of the Shares were traded within the range of HK$1.2 and HK$1.93 with an average of HK$1.54 during the Review Period. It is noted that the Subscription Price is above the closing prices of the Shares during the Review Period.

Comparable Share Issues

We have conducted a comparable analysis through identifying companies listed on the Main Board of the Stock Exchange based on the following criteria: (i) the latest issue of new shares by listed issuers principally engage in property development (principal business of the Company); (ii) market capitalisation is within HK$10 billion to HK$30 billion (the scale of operation in terms of market capitalisation is similar to that of the Company). On such basis, we have identified 8 issues of shares ("**Comparable Share Issues**") which provide a reasonable number of comparable transactions for comparison purposes. We consider such list an exhaustive list of relevant comparable issues of new shares based on the said criteria above. It should be noted that all the subject companies involved in the Comparable Share Issues may have different profitability and financial position as compared with those of the Company. Circumstances leading to the subject companies to proceed with the issue may also be different from that of the Company. However, as the Comparable Share Issues fulfill the above criteria, and can provide a general reference of capital fund raising by property developers in Hong Kong equity capital market, we consider them to be an appropriate basis to assess the fairness of the Subscription Price.

	Company name (Stock code)	Market capitalisation	Date of announcement	Subscription price	Premium/(discount) of subscription price over/(to) the closing price on announcement date	the closing price of average of the last five (5) trading days	the closing price of average of the last ten (10) trading days	NAV per share
		HK$' million		*HK$*				
1	Sino-Ocean Group Holding Limited (3377)	28,810	27-Sep-13	4.74	1.72%	1.41%	0.49%	-36.22%
2	Shenzhen Investment Limited (604)	24,645	5-Jun-15	4.13	-9.60%	-7.50%	-3.70%	-9.11%
3	Yuzhou Properties Company Limited (1628)	18,721	31-Aug-18	3.96	-5.04%	-2.56%	-1.30%	-17.57%
4	China Aoyuan Group Limited (3883)	16,683	12-Jul-09	1.73	-12.20%	-13.90%	-12.10%	-33.44%
5	Hopson Development Holdings Limited (754)	16,469	3-Nov-10	8.81	-0.05%	0.43%	0.00%	-52.54%
6	Greentown China Holdings Limited (3900)	15,018	8-Jun-12	5.20	-2.80%	4.10%	5.20%	-40.48%
7	Gemdale Properties and Investment Corporation Limited (535)	13,970	28-Dec-14	0.52	20.93%	26.83%	24.25%	-16.43%
8	China SCE Group Holdings Limited (1966)	13,080	1-Sep-17	3.64	-7.14%	-6.62%	-6.57%	13.52%
				Average	**-1.77%**	**0.27%**	**0.78%**	**-24.03%**
				Maximum premium	**20.93%**	**26.83%**	**24.25%**	**13.52%**
				Maximum discount	**-12.20%**	**-13.90%**	**-12.10%**	**-52.54%**
The Company		20,338	27-Feb-19	2.00	22.00%	23.00%	25.40%	-36.00%

As illustrated in the table above, the subscription prices of the Comparable Share Issue ranged (i) from a discount of approximately 12.2% to a premium of approximately 20.93% to/over the closing price of the last trading day prior to the date of relevant announcement with an average discount of approximately 1.77%; (ii) from a discount of approximately 13.90% to a premium of approximately 26.83% to/over the average closing price of the last five consecutive trading days with an average premium of approximately 0.27%; and (iii) from a discount of approximately 12.10% to a premium of approximately 24.25% to/over the average closing price of the last ten consecutive trading days with an average premium of approximately 0.78%.

We note that the Subscription Price represents a premium of approximately 22.00% over the closing price of the Shares on the date of Subscription Agreement, a premium of approximately 23.00% over the average closing price of the Shares on last five consecutive trading days ending on the Last Trading Day and a premium of approximately 25.40% over the average closing price of the Shares on last ten consecutive trading days ending on the Last Trading Day. The premium of the Subscription Price is higher than the average discount/premium of the subscription prices in the Comparable Share Issues at each of the last trading day, last five trading days and last 10 trading days.

Based on the above, we consider that the Subscription Price is reasonable compared to those in the Comparable Share Issues.

Comparison of the Subscription Price with NAV per Share

Although the Subscription Price represents a discount of approximately 36.00% to the net asset value ("**NAV**") per Share attributable to the owners of the Company as at 31 December 2018, given (i) it is a common market practice for property developer to issue new shares at a discount to NAV as 7 out of 8 of subscription price of the Comparable Share Issues represented a discount to their respective NAV; and (ii) the discount to NAV per Share represented by the Subscription falls into the range of the Comparable Share Issues, we consider that the discount to NAV per Share as represented by the Subscription Price is acceptable.

In light of above, we consider that the Subscription Price is fair and reasonable and in the interest of the Company and the Independent Shareholders.

III. THE ACQUISITIONS

Simultaneously with the entering into of the Subscription Agreement on 27 February 2019, the Purchaser entered into a set of agreements in relation to the Acquisitions. Pursuant to such agreements, the Purchaser has conditionally agreed to acquire, directly or indirectly, an aggregate of 86% of the equity interest in the Target Company together with the interest in the relevant loans in the Target Company and the Target Holding Company, respectively. Background and details of the Acquisitions are set out in the section headed "The Acquisitions" in the Letter included in the Circular.

Evaluation of the Consideration

We have reviewed the valuation reports (the "**Valuation Reports**") prepared by JLL on the Target Holding Company, the Target Company and the Project as at 31 December 2018 (the "**Valuation Date**") as set out in Appendices VA, VB and VC to the Circular and discussed with JLL regarding the methodology adopted for and the basis and assumptions used in arriving at the valuation (the "**Valuation**") of the Target Holding Company, the Target Company and the Project.

The valuation of the Target Company and Target Holding Company was carried out on a market value basis. The valuation of the NAV of the Target Company and Target Holding Company has been prepared in accordance with the International Valuation Standards on business valuation published by International Valuation Standards Council, which sets out guideline on the basis and valuation approaches used in business valuation.

It is noted that the valuation of the NAV of the Target Company and Target Holding Company was prepared based on the audited financial position of the Target Company and Target Holding Company as at 31 December 2018 respectively. According to the audited accounts of the Target Company, apart from the Project, (i) other assets of the Target Company comprise cash, other receivable and deferred tax assets; and (ii) the liabilities of the Target Company comprise other payable and accrued expenses, note payable and amount due to related parties. According to the audited accounts of the Target Holding Company, apart from the interest in the Target Company, (i) other assets of the Target Holding Company comprise cash; and (ii) the liabilities of the Target Company comprise amount due to related parties. JLL considered that save for the Project, other assets and liabilities of Target Company and Target Holding Company are liquid items and the amounts as disclosed in their respective audited accounts have reflected their respective market value and separate valuation is not required.

Accordingly, JLL has separately prepared a valuation of the Project. In valuing the Project, JLL has complied with Rule 11 of the Takeovers Code, all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange; the RICS Valuation — Global Standards 2017 published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, and the International Valuation Standards published by the International Valuation Standards Council.

We have reviewed and enquired into (i) the terms of engagement of JLL with the Company; and (ii) JLL's qualification and experience in relation to the preparation of the Valuation Reports. JLL has confirmed that it is independent to the Group, Guangzhou Metro Subscriber and Guangzhou Metro and their respective associates. From the engagement letter, we noted that there were no limitations on the scope of work for conducting the Valuation and the scope of work is appropriate to the opinion given. JLL carried out a site visit and inspected the Project in November 2018, and has been provided with copies of documents in relation to the title of the property interests as well as floor plan of the Project. From the qualification and experience of core members in charge of the Valuation set out in the Valuation Reports, we noted that (i) Mr. Eddie T. W. Yiu, the person who led the Valuation of the Project, is a Chartered Surveyor who has over 25 years' of experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region; and (ii) Simon M.K. Chan, the person who led the Valuation of the Target Holding Company and Target Company, is a fellow member of the Hong Kong Institute of Certified Public Accountants and CPA Australia, an International Certified Valuation Specialist (ICVS) and a Chartered Valuer and Appraiser (Singapore) who has over 20 years' of experience in valuation and corporate advisory business for listed and private companies in different industries in Mainland China and Hong Kong. Having considered the above, we consider that the scope of work of JLL under the terms of engagement is appropriate and JLL possesses sufficient relevant experience in performing the Valuation.

The Project comprises a portion of land which is under construction ("**Group I Property**") and another portion of land which is pending for future development ("**Group II Property**").

For valuation of the Group I Property, JLL has considered the market value of the portion of land under development in addition to the accrued construction cost and relevant expenses incurred as at the Valuation Date. For valuation of Group II Property, as it is pending for future development, JLL has considered the market value of the portion of land.

JLL has identified and analyzed various relevant sales evidences of land in the locality which have similar characteristics as the subject property such as nature, use, site area, figure and accessibility of the Project. The selected comparables are residential land in Guangzhou City which were transacted between 2017 to 2018. The accommodation value of these comparable land sites ranges from RMB13,800 to RMB20,200 per sq.m..

We have reviewed the transactions identified by JLL for the market comparison approach and noted that JLL has selected four comparable transactions. A summary of comparable properties selected by JLL is as follows:

Property	**Location**	**Date of transaction**	**Usage**	**GFA (m^2)**	**Transaction price (RMB per sq.m.)**
Comparable A	Zengcheng District, Guangzhou	Mar 2017	Residential	300,273	20,169
Comparable B	Zengcheng District, Guangzhou	Apr 2018	Residential	99,418	15,134
Comparable C	Zengcheng District, Guangzhou	May 2017	Residential	78,403	15,721
Comparable D	Zengcheng District, Guangzhou	Aug 2018	Residential	75,374	13,801

Appropriate adjustments and analysis are considered to the differences in several aspects including time, location and other characteristics between the comparable properties and the property to arrive at an assumed unit rate. The general basis of adjustment of location such as accessibility and characteristics related to development potential like site area, shape, plot ratio, tenure, etc. is that if the comparable property is better than the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Regarding to time adjustment, the market condition at the transaction date is considered. A market price of RMB18,116 per sq.m. was adopted by JLL for valuation of the Project. The valuation of Group I Property and Group II Property is computed as follows:

Group I Property

	Capacity building area (m^2)	**Adopted market price (RMB per sq.m.)**	**Valuation (RMB million)**
Land portion	235,213	18,116	4,261
Construction cost and relevant expenses incurred	NA	NA	214
Total			4,475

Group II Property

	Capacity building area (m^2)	Adopted market price (RMB per sq.m.)	Valuation (RMB million)
Land portion	641,798	18,116	11,627
Construction cost and relevant expenses incurred	NA	NA	78
Total			11,705

Based on the above, we consider that the valuation methodology, together with its bases and assumptions, adopted by JLL for valuation of the Project as discussed above are reasonable.

For valuation of NAV of the Target Company, JLL had considered the type of assets and liabilities of the Target Company and their conditions when arriving at their market values. JLL adopted appropriate valuation methodology for each different class of assets and liabilities as follows:

Assets	**Valuation Approach & Methodology**
Property, plant and equipment; Deferred tax assets; Other receivables; Cash and cash equivalents	Based on values in audit report.
Properties under development (Current and Non-current)	Based on the Valuation Report of the Project issued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited.
Liabilities	**Valuation Approach & Methodology**
Note payables; Other payables and accrued charges; Amounts due to related parties (Current and Non-current)	Based on values in audit report.
Deferred tax liability	Deferred tax liability is estimated based on increase in value from book value of the properties under development to the appraised value. 25% tax rate is applied in this exercise.

JLL considered that save for the Project, other assets and liabilities of Target Company as disclosed in its audited accounts have reflected their respective market value and separate valuation is not required. It is noted that the provision for deferred tax liability is associated with the revaluation of the Project. In view of the above, we considered the valuation approach and methodology for valuation of the NAV of the Target Company are appropriate.

Based on the valuation report, the appraised NAV of the Target Company is approximately RMB1,371.4 million which is derived as follows:

	Market Value (RMB)
Total Assets	16,567,687,000
Property, plant and equipment	491,000
Deferred tax assets	106,055,000
Properties under development (Current) Properties under development (Non-current)	16,180,000,000
Other receivables	17,069,000
Cash and cash equivalents	264,072,000
Total Liabilities	15,196,293,750
Note payables	30,876,000
Other payables and accrued charges	203,300,000
Amounts due to related parties (Current)	565,442,000
Amounts due to related parties (Non-current)	13,836,825,000
Deferred tax liability	559,850,750
Net Assets	1,371,393,250
51% of Net Assets (rounded to thousand)	699,411,000
35% of Net Assets (rounded to thousand)	479,988,000

For valuation of NAV of the Target Holding Company, JLL had considered the type of assets and liabilities of the Target Holding Company and their conditions when arriving at their market values. JLL adopted appropriate valuation methodology for each different class of assets and liabilities as follows:

Assets	Valuation Approach & Methodology
Property, plant and equipment; Deferred tax assets; Other receivables; Cash and cash equivalents	Based on values in audit report.
Properties under development (Current and Non-current)	Based on the Valuation Report of the Project issued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited.
Interests in a subsidiary	Summation method is applied to valuation on net assets value of the Target Company. Summation method is to assess the net assets value of a company based on the market values of the underlying assets of the entity less the value of any related liabilities.

Liabilities	Valuation Approach & Methodology
Note payables; Other payables and accrued charges; Amounts due to related parties (Current and Non-current)	Based on values in audit report.
Deferred tax liability	Deferred tax liability is estimated based on increase in value from book value of the properties under development to the appraised value. 25% tax rate is applied in this exercise.

JLL considered that save for the equity interest in the Target Company, other assets and liabilities of Target Holding Company as disclosed in its audited accounts have reflected their respective market value and separate valuation is not required. It is noted that the provision for deferred tax liability is associated with the revaluation of the Project. In view of the above, we considered the valuation approach and methodology for valuation of the NAV of the Target Holding Company are appropriate.

Based on the valuation report, the appraised NAV of the Target Holding Company is approximately RMB10.4 million which is derived as follows:

	Market Value (RMB)
Total Assets	709,679,000
Interests in a subsidiary	699,411,000
Cash and cash equivalents	10,268,000
Total Liabilities	699,266,000
Amounts due to related parties (Current)	699,266,000
Net Assets (rounded to thousand)	10,413,000

In view of the above, we consider that the Valuation Reports to be the appropriate source of information for the purpose of our assessment on the fairness and reasonableness of the 51% Equity Transfer Consideration and the 35% Equity Transfer Consideration.

To further assess the fairness and reasonableness of the 51% Equity Transfer Consideration and the 35% Equity Transfer Consideration, we had carried out, on a best effort basis, a comparable table on consideration paid by other listed issuers in property transaction using the following selection criteria: (i) acquisition of properties in Greater China by companies listed on the Main Board of the Stock Exchange in the past three months from 1 December 2018 to 27 February 2019 (being the date of the Announcement) ("**Property Transaction Research Period**") which constitute a notifiable transaction; and (ii) appraised value of the property(ies) by independent valuer as basis of determination of consideration set out in the circular. We have identified and made references to 6 comparable transactions ("**Comparable Property Transactions**") which meet the aforesaid criteria, and these Comparable Property Transactions are exhaustive and representative. We did not expand the Property Transaction Research Period to a longer course as we consider reasonable number of samples are identified and recent transactions are more relevant for consideration as they closely reflect market conditions and dynamics of the relevant property markets. Although the locations of the subject property of the Comparable Property Transactions are not identical to that of the Project, given the Comparable Property Transactions and the Project are exposed to similar market conditions and dynamics in the Greater China, we consider the Comparable Property Transactions could provide a general reference for acquisition of property in Greater China by listed issuers in Hong Kong and are comparable. Brief summary of relevant information of the Comparable Property Transactions are set out below:

	Company name (Stock code)	**Date of circular**	**Transaction & Location**	**Connected transaction (Yes/No)**	**Consideration (HK$ million)**	**Adjusted NAV/ valuation of property (HK$ million)**	**Premium/ discount of adjusted NAV/ valuation of property**
1	Far East Holdings International Limited (36)	26-Feb-19	Acquisition of commercial building in Hongkong	No	550	550	0.0%
2	Shui On Land Limited (272)	20-Feb-19	Acquisition of property projects in Shanghai and Wuhan	Yes	4,073	3,673	10.9%
3	Zhongchang International Holdings Group Limited (859)	10-Jan-19	Acquisition of residential property in Jiangsu	Yes	224	282	-20.5%
4	Differ Group Holdings Company Limited (6878)	31-Dec-18	Acquisition of property project in Zhejiang	Yes	568	611	-7.0%
5	SOCAM Development Limited (983)	27-Dec-18	Acquisition of commercial building in Hongkong	No	304	360	-15.7%
6	Yongsheng Advanced Materials Company Limited (3608)	7-Dec-18	Acquisition of property development project in Zhejiang	Yes	902	967	-6.8%
						Average discount	-6.5%
						Maximum premium	10.9%
						Maximum discount	-20.5%
	51% Equity Transfer Consideration			Yes	RMB10 million	RMB10 million	0.0%
	35% Equity Transfer Consideration			Yes	RMB480 million	RMB480 million	0.0%

As illustrated in the table above, the consideration over appraised value of property/adjusted NAV of property project company ranged from a discount of approximately 20.5% to a premium of approximately 10.9%. It is noted that the discount represented by the 51% Equity Transfer Consideration and the 35% Equity Transfer Consideration to the appraised NAV of Target Holding Company and Target Company respectively is within the range of discount of Comparable Property Transactions.

Taking into account that (i) the 51% Equity Transfer Consideration of RMB10,413,000 is equivalent to the appraised NAV of the Target Holding Company of RMB10,413,000; (ii) the 35% Equity Transfer Consideration of RMB479,988,000 is equivalent to 35% of the appraised NAV of the Target Company of RMB479,988,000; and (iii) the discount represented by the 51% Equity Transfer Consideration and the 35% Equity Transfer Consideration to the appraised NAV of Target Holding Company and Target Company respectively is within the range of discount of Comparable Property Transactions, we are of the view that the 51% Equity Transfer Consideration and the 35% Equity Transfer Consideration are on normal commercial terms and fair and reasonable.

Interest rate of loans

We noted that (i) the assignment of the Target Holding Loan, 51% Target Assignment Loan and 35% Target Assignment Loan is on a dollar-for-dollar basis; and (ii) the 51% Purchaser Refinancing Loan and 35% Purchaser Refinancing Loan will be used for the refinancing of the loans of the Target Company on a dollar-for-dollar basis respectively.

Set out below is the summary of the Target Holding Loan, 51% Target Assignment Loan and 35% Target Assignment Loan (the "**Assigned Loan**"):

	Principal amount (RMB)	Interest rate	Accrued interest (assuming completion of the Acquisitions on 30 April 2019) (RMB)	Principal + accrued interest (RMB)
Target Holding Loan	671,500,000	6.5%	42,551,799	714,051,799
51% Target Assignment Loan	6,954,780,801	6.5%	439,102,946	7,393,883,747
35% Target Assignment Loan	4,772,888,785	6.5%	301,279,184	5,074,167,969

We are advised by the management of GZYX that the interest rate of the Assigned Loan of 6.5% was determined between GZYX and Guangzhou Metro after arm's length negotiation taking into account the market interest rate and their respective borrowing cost. The management of GZYX confirmed to us that all of the borrowing cost of GZYX from commercial banks falls within the range from 3.915% to 6.7% for years 2017 and 2018. We have selected and reviewed two loan agreements of GZYX ("**GZYX Loan Agreements**") entered into with commercial banks in 2017 and 2018 with the lowest and highest interest rate respectively and noted that the borrowing rate is 3.915% and 6.7% respectively as provided by the management of GZYX. Despite (i) the GZYX Loan Agreements are not exhaustive; and (ii) the principal amount, loan periods and nature of the reviewed loan agreements are different from those of the Assigned Loan, the GZYX Loan Agreements could provide a general reference for the range of borrowing cost of GZYX charged by commercial banks.

Given (i) the interest rate of the Assigned Loan was determined between GZYX and Guangzhou Metro (an independent third party at then time) after arm's length negotiation; and (ii) the interest rate of 6.5% of the Assigned Loan is within the range of borrowing rate of GZYX, we consider that the assignment of the Assigned Loan at such interest rate is fair and reasonable to the Company and the Independent Shareholders as a whole.

Initial Cost Amount

As advised by the management of the Company, GZYX advanced an interest-free loan of RMB6.5 billion ("**Initial Loan**") to Guangzhou Metro during the period from 16 November 2017 to 15 May 2018 ("**Initial Loan Period**") for settlement of the land premium of the land plot of the Project. The Initial Loan has been assigned to form part of the 51% Target Assignment Loan since 16 May 2018 upon acquisition of 51% interest in the Target Company by the Target Holding Company. The Initial Cost Amount comprises the followings:

Assuming completion of the Acquisitions on 30 April 2019	
Accrued interest (based on the Initial Loan of RMB6.5 billion and interest rate of 6.5%)	RMB 212,423,611
Tax expenses (including interest value-added tax and profit tax) incidental to the Transactions	RMB47,024,419
Initial Cost Amount	RMB259,448,030

As advised by the management of the Company, the Initial Cost Amount was determined with reference to the borrowing cost of GZYX during the Initial Loan Period (taking into account the 6.5% interest rate of the Assigned Loan) and the tax expenses to be payable by GZYX as a result of the Transactions.

Although the aggregate value of the assets to be acquired (comprising 86% interest in the appraised value of the Project of approximately RMB13,914.8 million and cash held by the Target Holding Company of approximately RMB10.3 million) is approximately RMB13,925.1 million under the Acquisitions ("**Value of Acquired Assets**") and the Total Acquisition Amount represents a premium of approximately 1.3% over the Value of Acquired Assets, mainly due to the Initial Cost Amount, given (i) such acquisition premium is within the range of Comparable Property Transactions; (ii) the Acquisitions is in line with the Company's strategy of "Railway + Property" and will increase the high-quality land reserves of the Group; (iii) the Subscription, being a condition precedent to the Acquisitions, will introduce Guangzhou Metro as a substantial shareholder of the Company and the business synergies created between the Company and Guangzhou Metro would allow the Company to stand in a good position despite the current uncertainties in the PRC property market; and (iv) the accrued interest rate of 6.5% of the Initial Loan payable by the Purchaser falls within the range of borrowing rate of GZYX and the Initial Cost Amount is to settle the initial cost of GZYX for its investment in the Project and the relevant tax expenses incidental to the Transactions, we consider that the acquisition premium as well as the Initial Cost Amount are fair and reasonable and in the interest of the Company and the Independent Shareholders.

In view of the above, we consider that the Total Acquisitions Amount is on normal commercial terms, fair and reasonable and in the interest of the Company and the Independent Shareholders.

Board composition

Pursuant to the 35% Equity Transfer Agreement, the Target Company shall have a total of five directors, three of whom shall be appointed by the Target Holding Company (which will be a subsidiary of the Company after the completion of the Acquisitions), one of whom shall be appointed by the Purchaser and one of whom shall be appointed by Guangzhou Metro.

As advised by the management of the Company, the approval of board resolutions of the Target Company is by simple majority. Given the Company, through the Purchaser and the Target Holding Company, has the right to nominate 4 out of 5 board members of the Target Company upon completion of the Acquisitions, we consider this board nomination arrangement is fair and reasonable.

Further Funding

In the event that additional funds are required for the development and construction of the Project, the Target Company shall first seek external financing. In the event the Target Company's registered capital does not meet the requirements for obtaining external financing, subject to compliance with the respective internal approval procedures of the Purchaser, the Target Holding Company and Guangzhou Metro and subject to the approval of the shareholders of the Target Company at shareholders' meeting, the Purchaser, the Target Holding Company and Guangzhou Metro shall inject funds to increase the capital of the Target Company pro rata to their then respective equity holdings in the Target Company. In the event the Target Company does not have sufficient assets to secure its obligations under the external financing, subject to compliance with the respective internal approval procedures of the Purchaser, the Target Holding Company and Guangzhou Metro and subject to the approval of the shareholders of the Target Company at shareholders' meeting, the Purchaser, the Target Holding Company and Guangzhou Metro shall provide security or guarantee pro rata to their then respective equity holdings in the Target Company. In the event the Target Company has funding needs and external financing is insufficient to meet the capital required for the development and construction of the Project, the Purchaser, the Target Holding Company and Guangzhou Metro shall, subject to compliance with their respective internal approval procedures, provide additional shareholders' loans to the Target Company pro rata to their then respective equity holdings in the Target Company to ensure the normal operation of the Target Company and the development of the Project.

Given additional shareholders' loans to the Target Company is on pro rata basis according to their then respective equity holdings in the Target Company, we consider this further funding arrangement is fair and reasonable.

IV. USE OF PROCEEDS OF THE SUBSCRIPTION

The gross proceeds of the Subscription are expected to be approximately HK$6,161,947,614. After deducting all relevant costs and expenses of approximately HK$1,547,000 payable by the Company, the net proceeds of the Subscription are expected to be approximately HK$6,160,400,600, which will be used for working capital purposes. For illustrative purpose, assuming completion of the Acquisitions will take place on 30 April 2019, the Company (through the Purchaser) would be required to pay the Total Acquisitions Amount of approximately RMB14,107,677,000 and the net effect of the Subscription and the Acquisitions for the Group on a consolidated basis would be a cash outflow of approximately RMB8,805,173,788 (equivalent to approximately HK$10,220,771,810).

V. FINANCIAL INFORMATION OF THE TARGET HOLDING COMPANY AND THE TARGET COMPANY

The Target Holding Company

The audited consolidated financial information of the Target Holding Company prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants from 23 January 2018 (being the date of incorporation of the Target Holding Company) to 31 December 2018 is as follows:

	RMB'000
Revenue	—
Net loss before taxation	444,815
Net loss after taxation	340,632

The audited consolidated total assets and the audited consolidated net asset value of the Target Holding Company as at 31 December 2018 were RMB15,649,681,000 *(Note)* and RMB313,972,000 *(Note)*, respectively as stated in the audited consolidated accounts of the Target Holding Company for the year ended 31 December 2018.

The Target Company

The audited financial information of the Target Company from 5 December 2017 (being date of incorporation of the Target Company) to 31 December 2017 and for the financial year ended 31 December 2018, is as follows:

	From 5 December 2017 (date of incorporation of the Target Company) to 31 December 2017	For the financial year ended 31 December 2018
	RMB'000	*RMB'000*
Revenue	—	—
Net loss before taxation	19	424,194
Net loss after taxation	14	318,145

The audited total assets and the audited net liabilities of the Target Company as at 31 December 2018 were RMB14,328,284,000 *(Note)* and RMB308,159,000 *(Note)*, respectively as stated in the audited accounts of the Target Company for the year ended 31 December 2018.

Note: Such respective book value of total assets or net asset value as shown in the audited consolidated accounts of the Target Holding Company or the audited accounts of the Target Company (as the case may be) as at 31 December 2018 has not yet reflected the latest valuation of the Project.

VI. INFORMATION OF THE PARTIES TO THE TRANSACTIONS AND THE PROJECT

The Company

The Company is principally engaged in property development and investment, mainly focusing on properties in Guangzhou and gradually expanding into the Pearl River Delta, Yangtze River Delta, Bohai Rim Economic Zone and Central Region.

The GZ Metro Subscriber

The GZ Metro Subscriber is principally engaged in financing and investment holding. It is a wholly-owned subsidiary of Guangzhou Metro.

The Target Holding Company

The Target Holding Company is currently an investment holding company whose sole asset (other than cash) is a 51% of equity interest in the Target Company.

The Target Company

The Target Company is the sole registered owner of the Land.

Easyway

Easyway is an investment holding company indirectly wholly-owned by GZYX.

The Purchaser

The Purchaser is currently an investment holding company.

GZYX

GZYX, through its various subsidiaries, engages in various businesses including (among others) financial business, property development, infrastructure, and construction.

Guangzhou Metro

Guangzhou Metro is a wholly State-owned company under the Guangzhou Municipal Government of the PRC. Established in 1992, Guangzhou Metro is responsible for the financing, investment, construction, operation, property development and expansion of Guangzhou's urban rail transportation. As at the Latest Practicable Date, Guangzhou Metro owns approximately 7.21% shareholding in Chong Hing Bank Limited, a subsidiary of GZYX.

Based on the latest annual report of Guangzhou Metro, Guangzhou Metro established the Guangzhou Rail Transit Industrial Investment Development Fund with GZYX and Pearl River Enterprises Group for the development of metro property in 2017. The Project is the pilot project for such state-owned enterprise cooperation.

As at 31 December 2017, Guangzhou Metro operated 13 metro lines covering 391 kilometers. Guangzhou Metro had a total asset of approximately RMB266.47 billion with total revenue of approximately RMB9.12 billion.

The Project

The Project under construction on the Land is a mixed-use residential, commercial and public utilities project with a total gross floor area of up to 1,461,549 sq.m., out of which the total saleable area is approximately 940,179 sq.m.. Approximately 41,000 sq.m. saleable area of the Project has begun its pre-sale phase as at the Latest Practicable Date.

The project known as Yue Galaxy is located at the junction of Shixin Road and 107 National Highway. The subject area of the project is newly developed where public facilities such as municipal facilities and amenities are still under development.

The Project occupies a parcel of land with a site area of approximately 313,356.59 sq.m. which is being developed into a residential and commercial development. Portions of the Project were under construction (the "**CIP**") as at the Latest Practicable Date and are scheduled to be completed in July 2021. As advised by the Company, upon completion, the CIP will have a gross floor area of approximately 367,349.00 sq.m. The construction of the remaining portion of the Project had not been commenced as at the Latest Practicable Date.

As advised by the Company, the development cost (including the land cost) of the CIP of the Project is estimated to be approximately RMB 5,605,100,000, of which approximately RMB3,600,300,000 had been incurred as at the Valuation Date.

A summary of the planned gross floor area of the Project is set out as follows:

Group	**Usage**	**Gross Floor Area (sq.m.)**	**Number of car parking space**
Group I — held under development by the Target Company	Residential	228,459	
	Ancillary	19,986	
	Underground retail	4,202	
	Basement (inclusive of car parking spaces)	114,702	2,193
	Sub-total:	367,349	2,193
Group II — held for future development by the Target Company	Residential	567,499	
	Retail	21,269	
	Ancillary	135,115	
	Basement (inclusive of car parking spaces)	370,317	7,083
	Sub-total:	1,094,200	7,083
	Total:	1,461,549	9,276

In relation to the Group II Property, the Target Company will, depending on its construction schedule, apply for the Construction Work Commencement Permits required for the commencement of construction works at different stages according to the applicable laws and regulations.

VII. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The strategic value

The Company believes that its poised business strategy of "Railway + Property" could be substantiated and realised with the introduction of Guangzhou Metro as a strategic Shareholder. The Company believes that if Guangzhou Metro (through its subsidiary) were to become a strategic Shareholder, the Company would be better placed (vis-à-vis its competitors) to gain the rights to participate in different new metro station property development projects the bid of which is won by Guangzhou Metro. The Project is the first of such projects. The Company believes that the business synergies created between the Company and Guangzhou Metro would allow the Company to stand in a good position despite the current uncertainties in the PRC property market.

The Subscription

The Subscription is beneficial to the Company from a financial perspective, given the Subscription Price represents a substantial premium to the current market price of the Shares and the Subscription would strengthen the Company's financial position (as relative to its position if the Acquisitions were to proceed without the Subscription). The Company also believes that the introduction of Guangzhou Metro as a new Shareholder by itself would strengthen the Company's shareholder base. Based on available public information, as at 31 December 2017, Guangzhou Metro has a total asset of approximately RMB266.47 billion with total revenue of approximately RMB9.12 billion. This demonstrates Guangzhou Metro's strong financial position and the significance of its business operations.

The Project

The Project, "Yue Galaxy" (品秀星圖), is in close proximity to Guanhu Station of Line 13 of the Guangzhou Metro network which has been in operation since December 2017. It is expected that the Project will be a mixed-use residential, commercial and public utilities project with a total gross floor area of up to 1,461,549 sq.m. and conveniently located with good transportation facilities. The large-scaled residential complex, expected to be equipped with community facilities (such as educational, commercial, cultural facilities), will help to increase the Company's high-quality project reserve in Guangzhou. The Xintang area, where the Project is located, is an important transportation hub which connects Guangzhou and Dongguan and provides good development prospects for the Project. It is also expected that, given its large scale, the Project would contribute significantly to the sales and cash flow of the Group.

VIII. POSSIBLE FINANCIAL EFFECT OF THE TRANSACTIONS ON THE GROUP

Based on our discussion with the Directors, we understand that the Directors have taken into account the following factors when they consider the potential impact of the Transactions on the financial position of the Group:

(i) Earnings

The Group recorded a net profit of approximately RMB3,039.5 million for the year ended 31 December 2018. The Target Group recorded a net loss of approximately RMB340.6 million for the year ended 31 December 2018 as the Project has been under the development stage. The Company expects that the Project would contribute positively to the Group's financial performance upon pre-sale and delivery of the properties of the Project to customers. The development of the Project is scheduled to be completed by 2025 by phases.

(ii) Net assets

Net assets of the Group and net assets attributable to the owners of the Company per Share as at 31 December 2018 was approximately RMB42,911.7 million and RMB2.73 per Share (based on the 12,401,306,631 Shares in issue as at the Latest Practicable Date) . As disclosed in the unaudited pro forma financial information of the Enlarged Group set out in Appendix IV to the Circular, assuming the Transactions had been completed on 31 December 2018, the net assets of the Enlarged Group as at 31 December 2018 would have been increased by approximately RMB5,319.8 million to RMB48,231.5 million. Such increase in net assets was mainly resulted from the increase in properties under development netting of the decrease in cash and cash equivalent for settlement of the Transactions. Net assets attributable to the owners of the Company per Share of the Enlarged Group will decrease to approximately RMB2.52 per Share (based on 15,482,280,438 Shares to be in issue upon completion of the Subscription).

(iii) Gearing

As at 31 December 2018, the Group's gearing ratio, being total interest-bearing bank borrowings divided by total assets, was approximately 31.63%. Based on the pro forma financial information as set out in Appendix IV to the Circular, assuming the Transactions had been completed on 31 December 2018, the Enlarged Group's pro forma gearing ratio would decrease to approximately 30.18% as the Target Group had no interest-bearing bank borrowings while the total assets of Enlarged Group would increase by approximately RMB8,130.1 million as a result of consolidation of the Target Group into the Group.

(iv) Liquidity

As at 31 December 2018, the net current assets of the Group were approximately RMB61,007.6 million.

Based on the unaudited pro forma financial information of the Enlarged Group as set out in Appendix IV to this circular, assuming completion of the Transactions had taken place on 31 December 2018, the pro forma net current assets the Enlarged Group would have been decreased to approximately RMB57,689.4 million mainly due to decrease in cash of RMB8,171.6 million for settlement of the consideration for the Acquisitions.

The aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial position of the Group will be after completion of the Transactions.

IX. THE WHITEWASH WAIVER

As at the Latest Practicable Date, GZYX and parties acting in concert or presumed to be acting in concert (as named below) with it were interested in, and controlled or were entitled to exercise control over, the voting rights in respect of, directly and indirectly, an aggregate of 6,166,240,299 Shares, representing approximately 49.72% of the voting rights of the Company. Parties presumed to be acting in concert with GZYX under the Takeovers Code comprise: (i) Guangzhou Metro (including the GZ Metro Subscriber); (ii) Mr. Lin Zhaoyuan and Mr. Li Feng (each being a director of certain Relevant YXE Subsidiaries, an executive Director and a Shareholder); (iii) Ms. Chen Jing (being a director of certain Relevant YXE Subsidiaries and an executive Director); and (iv) all of the other Director (other than the independent non-executive Directors) (namely, Mr. Lin Feng and Ms. Liu Yan, each of whom is an executive Director and therefore presumed to be acting in concert with GZYX by virtue of class (6) presumption under the definition of "acting in concert" under the Takeovers Code. The aforesaid class (6) presumption will cease upon completion of the Subscription.).

As the Subscription will increase the aggregate voting rights held by GZYX and parties acting in concert or presumed to be acting in concert with it (as named above) by more than 2% from approximately 49.72% to approximately 59.73% (assuming there being no change in the total number of issued Shares from the Latest Practicable Date to the date of completion of the Subscription save for the issuance of the Subscription Shares) within a 12-month period, the Subscription will give rise to an obligation on the part of GZYX and parties acting in concert with it to make a mandatory general offer for all the issued Share and other securities (if any) of the Company not already owned or agreed to be acquired by them under Rule 26 of the Takeovers Code, unless a waiver is granted by the Executive.

Accordingly, GZYX has applied for a waiver from such obligation pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code (i.e. the Whitewash Waiver). The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, approval of at least 75% votes by the Independent Shareholders present and voting (either in person or by proxy) in respect of the Whitewash Waiver and more than 50% votes of the Independent Shareholders present and voting (either in person or by proxy) in respect of the Subscription at the GM by way of poll. If the Whitewash Waiver is not granted by the Executive, or if granted, is not approved by the Independent Shareholders, the Subscription (and the entire Transactions) will not proceed.

We note that the granting of the Whitewash Waiver and the approval of the Whitewash Waiver by the Independent Shareholders are part of the conditions precedent for the Subscription (and the entire Transactions) which are not waivable. If the Whitewash Waiver is not granted, the Subscription (and the entire Transactions) shall lapse and will not proceed. The Company would then lose all the benefits that are expected to be brought to the Group by the Transactions.

Taking into account (i) the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned as discussed under the paragraph headed "Evaluation of Subscription Price" above; (ii) the benefits of the Transactions as discussed under the section headed "VII. Reasons and benefits of the Transactions above; and (iii) that if the Whitewash Waiver is not granted, the Subscription (and the entire Transactions) shall lapse and will not proceed, we consider the granting of the Whitewash Waiver to be fair and reasonable so far as the Independent Shareholders are concerned.

RECOMMENDATION

Having considered the principal factors analysed above, in particular that:

(i) the Subscription will introduce Guangzhou Metro as a substantial shareholder of the Company and the business synergies created between the Company and Guangzhou Metro would allow the Company to stand in a good position despite the current uncertainties in the PRC property market;

(ii) the Subscription Price is above the closing price of the Shares during the Review Period;

(iii) the premium represented by the Subscription Price is within the range of the Comparable Share Issues;

(iv) the Acquisitions is in line with the Company's business strategy of "Railway + Property" and will increase the high-quality land reserves of the Group;

(v) the 51% Equity Transfer Consideration of HK$10,413,000 is equivalent to the appraised NAV of the Target Holding Company of HK$10,413,000 and the 35% Equity Transfer Consideration of HK$479,988,000 is equivalent to 35% of the appraised NAV of the Target Company of HK$479,988,000, the discount of which is within the range of the Comparable Property Transactions;

(vi) the assignment of Target Holding Loan, 51% Target Assignment Loan and 35% Target Assignment Loan is on a dollar-for-dollar basis; and the 51% Purchaser Refinancing Loan and 35% Purchaser Refinancing Loan will be used for the refinancing of the loans of the Target Company on a dollar-for-dollar basis respectively;

(vii) the interest rate of 6.5% of the Assigned Loan and the Initial Cost Amount will be paid to cover the capital cost of GZYX for its investment in the Project and relevant tax expenses to be payable by GZYX incidental to the Transactions;

(viii) although the pro forma net current assets and pro forma net asset attributable to the owners of the Company per Share of the Enlarged Group would decrease assuming completion of the Transactions had taken place on 31 December 2018, the Project is expected to contribute positively to the financial performance of the Enlarged Group in the long run; and

(ix) the Whitewash Waiver is one of the conditions precedent for the Subscription, failure of which the Subscription (and the entire Transactions) will not proceed,

we concur with the Directors that the terms of the Transactions (including the Subscription and the Whitewash Waiver) are fair and reasonable and on normal commercial terms and in the interest of the Company and the Independent Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders and the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions at the GM to approve the Transactions and the Whitewash Waiver.

Yours faithfully,
For and on behalf of
YU MING INVESTMENT MANAGEMENT LIMITED
Warren Lee
Managing Director

Mr. Warren Lee of Yu Ming Investment Management Limited is a responsible officer of Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. He has been active in the field of corporate finance advisory for over 20 years, and has been involved in and completed various corporate finance advisory transactions.

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements, together with the accompanying notes to the financial statements, of the Group for the years ended 31 December 2016 and 2017 and the annual results for the year ended 31 December 2018 are disclosed in the following documents which have been published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (https://www.yuexiuproperty.com/):

Annual report for the year ended 31 December 2016 (pages 87 to 169):
http://www3.hkexnews.hk/listedco/listconews/SEHK/2017/0426/LTN20170426238.pdf

Interim report for the six months ended 30 June 2017 (pages 30 to 65)
http://www3.hkexnews.hk/listedco/listconews/SEHK/2017/0926/LTN20170926249.pdf

Annual report for the year ended 31 December 2017 (pages 86 to 172):
http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/0404/LTN20180404003.pdf

Interim report for the six months ended 30 June 2018 (pages 26 to 72):
http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/0919/LTN20180919350.pdf

Annual results announcement for the year ended 31 December 2018 (pages 3 to 29):
http://www3.hkexnews.hk/listedco/listconews/SEHK/2019/0227/LTN20190227227.pdf

Summary of financial information of the Group

The following is a summary of the financial results of the Group for the years ended 31 December 2016, 2017 and 2018 as extracted from the relevant annual and interim reports and annual results announcement of the Company:

	Financial year ended 31 December 2016	**Financial year ended 31 December 2017**	**Financial year ended 31 December 2018**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	20,871,021	23,793,908	26,433,444
Profit before taxation	3,363,461	4,785,410	6,783,402
Profit attributable to equity holders of the Company	1,540,154	2,260,242	2,727,885
Profit attributable to non-controlling interests	186,722	71,404	311,608
Tax expenses	1,636,585	2,453,764	3,743,909
Earnings per share for profit attributable to equity holders of the Company (expressed in RMB per share, basic and diluted)	0.1242	0.1823	0.2200

The auditor of the Company for the years ended 31 December 2016, 2017 and 2018 was PricewaterhouseCoopers. The audit opinions of PricewaterhouseCoopers in respect of the above years were not qualified and there were no modified opinions nor emphasis of matter or material uncertainty related to going concern contained in the auditor's report of PricewaterhouseCoopers in respect of the above years.

2. INDEBTEDNESS STATEMENT OF THE ENLARGED GROUP

Borrowings

At the close of business on 18 January 2019, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Enlarged Group had outstanding borrowings, bank overdraft and lease liabilities of approximately RMB54.22 billion, comprising: (1) secured bank borrowings and other borrowings of approximately RMB14.58 billion; (2) unsecured bank borrowings of approximately RMB10.35 billion; (3) unsecured other borrowings and overdraft of approximately RMB29.12 billion; and (4) unsecured lease liabilities of approximately RMB0.17 billion.

The bank and other borrowings are secured by certain of the Group's properties under development, properties held for sale, investment properties, property, plant and equipment and land use rights.

Contingent Liabilities

As at 18 January 2019, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Enlarged Group had the following material contingent liabilities:

(1) the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group will be liable for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group will be entitled to take over the legal title and possession of the related properties. Such guarantees shall terminate upon issuance of the relevant property ownership certificates. As at 18 January 2019, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the total contingent liabilities relating to these guarantees amounted to approximately RMB13.76 billion.

(2) certain subsidiaries of the Group provided guarantee up to a limit of approximately RMB2,130 million in respect of loans borrowed by joint ventures and associated entities of the Group, among which, guarantee of approximately RMB1,311 million was utilised and guarantee of approximately RMB819 million was not utilised yet.

Save as aforesaid, and apart from intra-group liabilities, at the close of business on 18 January 2019, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Enlarged Group did not have any other debt securities, any outstanding loan capital, any borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or other similar indebtedness, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

The Directors confirm that there has been no material change to the indebtedness and contingent liabilities of the Enlarged Group since 18 January 2019 up to and including the Latest Practicable Date.

3. MATERIAL CHANGE

Save for the Transactions, the Directors were not aware of any material change in the financial or trading position or outlook of the Group since 31 December 2018, being the date on which the consolidated financial information of the Company were made up and disclosed in the annual results announcement for the year 2018, and up to and including the Latest Practicable Date.

4. WORKING CAPITAL SUFFICIENCY

The Directors are of the opinion that, after taking into account of the Enlarged Group's internal resources, cash flow from operations and the present facilities available, the Enlarged Group will have sufficient working capital to satisfy its present requirements for at least the next 12 months from the date of this circular in the absence of unforeseen circumstances.

5. RECENT DEVELOPMENT AND FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

In 2018, the Group recognized revenue of approximately RMB26.43 billion, a year-on-year increase of 11.1%; and profit attributable to equity holders was approximately RMB2.73 billion, a year-on-year increase of 20.7%. Core net profit (profit attributable to equity holders was not inclusive of the gains on investment properties and related tax effects and net exchange losses recognized in the consolidated statement of profit or loss) was approximately RMB2.81 billion, representing a year-on-year increase of 19.6%. The Company recorded aggregate contracted sales value of approximately RMB57.78 billion, a year-on-year increase of 41.4%. The aggregate contracted sales GFA amounted to approximately 2.77 million sq.m., a year-on-year increase of approximately 25%. The aggregate contracted sales value accounts for 105.1% of the contracted sales target of RMB55.0 billion in 2018. The full-year contracted sales in 2018 recorded a new high.

The PRC property market as a whole presented stable development in 2018, and the property sector continued to play a pillaring role in the national economy. In 2018, property market policies are“ implemented based on each city and control measures are categorized”, the control policies serve to tighten up as well as maintain stability, and the market expectations become rational gradually, as a result of which the control policies achieved successes by stages. The property market continued to see a clear regional differentiation. In tier-1 and major tier-2 cities, the transactions were steady; however, the supply still failed to meet demand in the market. The trading volume rose substantially in certain tier-3 and tier-4 cities, where the housing prices increased significantly. However, the areas experiencing population outflow still faced the “de-stocking” pressures. In order to stabilise the housing prices, local governments increased the supply of land. Meanwhile, due to market modification, the land market saw a declining competition in the second half of the year. With the tightening of credit funds, the financing cost continued to rise.

Looking forward to 2019, as an important pillar of the national economy, the real estate industry is expected to remain stable as a whole. The regulatory policies on the real estate market will continue and remain stable, focusing on city-specific policies and policy optimisation, speeding up the long term mechanism of the real estate market, and ensuring the steady and healthy development of the real estate industry.

2019 is a crucial year for implementing the Group’s “13th Five-year” development plan. The Group will take advantage of current important strategic development opportunities, focus on three core regions, namely Greater Bay Area, Yangtze River Delta and Central China Region. The Group will strive to strengthen and optimise the development and operation of residential and commercial properties, foster new businesses such as urban renewal, elderly care and long-term leasing businesses, comprehensively enhance the professionalism and competitiveness of all links of the real estate industry value chain and continue to improve the rate of return on capital of shareholders.

The Group will continue to cultivate its unique advantage to acquire quality land resources via various means, forming a multi-channel model combination of “Open Market Auctions + Group Incubation + Cooperation with State-owned Enterprises + Railway + Urban Renewal + Merger and Acquisition + Business parks”. The Group will focus on fast turnover projects in accordance with the requirement of controlled pace, optimised structure, strict standard and precise layout in open land market. The Group will deepen and leverage the advantages of cooperation with state-owned enterprises, and continue to expand the depth and breadth of cooperation with the “Railway + Properties” to acquire land resources. Furthermore, via deep participation in urban renewal projects, the Group will actively pursue merger & acquisition opportunities in the secondary market. Following the national strategy of the Greater Bay Area, the Group will seize the opportunities of strategic development of the Greater Bay Area to maintain and further strengthen its dominant position in market.

Guangzhou Metro (through its subsidiary) will become the second largest shareholder of the Company following completion of the Transactions. In the medium to long term, the Transactions will bring to the Company a closer cooperation relationship with Guangzhou Metro, adding a pipeline for the Company to continue to obtain quality land reserves at reasonable cost, and creating positive synergies on the Company's participation in the development of new metro station property projects along the Guangzhou Metro railway in the future, which will help the Company to continue to increase quality projects in Guangzhou and enhance its market position in Guangdong-Hong Kong-Macao Bay Area.

By introducing Guangzhou Metro (through its subsidiary) as a strategic Shareholder, the Company can further explore the "Railway + Property" urban renewal and expansion model. The Company believes that if Guangzhou Metro (through its subsidiary) were to become a strategic shareholder, the Company would be better placed (vis-à-vis its competitors) to gain the rights to participate in different new metro station property development projects the bid of which is won by Guangzhou Metro. The Company believes that the business synergies created between the Company and Guangzhou Metro would allow the Company to stand in a good position despite the current uncertainties in the PRC property market.

The Project, "Yue Galaxy" (品秀星圖), is in close proximity to Guanhu Station of Line 13 of the Guangzhou Metro network which has been in operation since December 2017. It is expected that the Project will be a mixed-use residential, commercial and public utilities project with a total gross floor area of up to 1,461,549 sq.m. and conveniently located with good transportation facilities. The large-scaled residential complex, expected to be equipped with community facilities (such as educational, commercial, cultural facilities), will help to increase the Company's high-quality project reserve in Guangzhou. The Xintang area, where the Project is located, is an important transportation hub which connects Guangzhou and Dongguan and provides good development prospects for the Project. It is also expected that, given its large scale, the Project would contribute significantly to the sales and cash flow of the Group.

Upon completion of the Transactions, there will be no material changes to the Company's business model.

The following is the text of a report set out on pages IIA-1 to IIA-2, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

pwc

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF YUEXIU PROPERTY COMPANY LIMITED

Introduction

We report on the historical financial information of Guangzhou Dongxiao Industrial Development Company Limited (the "**Target Holding Company**") and its subsidiary (together, the "**Target Group**") set out on pages IIA-3 to IIA-28, which comprises the consolidated and company balance sheet as at 31 December 2018 and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows from 23 January 2018 (date of incorporation of the Target Holding Company) to 31 December 2018 (the "**Track Record Period**") and a summary of significant accounting policies and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages IIA-3 to IIA-28 forms an integral part of this report, which has been prepared for inclusion in the circular of Yuexiu Property Company Limited (the "**Company**") dated 18 March 2019 (the "**Circular**") in connection with the proposed acquisition of the Target Holding Company by the Company.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

The financial statements of the Target Group for the Track Record Period ("**Underlying Financial Statements**"), on which the Historical Financial Information is based, were prepared by the directors of the Company based on the previous issued financial statements and management accounts of the Target Holding Company and its subsidiary now comprising the Target Group for the Track Record Period. The directors of the respective companies now comprising the Target Group are responsible for the preparation of the management accounts of the Target Holding Company and its subsidiary now comprising the Target Group in accordance with the relevant accounting principles generally accepted in their places of incorporation, and for such internal control as the respective directors determine is necessary to enable the preparation of respective companies' financial statements that are free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers Ltd, 22/F Prince's Building, Central, Hong Kong
T: (852) 2289 8888, F: (852) 2810 9888, www.pwc.com

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Target Holding Company as at 31 December 2018, the consolidated financial position of the Target Group as at 31 December 2018 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements have been made.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
18 March 2019

I. HISTORICAL FINANCIAL INFORMATION OF THE TARGET GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The Underlying Financial Statements, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

(A) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	**23 January 2018 (date of incorporation of the Target Holding Company) to 31 December 2018** *RMB'000*
Selling expenses	5	(10,790)
Administrative expenses	5	(5,725)
Operating loss		(16,515)
Finance income	6	158
Finance costs	7	(428,458)
Loss before taxation		(444,815)
Taxation	8	104,183
Loss and total comprehensive loss for the period		(340,632)
Attributable to		
- Equity holder of the Target Holding Company		(184,740)
- Non-controlling interest		(155,892)
		(340,632)

(B) CONSOLIDATED BALANCE SHEET

		As at 31 December 2018
	Note	*RMB'000*
ASSETS		
Non-current assets		
Property, plant and equipment	10	491
Deferred tax assets	11	104,188
Properties under development	12	10,398,750
		10,503,429
Current assets		
Properties under development	12	4,854,843
Other receivables		17,069
Cash and cash equivalents	13	274,340
		5,146,252
Total assets		15,649,681
LIABILITIES		
Current liabilities		
Note payables	14	30,876
Other payables and accrued charges	15	203,300
Amounts due to related parties	17(a) & 18(c)	1,264,708
		1,498,884
Non-current liabilities		
Amounts due to related parties	17(a) & 18(c)	13,836,825
Total liabilities		15,335,709
Net current assets		3,647,368
Total assets less current liabilities		14,150,797

	Note	**As at 31 December 2018** *RMB'000*
EQUITY		
Capital and reserves attributable to equity holders of the Target Holding Company		
Share capital	16	10,000
Accumulated losses		(184,740)
		(174,740)
Non-controlling interests		488,712
Total equity		313,972
Total equity and liabilities		15,649,681

(C) BALANCE SHEET

	Note	As at 31 December 2018 *RMB'000*
ASSETS		
Non-current assets		
Interest in a subsidiary	9	670,914
Current assets		
Cash and cash equivalents	13	10,268
Total assets		681,182
LIABILITIES		
Current liabilities		
Amounts due to related parties	17	699,266
Net current liabilities		(688,998)
Total assets less current liabilities		(18,084)
EQUITY		
Capital and reserves attributable to equity holders of the Target Holding Company		
Share capital	16	10,000
Accumulated losses		(28,084)
Total deficit		(18,084)
Total deficit and liabilities		681,182

(D) CONSOLIDATED STATEMENT OF CASH FLOWS

	23 January 2018 (date of incorporation of the Target Holding Company) to 31 December 2018 *RMB'000*
Operating loss	(16,515)
Adjustments for:	
Depreciation	20
Operating cash flows before movements in working capital	(16,495)
Increase in other receivables	(17,069)
Increase in properties under development	(233,003)
Decrease in operating liabilities	(160,366)
Net cash used in operations	(426,933)
Interest received	158
Interest paid	(630)
Net cash used in operating activities	(427,405)
Investing activities	
Acquisition of a subsidiary, net cash paid *(Note 17(b))*	(660,899)
Purchases of property, plant and equipment	(511)
Cash used in investing activities	(661,410)
Financing activities	
Capital contribution from immediate holding company	10,000
Proceeds from related parties *(Note 17(a))*	1,413,155
Repayment of related parties *(Note 17(a))*	(60,000)
Cash generated from financing activities	1,363,155
Increase in cash and cash equivalents	274,340
Cash and cash equivalents at the beginning of the period	—
Cash and cash equivalents at the end of the period	274,340

(E) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Target			
	Share capital *(Note 16)*	**Accumulated Losses**	**Non-controlling interests**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 23 January 2018 (date of incorporation of the Target Holding Company)	—	—	—	—
Capital injection	10,000	—	—	10,000
Non-controlling interests of a newly acquired subsidiary *(Note 17(b))*	—	—	644,604	644,604
Loss and total comprehensive loss for the period	—	(184,740)	(155,892)	(340,632)
Balance at 31 December 2018	**10,000**	**(184,740)**	**488,712**	**313,972**

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION

Guangzhou Dongxiao Industrial Development Company Limited (the "**Target Holding Company**") was incorporated in the People's Republic of China (the "**PRC**") on 23 January 2018. The address of its registered office is Room 6401, Zhujiang West Road, Guangzhou International Finance Centre, Guangzhou, PRC.

The Target Holding Company is an investment holding company and is wholly owned by Easyway Incorporation Limited ("**Easyway**"). The ultimate holding company of the Target Holding Company is Guangzhou Yue Xiu Holdings Limited ("**GZYX**").

On 16 May 2018, the Target Holding Company acquired 51% equity interest in Guangzhou City Pinxiu Property Development Company Limited (the "**Target Company**") from Guangzhou Metro Group Co., Ltd. ("**Guangzhou Metro**") (the "**Original 51% Acquisition**"). As the majority of the directors are appointed by the Target Holding Company and the resolutions of the board of directors are passed by simple majority, the Target Company became a direct non wholly-owned subsidiary of the Target Holding Company. The Target Company is principally engaged in development, selling and management of properties in the PRC. The Target Holding Company and its subsidiary, the Target Company are collectively regarded as the Target Group.

On 27 February 2019, Guangzhou Yunhu Real Estate Development Co., Ltd. (the "**Purchaser**"), an indirect non wholly-owned subsidiary of Yuexiu Property Company Limited (the "**Company**"), entered into an equity transfer agreement with Easyway, pursuant to which the Purchaser agreed to purchase 100% equity interest in the Target Holding Company, which in turn owns 51% equity interest in the Target Company.

On the same date, the Purchaser entered into an equity transfer agreement with Guangzhou Metro, pursuant to which the Purchaser agreed to purchase 35% equity interest in the Target Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied to the Track Record Period presented, unless otherwise stated.

2.1 Basis of preparation

The Historical Financial Information of the Target Group has been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The Historical Financial Information has been prepared under the historical cost convention.

2.1.1 ***Changes in accounting policy and disclosures***

New standards, amendments to existing standards and interpretations that have been issued but are not effective for the year ended 31 December 2018 and have not been early adopted by the Target Group:

		Effective for accounting periods beginning on or after
HKAS 1 and HKAS 8 (Amendments)	*Definition of Material*	1 January 2020
HKAS 19 (Amendments)	*Employee Benefits*	1 January 2019
HKAS 28 (Amendment)	*Long-term Interests in an Associate or Joint Venture*	1 January 2019
HKFRS 3 (Amendments)	*Definition of a Business*	1 January 2020
HKFRS 9 (Amendment)	*Prepayment Features with Negative Compensation*	1 January 2019
HKFRS 10 and HKAS 28 (Amendments)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be announced
HKFRS 16	*Leases*	1 January 2019
HKFRS 17	*Insurance Contracts*	1 January 2021
Annual Improvements to 2015-2017 Cycle	*Improvements to HKFRS*	1 January 2019
HK (IFRIC) 23	*Uncertainty over Income Tax Treatments*	1 January 2019

The above new standards, amendments to existing standards and interpretations are effective for annual periods beginning on or after 1 January 2019 and have not been applied in preparing the Historical Financial Information. According to the preliminary assessment made by the directors of the Target Holding Company, no significant impact on the financial performance and position of the Target Holding Company is expected when they become effective except the one set out below:

HKFRS 16 provides new provisions for the accounting treatment of leases and requires lessees to recognise certain leases on the balance sheet. Almost all leases must be recognised in the form of an asset (for the right of use) and a financial liability (for the payment obligation). Short-term leases of less than twelve months and leases of low-value assets are exempt from the reporting obligation. The new standard will therefore result in an increase in assets and financial liabilities in the balance sheet. In the statement of comprehensive income, leases will be recognised in future as depreciation of right-of-use assets and interest expense on lease liability and will no longer be recorded as an operating lease expense on a straight line basis.

Under HKFRS 16, lessees are required to recognise a lease liability reflecting future lease payments and a right-of-use asset for all lease contracts in the balance sheet. Lessees will also have to present interest expense on the lease liability and depreciation on the right-of-use asset in the income statement. In comparison with operating leases under HKAS 17, the adoption of HKFRS 16 will change not only the allocation of expenses but also the total amount of expenses recognised for each period of the lease term. The combination of a straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in higher expenses in the initial years of the lease term, and lower expenses during the latter part of the lease term. For the lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17 except for definition of lease and accounting for sub-lease. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Target Group will apply the new standard starting from the financial year beginning on 1 January 2019. Based on the Target Holding Company's current assessment, the directors of the Target Group do not expect a material impact on the Target Group's financial position and performance as a result of the adoption of this new standard when it becomes effective.

2.2 Principles of consolidation

Subsidiary

A subsidiary is an entity (including a structured entity) over which the Target Group has control. The Target Group controls an entity when the Target Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are combined from the date on which control is transferred to the Target Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

2.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Target Holding Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Target Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Furniture, fixtures and office equipment	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2.5 Impairment of non-financial assets

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.6 Properties under development

Properties under development are stated at the lower of cost and net realisable value. The cost of properties under development comprises land use rights, development and construction expenditure, borrowing costs capitalised and other direct costs attributable to the development. Net realisable value is the estimated selling price at which the property can be realised less related expenses.

Properties under development are classified as current assets unless the construction period of the relevant property development projects is expected to complete beyond normal operating cycle.

2.7 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with bank.

2.8 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Target Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.9 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.10 **Note payables**

These amounts represent liabilities for goods and services provided to the Target Group prior to the end of financial year which are unpaid. Note payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 **Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of income tax, from the proceeds.

2.12 **Current and deferred income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Target Holding Company generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable profit will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to income taxes levied by the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.13 **Provisions**

Provisions for legal claims, service warranties and make good obligations are recognised when the Target Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

3 FINANCIAL RISK MANAGEMENT

3.1 **Financial risk factors**

The Target Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk and liquidity risk. During the Track Record Period, the market risk and credit risk did not have significant influence on the Target Group, considering its financial assets or liabilities are denominated in RMB and the long-term borrowings are at fix rates and limited other receivables and no derivative financial instruments on book. The Target Group's activities expose it to liquidity risk mainly. The Target Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Target Group's financial performance.

Liquidity risk

Due to the capital-intensive nature of the Target Group's business, the Target Group ensures that it maintains sufficient cash and credit lines to meet its liquidity requirements. The Target Group's financial liabilities mainly represent the amounts due to related parties.

The table below analyses the Target Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities	Less than one year	Between 1 and 5 years	Total contractual cash flows
	RMB'000	*RMB'000*	*RMB'000*
Note payables	30,876	—	30,876
Other payables and accrued charges	201,238	—	201,238
Amounts due to related parties	2,164,101	16,868,328	19,032,429
	2,396,215	16,868,328	19,264,543

3.2 **Capital management**

The Target Group's objective when managing capital is to safeguard the Target Group's ability to continue as a going concern in order to provide returns for its shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Target Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or sell assets to reduce debt.

3.3 **Fair value estimation**

The carrying values of the Target Group's financial liabilities, including amounts due to related parties and accrued charges, are a reasonable approximation of their fair values.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial information requires the use of accounting estimates which, by definition, will seldom equal the actual results.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Target Group and that are believed to be reasonable under the circumstances.

The directors of the Target Group, however, are of the opinion that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Target Group within the next financial year, except the one set out below:

Current and deferred income tax

The Target Group is subject to income tax in the PRC. Significant judgement is required in determining the amount of the provision for income taxes and the timing of the related payments. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the land appreciation tax, income tax and deferred tax provisions in the period in which such determination are made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such difference will impact the recognition of deferred tax assets and income tax in the period in which such estimate is changed.

5 EXPENSES BY NATURE

	23 January 2018 (date of incorporation of the Target Holding Company) to 31 December 2018
	RMB'000
Selling and promotion expenses	10,790
Taxes and surcharges	3,704
Auditor's remuneration	541
Operating leases — land and buildings	439
Depreciation	20
Others	1,021
	16,515

6 FINANCE INCOME

	23 January 2018 (date of incorporation of the Target Holding Company) to 31 December 2018 *RMB'000*
Interest income from bank deposits	158

7 FINANCE COSTS

	23 January 2018 (date of incorporation of the Target Holding Company) to 31 December 2018 *RMB'000*
Interest on amounts due to GZYX *(Note 18(b))*	316,624
Interest on amounts due to Guangzhou Metro *(Note 18(b))*	277,066
Total interest incurred	593,690
Less: amount capitalised as properties under development *(Note (a))*	(165,232)
	428,458

(a) For the period from 23 January 2018 (date of incorporation of the Target Holding Company) to 31 December 2018, borrowing costs capitalised as properties under development are calculated by applying capitalisation rate of 6.50 percent per annum.

8 TAXATION

No provision for China corporate income tax was made in the Historical Financial Information as the Target Group had no estimated assessable profit for the reporting period.

	23 January 2018 (date of incorporation of the Target Holding Company) to 31 December 2018
	RMB'000
Deferred taxation *(Note 11)*	104,183

	23 January 2018 (date of incorporation of the Target Holding Company) to 31 December 2018
	RMB'000
Loss before taxation	444,815
Calculated at China corporate income tax rate of 25%	111,204
Tax losses for which no deferred income tax asset was recognised	(7,021)
Taxation	104,183

9 SUBSIDIARY

During the Track Record Period, the Target Holding Company had direct interest in the following subsidiary:

Name of entity	Place of incorporation and kind of legal entity	Principal activities	Paid-in capital	Ownership interest held by the Target Holding Company	Ownership interest held by non-controlling interests
				As at 31 December 2018	As at 31 December 2018
廣州市品秀房地產開發有限公司 (the "Target Company")	China, limited liability company	Property development	RMB10,000,000	51%	49%

(a) Non-controlling interest (NCI)

Set out below is the summarised financial information for the subsidiary that has non-controlling interest that is material to the Target Group. The amounts disclosed for the subsidiary are before inter-company eliminations.

Summarised balance sheet	**The Target Company As at 31 December 2018**
	RMB'000
Current assets	5,128,521
Current liabilities	799,618
Net current assets	4,328,903
Non-current assets	10,505,294
Non-current liabilities	13,836,825
Net non-current liabilities	(3,331,531)
Net assets	997,372
NCI	488,712

Summarised statement of comprehensive income	**The Target Company 23 January 2018 (date of incorporation of the Target Holding Company) to 31 December 2018**
	RMB'000
Revenue	—
Finance costs	408,302
Loss and total comprehensive loss for the period	318,145
Loss allocated to NCI	155,892

Summarised cash flows	**The Target Company 23 January 2018 (date of incorporation of the Target Holding Company) to 31 December 2018**
	RMB'000
Cash flows used in operating activities	(427,087)
Cash flows used in investing activities	(511)
Cash flows generated from financing activities	681,655
Net increase in cash and cash equivalents	**254,057**

10 PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and office equipment *RMB'000*
Year ended 12 December 2018	
Opening net book amount	—
Additions	511
Depreciation charge *(Note 5)*	(20)
Closing net book amount	491
At 31 December 2018	
Cost	511
Accumulated depreciation	(20)
Net book amount	491

11 DEFERRED TAX ASSETS

Deferred tax assets are calculated in full on temporary differences under the liability method using the applicable income tax rate. The majority of the deferred tax assets are expected to be recovered after more than 12 months.

The movements on the deferred tax assets during the Track Record Period are as follows:

	Tax losses *RMB'000*
At 23 January 2018 (date of incorporation)	—
Credited to profit or loss during the period *(Note 8)*	104,183
Acquisition of the Target Company *(Note 17 (b))*	5
At 31 December 2018	104,188

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxation profits is probable. As at 31 December 2018, the Target Group had unrecognised deferred tax benefits of approximately RMB7,021,000 in respect of tax losses of approximately RMB28,084,000 which will expire in 2023.

12 PROPERTIES UNDER DEVELOPMENT

	As at 31 December 2018
	RMB'000
Amounts are expected to be completed:	
Within a normal operating cycle included under current assets	4,854,843
Beyond a normal operating cycle included under non-current assets	10,398,750
	15,253,593
Properties under development comprise:	
Land use rights	14,855,358
Construction cost and capitalised expenditures	233,003
Finance cost capitalised	165,232
	15,253,593

The normal operating cycle of the Target Group's property development generally ranges from two to three years.

Properties under development is located in Zengcheng, Guangzhou, PRC.

As at 31 December 2018, the properties under development are expected to be recovered after more than one year.

13 CASH AND CASH EQUIVALENTS

The Target Group

	As at 31 December 2018
	RMB'000
Cash at bank	274,340

The Target Holding Company

	As at 31 December 2018
	RMB'000
Cash at bank	10,268

Cash and cash equivalents of the Target Group and the Target Holding Company are denominated in RMB. The carrying amounts approximate their fair values.

14 NOTE PAYABLES

	As at 31 December 2018
	RMB'000
Note payables	30,876

Note payables are denominated in RMB, unsecured and are usually paid within 6 months of recognition.

The carrying amounts of note payables are considered to be the same as their fair values, due to their short-term nature.

As at 31 December 2018, the ageing of the note payables based on the issuance date were within 60 days.

15 OTHER PAYABLES AND ACCRUED CHARGES

	As at 31 December 2018
	RMB'000
Purchase deposit	106,732
Accrual for construction related costs	83,131
Accrual for advertisement	10,615
Accrued employee benefits costs	2,062
Other payables	760
	203,300

16 SHARE CAPITAL

The Target Group and the Target Holding Company

	Paid-in capital
	RMB'000
Opening balance as at 23 January 2018 (date of incorporation)	—
Capital injection	10,000
Balance as at 31 December 2018	10,000

17 CASH FLOW INFORMATION

(a) **Reconciliation of liabilities arising from financing activities**

			Non-cash changes		
	As at 23 January 2018	**Cash flows**	**Acquisition** *(Note (i))*	**Interest accrued and other charges**	**As at 31 December 2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Current					
Amounts due to related parties					
Amount due to GZYX *(Note (ii))*	—	671,500	—	316,142	987,642
Amount due to Guangzhou Metro *(Note (iii))*	—	—	—	277,066	277,066
	—	671,500	—	593,208	1,264,708
Non-current					
Amounts due to related parties					
Amount due to GZYX *(Note (i))*	—	347,644	6,709,137	—	7,056,781
Amount due to Guangzhou Metro *(Note (i))*	—	334,011	6,446,033	—	6,780,044
	—	681,655	13,155,170	—	13,836,825
Total liabilities from financing activities	—	1,353,155	13,155,170	593,208	15,101,533

(i) On 16 May 2018, the date of completion of the Original 51% Acquisition, Guangzhou Metro assigned 51% of the original shareholder's loan amounting to RMB6,709,137,000 to the Target Group's ultimate holding company, GZYX.

After that the Target Company entered into a set of shareholder's loan agreements with GZYX and Guangzhou Metro, pursuant to which the loans are unsecured, interest bearing at a rate of 6.5% per annum, repayable after 60 months from the beginning date of the shareholders' loans, and denominated in RMB. The respective beginning date of the shareholders' loans are as below:

Amount due to GZYX	**Beginning date**
RMB'000	
6,709,137	16 May 2018
201,274	16 May 2018
44,370	5 July 2018
102,000	30 November 2018
7,056,781	

Amount due to Guangzhou Metro	**Beginning date**
RMB'000	
6,446,033	16 May 2018
193,381	16 May 2018
42,630	17 July 2018
98,000	29 December 2018
6,780,044	

(ii) The balance due to GZYX classified as current portion as at 31 December 2018 comprised of:

- Shareholder's loans from GZYX to the Target Holding Company, amounting RMB671,000,000 and RMB500,000 which was unsecured, interest bearing at a rate of 6.5% per annum, repayable on demand from 15 May 2018 and 4 July 2018 respectively.

- Accrued interest payable to GZYX arising from the shareholder's loans.

(iii) The balance classified as current portion as at 31 December 2018 was accrued interest payable to Guangzhou Metro arising from the shareholder's loan.

(b) **Acquisition of the Target Company**

The directors consider the Original 51% Acquisition to be an asset acquisition. The following table summarises the consideration paid for the acquisition of the Target Company, the relative fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date:

Consideration	*RMB'000*
At 16 May 2018	
Total consideration transfer — Cash	670,914
Deferred tax assets	5
Cash and cash equivalents	10,015
Properties under development	14,855,357
Other payables and accrued charges	(394,689)
Amounts due to related parties	(13,155,170)
Total identifiable net assets	1,315,518
Non-controlling interests	(644,604)
	670,914
Analysis of net outflow of cash and cash equivalents in respect of acquisition of the Target Company	
Cash paid	670,914
Cash and cash equivalents acquired	(10,015)
	660,899

18 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) **Related parties**

The table below summaries the names of related parties, with whom the Target Group has significant transactions during the Track Record Period, and their relationship with the Target Group:

Significant related parties	**Relationship with the Target Group**
GZYX	Ultimate holding company
Guangzhou Metro	Entity with significant influence over the Target Company
Guangzhou Yue Xiu Enterprises Holdings Limited ("GZYXE")	A fellow subsidiary

(b) **Transactions with related parties**

	23 January 2018 (date of incorporation of the Target Holding Company) to 31 December 2018
	RMB'000
(i) Transaction with GZYX	
Interest expense *(Note 7)*	316,624
(ii) Transaction with Guangzhou Metro	
Interest expense *(Note 7)*	277,066

(c) **Balances with related parties**

	As at 31 December 2018
	RMB'000
Amount due to GZYX	8,044,276
Amount due to Guangzhou Metro	7,057,110
Amount due to GZYXE	147
	15,101,533

For details of the balances with related parties, please refer to Note 17(a).

(d) **Key management compensation**

The key management compensation represents the emoluments paid to the directors. The Target Group's activities are planned, directed and controlled by the management of its ultimate holding company and the ultimate holding company has not charged any fee for the services rendered during the Track Record Period.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Target Holding Company or its subsidiary in respect of any period subsequent to 31 December 2018 and up to the date of this report. No dividend or distribution has been declared or made by the Target Holding Company or its subsidiary in respect of any period subsequent to 31 December 2018.

The following is the text of a report set out on pages IIB-1 to IIB-2, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

pwc

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF YUEXIU PROPERTY COMPANY LIMITED

Introduction

We report on the historical financial information of Guangzhou City Pinxiu Property Development Company Limited (the "**Target Company**") set out on pages IIB-3 to IIB-24, which comprises the balance sheets as at 31 December 2017 and 2018 and the statements of comprehensive income, the statements of changes in equity and the statements of cash flows from 5 December 2017 (date of incorporation) to 31 December 2017 and for the year ended 31 December 2018 (the "**Track Record Period**") and a summary of significant accounting policies and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages IIB-3 to IIB-24 forms an integral part of this report, which has been prepared for inclusion in the circular of Yuexiu Property Company Limited (the "**Company**") dated 18 March 2019 (the "**Circular**") in connection with the proposed acquisition of the Target Company by the Company.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

The financial statements of the Target Company for the Track Record Period ("**Underlying Financial Statements**"), on which the Historical Financial Information is based, were prepared by the directors of the Company based on the previously issued financial statements and management accounts of the Target Company for the Track Record Period. The directors of the Target Company are responsible for the preparation of the previously issued financial statements and management accounts of the Target Company in accordance with the relevant accounting principles generally accepted in its place of incorporation, and for such internal control as the directors determine is necessary to enable the preparation of the Target Company's financial statements that are free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers Ltd, 22/F Prince's Building, Central, Hong Kong
T: (852) 2289 8888, F: (852) 2810 9888, www.pwc.com

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Target Company as at 31 December 2017 and 2018 and of its financial performance and its cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2.2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements have been made.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
18 March 2019

I. HISTORICAL FINANCIAL INFORMATION OF THE TARGET COMPANY

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The Underlying Financial Statements, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

(A) STATEMENTS OF COMPREHENSIVE INCOME

		5 December 2017 (date of incorporation) to 31 December 2017	**For the year ended 31 December 2018**
	Note	*RMB'000*	*RMB'000*
Selling expenses	5	—	(10,790)
Administrative expenses	5	(36)	(5,237)
Operating loss		(36)	(16,027)
Finance income	6	17	135
Finance costs	7	—	(408,302)
Loss before taxation		(19)	(424,194)
Taxation	8	5	106,049
Loss and total comprehensive loss for the period/year		(14)	(318,145)

(B) BALANCE SHEETS

	Note	As at 31 December 2017 RMB'000	As at 31 December 2018 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	—	491
Deferred tax assets	10	5	106,055
Properties under development	11	10,433,365	9,484,877
		10,433,370	9,591,423
Current assets			
Properties under development	11	3,116,460	4,455,720
Other receivables		—	17,069
Cash and cash equivalents	12	10,015	264,072
		3,126,475	4,736,861
Total assets		13,559,845	14,328,284
LIABILITIES			
Current liabilities			
Note payables	13	—	30,876
Other payables and accrued charges	14	394,689	203,300
Amounts due to related parties	17(c)	13,155,170	565,442
		13,549,859	799,618
Non-current liabilities			
Amounts due to related parties	17(c)	—	13,836,825
Total liabilities		13,549,859	14,636,443
Net current (liabilities)/assets		(10,423,384)	3,937,243
Total assets less current liabilities		9,986	13,528,666

	Note	As at 31 December 2017 RMB'000	As at 31 December 2018 RMB'000
EQUITY			
Capital and reserves attributable to equity holders of the Target Company			
Share capital	15	10,000	10,000
Accumulated losses		(14)	(318,159)
Total equity/(deficit)		9,986	(308,159)
Total equity and liabilities		13,559,845	14,328,284

(C) STATEMENTS OF CASH FLOWS

	5 December 2017 (date of incorporation) to 31 December 2017	Year ended 31 December 2018
	RMB'000	*RMB'000*
Operating loss	(36)	(16,027)
Adjustments for:		
Depreciation	—	20
Operating cash flows before movements in working capital	(36)	(16,007)
Increase in properties under development	(13,549,825)	(233,003)
Increase in other receivables	—	(17,069)
Increase/(decrease) in operating liabilities	394,689	(160,513)
Net cash used in operations	(13,155,172)	(426,592)
Interest received	17	135
Interest paid	—	(630)
Net cash used in operating activities	(13,155,155)	(427,087)
Investing activities		
Purchases of property, plant and equipment	—	(511)
Cash used in investing activities	—	(511)
Financing activities		
Capital contribution from the equity holders	10,000	—
Proceeds from related parties *(Note 16)*	13,155,170	741,655
Repayment of related parties *(Note 16)*	—	(60,000)
Cash generated from financing activities	13,165,170	681,655
Increase in cash and cash equivalents	10,015	254,057
Cash and cash equivalents at the beginning of the period/year	—	10,015
Cash and cash equivalents at the end of the period/year	10,015	264,072

(D) STATEMENTS OF CHANGES IN EQUITY

	Share capital	**Accumulated Losses**	**Total**
	(Note 15)		
	RMB'000	*RMB'000*	*RMB'000*
Balance at 5 December 2017 (date of incorporation)	—	—	—
Capital injection	10,000	—	10,000
Loss and total comprehensive loss for the period	—	(14)	(14)
Balance at 31 December 2017	**10,000**	**(14)**	**9,986**
Balance at 1 January 2018	10,000	(14)	9,986
Loss and total comprehensive loss for the year	—	(318,145)	(318,145)
Balance at 31 December 2018	**10,000**	**(318,159)**	**(308,159)**

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION

Guangzhou City Pinxiu Property Development Company Limited (the "**Target Company**") was incorporated in People's Republic of China (the "**PRC**") on 5 December 2017 with limited liability. The address of its registered office is Room 109, Building 12, Road Lixin Twelve, Xintang, Zengcheng, Guangzhou, PRC.

The Target Company is principally engaged in development, selling and management of properties in the PRC. At the date of incorporation, the Target Company was wholly owned by Guangzhou Metro Group Co., Ltd. ("**Guangzhou Metro**"). On 16 May 2018, Guangzhou Metro transferred 51% equity interest in the Target Company to Guangzhou Dongxiao Industrial Development Company Limited (the "**Target Holding Company**") (the "**Original 51% Acquisition**"). As at 31 December 2018, the Target Company was 51% owned by the Target Holding Company and 49% owned by Guangzhou Metro, respectively. The immediate holding company of the Target Company is the Target Holding Company. The ultimate holding company of the Target Company is Guangzhou Yue Xiu Holdings Limited ("**GZYX**").

On 27 February 2019, Guangzhou Yunhu Real Estate Development Co., Ltd. (the "**Purchaser**"), an indirect non wholly-owned subsidiary of Yuexiu Property Company Limited (the "**Company**"), entered into an equity transfer agreement with Easyway Incorporation Limited ("**Easyway**"), the intermediate holding company of the Target Holding Company, pursuant to which the Purchaser agreed to purchase 100% equity interest in the Target Holding Company, which in turn owns 51% equity interest in the Target Company.

On the same date, the Purchaser entered into an equity transfer agreement with Guangzhou Metro, pursuant to which the Purchaser agreed to purchase 35% equity interest in the Target Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied to the Track Record Period presented, unless otherwise stated.

2.1 Incomparability of the Historical Financial Information

As the Target Company was incorporated on 5 December 2017, the financial information in the financial period of 2017 covered a period less than one month from 5 December 2017 to 31 December 2017 while the financial period of 2018 covered a full year period. As a result, the financial information of 2017 is incomparable with that of 2018.

2.2 **Basis of preparation**

The Historical Financial Information of the Target Company has been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The Historical Financial Information has been prepared under the historical cost convention.

2.2.1 ***Going concern***

For the year ended 31 December 2017, the Target Company incurred losses of RMB14,000. As at 31 December 2017, the Target Company's net current liabilities amounted to RMB10,423,384,000 which was mainly due to the shareholder's loan from Guangzhou Metro, amounting to RMB13,155,170,000 *(Note 17)*. The shareholder's loan was repayable on demand and therefore was classified as current liabilities as at 31 December 2017. On 16 May 2018, the Target Company entered into a shareholder's loan agreement with GZYX and Guangzhou Metro, pursuant to which the loans are repayable after 60 months *(Note 16)* and therefore was classified as non-current liabilities as at 31 December 2018. As a result, the directors consider that it is appropriate for the Target Company to adopt the going concern basis in preparing its financial information as at 31 December 2017.

2.2.2 ***Changes in accounting policy and disclosures***

New standards, amendments to existing standards and interpretations that have been issued but are not effective for the year ended 31 December 2018 and have not been early adopted by the Target Company:

		Effective for accounting periods beginning on or after
HKAS 1 and HKAS 8 (Amendments)	*Definition of Material*	1 January 2020
HKAS 19 (Amendments)	*Employee Benefits*	1 January 2019
HKAS 28 (Amendments)	*Long-term Interests in an Associates or Joint Ventures*	1 January 2019
HKFRS 3 (Amendments)	*Definition of a Business*	1 January 2020
HKFRS 9 (Amendments)	*Prepayment Features with Negative Compensation*	1 January 2019
HKFRS 10 and HKAS 28 (Amendments)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be announced
HKFRS 16	*Leases*	1 January 2019
HKFRS 17	*Insurance Contracts*	1 January 2021
Annual Improvements to 2015-2017 Cycle	*Improvements to HKFRSs*	1 January 2019
HK (IFRIC) 23	*Uncertainty over Income Tax Treatments*	1 January 2019

The above new standards, amendments to existing standards and interpretations are effective for annual periods beginning on or after 1 January 2019 and have not been applied in preparing the Historical Financial Information. According to the preliminary assessment made by the directors of the Target Company, no significant impact on the financial performance and position of the Target Company is expected when they become effective except the one set out below:

HKFRS 16 provides new provisions for the accounting treatment of leases and requires lessees to recognise certain leases on the balance sheet. Almost all leases must be recognised in the form of an asset (for the right of use) and a financial liability (for the payment obligation). Short-term leases of less than twelve months and leases of low-value assets are exempt from the reporting obligation. The new standard will therefore result in an increase in assets and financial liabilities in the balance sheets. In the statements of comprehensive income, leases will be recognised in future as depreciation of right of use assets and interest expense on lease liability and will no longer be recorded as an operating lease expense on a straight line basis.

Under HKFRS 16, lessees are required to recognise a lease liability reflecting future lease payments and a right-of-use asset for all lease contracts in the balance sheet. Lessees will also have to present interest expense on the lease liability and depreciation on the right-of-use asset in the income statement. In comparison with operating leases under HKAS 17, the adoption of HKFRS 16 will change not only the allocation of expenses but also the total amount of expenses recognised for each period of the lease term. The combination of a straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in higher expenses in the initial years of the lease term, and lower expenses during the latter part of the lease term. For the lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17 except for definition of lease and accounting for sub-lease. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Target Company will apply the new standard starting from the financial year beginning on 1 January 2019. Based on the Target Company's current assessment, the directors of the Target Company do not expect a material impact on the Target Company's financial position and performance as a result of the adoption of this new standard when it becomes effective.

2.3 **Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Target Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Furniture, fixtures and office equipment	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2.4 **Impairment of non-financial assets**

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.5 **Properties under development**

Properties under development are stated at the lower of cost and net realisable value. The cost of properties under development comprises land use rights, development and construction expenditure, borrowings costs capitalised and other direct costs attributable to the development. Net realisable value is the estimated selling price at which the property can be realised less related expenses.

Properties under development are classified as current assets unless the construction of the relevant property development projects is expected to complete beyond normal operating cycle.

2.6 **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with bank.

2.7 **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Target has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.8 **Borrowings costs**

General and specific Borrowings costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowings costs eligible for capitalisation.

Other borrowings costs are recognised in profit or loss in the period in which they are incurred.

2.9 **Note payables**

These amounts represent liabilities for goods and services provided to the target company prior to the end of financial year which are unpaid. Note payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.10 **Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of income tax, from the proceeds.

2.11 **Current and deferred income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Target Company generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable profit will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to income taxes levied by the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.12 **Provisions**

Provisions for legal claims, service warranties and make good obligations are recognised when the Target Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Target Company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk and liquidity risk. During the Track Record Period, the market risk and credit risk did not have significant influence on the Target Company, considering its financial assets or liabilities are denominated in RMB and the long-term borrowings are at fixed rates and there were limited other receivables and no derivative financial instruments on book. The Target Company's activities expose it to liquidity risk mainly. The Target Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Target Company's financial performance.

Liquidity risk

Due to the capital-intensive nature of the Target Company's business, the Target Company ensures that it maintains sufficient cash and credit lines to meet its liquidity requirements. The Target Company's financial liabilities mainly represent the amounts due to related parties.

The table below analyses the Target Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities	**Less than one year**	**Between 1 and 5 years**	**Total contractual cash flows**
	RMB'000	*RMB'000*	*RMB'000*
At 31 December 2017			
Other payables and accrual charges	31	—	31
Amounts due to related parties	13,155,170	—	13,155,170
	13,155,201	—	13,155,201
At 31 December 2018			
Note payables	30,876	—	30,876
Other payables and accrual charges	201,238	—	201,238
Amounts due to related parties	1,464,835	16,868,328	18,333,163
	1,696,949	16,868,328	18,565,277

3.2 **Capital management**

The Target Company's objective when managing capital is to safeguard the Target Company's ability to continue as a going concern in order to provide returns for its shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Target Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or sell assets to reduce debt.

3.3 **Fair value estimation**

The carrying values of the Target Company's financial liabilities, including amounts due to related parties and accrued charges, are a reasonable approximation of their fair values.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial information requires the use of accounting estimates which, by definition, will seldom equal the actual results.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Target Company and that are believed to be reasonable under the circumstances.

The directors of the Target Company, however, are of the opinion that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Target Company within the next financial year, except the one set out below:

Current and deferred income tax

The Target Company is subject to income tax in the PRC. Significant judgement is required in determining the amount of the provision for income taxes and the timing of the related payments. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the land appreciation tax, income tax and deferred tax provisions in the period in which such determination are made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such difference will impact the recognition of deferred tax assets and income tax in the period in which such estimate is changed.

5 EXPENSES BY NATURE

	5 December 2017 (date of incorporation) to 31 December 2017	For the year ended 31 December 2018
	RMB'000	*RMB'000*
Selling and promotion expenses	—	10,790
Taxes and surcharges	5	3,363
Operating leases — land and buildings	—	439
Auditor's remuneration	28	394
Depreciation	—	20
Others	3	1,021
	36	16,027

6 FINANCE INCOME

	5 December 2017 (date of incorporation) to 31 December 2017	For the year ended 31 December 2018
	RMB'000	*RMB'000*
Interest income from bank deposits	17	135

7 FINANCE COSTS

	5 December 2017 (date of incorporation) to 31 December 2017	For the year ended 31 December 2018
	RMB'000	*RMB'000*
Interest on amount due to GZYX *(Note 17(b))*	—	289,005
Interest on amount due to Guangzhou Metro *(Note 17(b))*	—	277,066
Total interest incurred	—	566,071
Less: amount capitalised as properties under development *(Note (a))*	—	(157,769)
	—	408,302

(a) For the year ended 31 December 2018, borrowing costs capitalised as properties under development are calculated by applying capitalisation rate of 6.50 percent per annum. For the period from 5 December 2017 to 31 December 2017, no borrowing costs were capitalised.

8 TAXATION

No provision for China corporate income tax was made in the Historical Financial Information as the Target Company had no estimated assessable profit for the reporting periods.

	5 December 2017 (date of incorporation) to 31 December 2017	**For the year ended 31 December 2018**
	RMB'000	*RMB'000*
Deferred taxation *(Note 10)*	5	106,049

	5 December 2017 (date of incorporation) to 31 December 2017	**For the year ended 31 December 2018**
	RMB'000	*RMB'000*
Loss before taxation	19	424,194
Calculated at China corporate income tax rate of 25%	5	106,049
Taxation	5	106,049

9 PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and office equipment
	RMB'000
Year ended 31 December 2018	
Opening net book amount	—
Additions	511
Depreciation charge *(Note 5)*	(20)
Closing net book amount	491
At 31 December 2018	
Cost	511
Accumulated depreciation	(20)
Net book amount	491

10 DEFERRED TAX ASSETS

Deferred tax assets are calculated in full on temporary differences under the liability method using the applicable income tax rate. The majority of the deferred tax assets are expected to be recovered after more than 12 months.

The movements on the deferred tax assets during the Track Record Period are as follows:

	Tax losses
	RMB'000
At 5 December 2017 (date of incorporation)	—
Credited to profit or loss during the period *(Note 8)*	5
At 31 December 2017	5
At 1 January 2018	5
Credited to profit or loss during the year *(Note 8)*	106,050
At 31 December 2018	106,055

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxation profits is probable. As at 31 December 2017 and 2018, the Target Company had no unrecognised deferred tax benefits in respect of tax losses.

11 PROPERTIES UNDER DEVELOPMENT

	As at 31 December 2017	**As at 31 December 2018**
	RMB'000	*RMB'000*
Amounts are expected to be completed:		
Within a normal operating cycle included under current assets	3,116,460	4,455,720
Beyond a normal operating cycle included under non-current assets	10,433,365	9,484,877
	13,549,825	13,940,597

	As at 31 December 2017	**As at 31 December 2018**
	RMB'000	*RMB'000*
Properties under development comprise:		
Land use rights	13,549,825	13,549,825
Construction cost and capitalised expenditures	—	233,003
Finance cost capitalised *(Note 7)*	—	157,769
	13,549,825	13,940,597

The normal operating cycle of the Target Company's property development generally ranges from two to three years.

Properties under development is located in Zengcheng, Guangzhou, PRC.

As at 31 December 2017 and 31 December 2018, the properties under development are expected to be recovered after more than one year.

12 CASH AND CASH EQUIVALENTS

	As at 31 December 2017 *RMB'000*	As at 31 December 2018 *RMB'000*
Cash at bank	10,015	264,072

Cash and cash equivalents of the Target Company are denominated in RMB. The carrying amounts approximate their fair values.

13 NOTE PAYABLES

	As at 31 December 2017 *RMB'000*	As at 31 December 2018 *RMB'000*
Note payables	—	30,876

Note payables are denominated in RMB, unsecured and are usually paid within 6 month of recognition.

The carrying amounts of note payables are considered to be the same as their fair values, due to their short-term nature.

As at 31 December 2018, the ageing of the note payables based on the issuance date were within 60 days.

14 OTHER PAYABLES AND ACCRUED CHARGES

	As at 31 December 2017 *RMB'000*	As at 31 December 2018 *RMB'000*
Purchase deposit	—	106,732
Accrual for construction related costs	—	83,131
Accrual for advertisement	—	10,615
Accrued employee benefits costs	—	2,062
Other payables	31	760
Deed tax *(Note (a))*	394,658	—
	394,689	203,300

(a) The deed tax was accrued after the acquisition of land use rights of a parcel of land located in Zengcheng, Guangzhou, PRC, at the tax rate of 3% and the deed tax was paid on 16 May 2018.

15 SHARE CAPITAL

	Paid-in capital
	RMB'000
Opening balance as at 5 December 2017 (date of incorporation)	—
Capital injection	10,000
Balance as at 31 December 2017 and 2018	10,000

16 CASH FLOW INFORMATION

Reconciliation of liabilities arising from financing activities

			Non-cash changes		
	As at 5 December 2017	**Cash flows**	**Transfer the amounts due to related parties from current portions to non-current portions**	**Interest Accrued**	**As at 31 December 2017**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Amounts due to related parties					
Amount due to Guangzhou Metro *(Note (a))*	—	13,155,170	—	—	13,155,170

			Non-cash changes		
	As at 31 December 2017	**Cash flows**	**Transfer the amounts due to related parties from current portions to non-current portions** *(Note (a))*	**Interest Accrued**	**As at 31 December 2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Current					
Amounts due to related parties					
Amount due to Guangzhou Metro	13,155,170	—	(13,155,170)	277,066	277,066
Amount due to GZYX	—	—	—	288,376	288,376
	13,155,170	—	(13,155,170)	565,442	565,442

	As at 31 December 2017	Cash flows	Non-cash changes: Transfer the amounts due to related parties from current portions to non-current portions *(Note (a))*	Non-cash changes: Interest Accrued	As at 31 December 2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-current					
Amounts due to related parties					
Amount due to Guangzhou Metro *(Note (a))*	—	334,011	6,446,033	—	6,780,044
Amount due to GZYX *(Note (a))*	—	347,644	6,709,137	—	7,056,781
	—	681,655	13,355,170	—	13,836,825
Total liabilities from financing activities	13,155,170	681,655	—	565,442	14,402,267

(a) The original shareholder's loan from Guangzhou Metro before the Original 51% Acquisition was unsecured, interest free, repayable on demand, and denominated in RMB. On 16 May 2018, the date of completion of the Original 51% Acquisition, Guangzhou Metro assigned 51% of the original shareholder's loan to the Target Company's ultimate holding company, GZYX. After that the Target Company entered into a set of shareholder's loan agreements with GZYX and Guangzhou Metro, pursuant to which the loans are unsecured, interest bearing at a rate of 6.5% per annum, repayable after 60 months from the beginning date of the shareholders' loans, and denominated in RMB. The respective beginning date of the shareholders' loans are as below:

Amount due to GZYX	Beginning date
RMB'000	
6,709,137	16 May 2018
201,274	16 May 2018
44,370	5 July 2018
102,000	30 November 2018
7,056,781	

Amount due to Guangzhou Metro	Beginning date
RMB'000	
6,446,033	16 May 2018
193,381	16 May 2018
42,630	17 July 2018
98,000	29 December 2018
6,780,044	

17 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related parties

The table below summaries the names of related parties, with whom the Target Company has significant transactions during the Track Record Period, and their relationship with the Target Company:

Significant related party	**Relationship with the Target Company**
As at 31 December 2017	
Guangzhou Metro	Immediate holding company
As at 31 December 2018	
GZYX	Ultimate holding company
Guangzhou Metro	Entity with significant influence over the Target Company

(b) Transactions with related parties

	5 December 2017 (date of incorporation) to 31 December 2017	**For the year ended 31 December 2018**
	RMB'000	*RMB'000*
(i) Transaction with Guangzhou Metro		
Interest expense *(Note 7)*	—	277,066
(ii) Transaction with GZYX		
Interest expense *(Note 7)*	—	289,005

(c) Balances with related parties

	As at 31 December 2017	**As at 31 December 2018**
	RMB'000	*RMB'000*
Amount due to Guangzhou Metro	13,155,170	7,057,110
Amount due to GZYX	—	7,345,157
	13,155,170	14,402,267

For details of the balances with related parties, please refer to Note 16.

(d) **Key management compensation**

The key management compensation represents the emoluments paid to the directors. The Target Company's activities are planned, directed and controlled by the management of its ultimate holding company and the ultimate holding company has not charged any fee for the services rendered during the Track Record Period.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Target Company in respect of any period subsequent to 31 December 2018 and up to the date of this report. No dividend or distribution has been declared or made by the Target Company in respect of any period subsequent to 31 December 2018.

*Set out below is the management discussion and analysis of the Target Group for the period from 23 January 2018 (being the date of incorporation of the Target Holding Company) to 31 December 2018 (the "**Track Record Period**").*

BUSINESS REVIEW

The Target Holding Company and the Target Company are limited liability companies incorporated under the PRC laws. The principal asset of the Target Company is the Land.

The Project being constructed on the Land is a mixed-use residential, commercial and public utilities project with a total gross floor area of up to approximately 1,461,549 sq.m., out of which the total saleable area is approximately 940,179 sq.m.. As at the Latest Practicable Date, the Land is still at its initial stage of development, and approximately 50,000 sq.m. saleable area has begun its pre-sale phase.

In May 2018, the Target Holding Company acquired 51% equity interests in the Target Company from Guangzhou Metro at a consideration of approximately RMB670,914,000, and GZYX acquired interest in 51% of the loans then owed by the Target Company to Guangzhou Metro at a consideration of approximately RMB6,709,137,000.

FINANCIAL REVIEW

Revenue

As the Project is at its initial stage of development, no revenue was derived by the Target Group from property sales during the Track Record Period.

Marketing and Selling Expenses

During the Track Record Period, the marketing costs and selling expenses were mainly incurred from advertising and marketing activities.

Administrative Expenses

Administrative expenses mainly represented auditing expenses, depreciation and rental costs incurred by the Target Group.

Finance Costs

Finance costs represented the net interest expenses incurred for the interest bearing amounts due to the related enterprises of the Target Group after deduction of the capitalised portion.

Property Under Development (Current and Non-Current)

Property under development represented the land premium, construction costs and other direct costs attributable to the development incurred by the Target Group in respect of the Project.

Amounts due to Related Enterprises (Current and Non-Current)

The balance of the amounts due to related enterprises includes: 1) the balance amounting to RMB699 million payable to GZYX by the Target Holding Company; 2) the balance amounting to RMB7,057 million payable to Guangzhou Metro by the Target Company; 3) the balance amounting to RMB7,345 million payable to GZYX by the Target Company. Each of the aforesaid balances is denominated in RMB, is unsecured at an interest rate of 6.5% per annum, and is repayable within 60 months from the relevant beginning dates of the relevant shareholder's loan. Each of the aforesaid amounts payable is inclusive of interest accrued during the Track Record Period.

Pledge of Assets

No assets were pledged by the Target Group as at 31 December 2018.

Contingent Liabilities

As at 31 December 2018, the Target Group did not have any contingent liabilities.

Liquidity, Financial Resources and Capital Structure

As at 31 December 2018, the net assets and net current assets of the Target Group amounted to RMB314 million and RMB3,647 million, respectively. The Group is committed to provide continuous financial support and sufficient funds to the Target Group in proportion to its equity interest in the Target Group for repayment of its liabilities as they fall due. The Target Group aims to maintain a balance between the continuity and flexibility of its funds through the use of the loans from its shareholders.

MATERIAL CHANGE

Save for the Transactions, the Directors were not aware of any material change in the financial or trading position or outlook of the Target Group since 31 December 2018, being the date to which the latest audited financial statements of the Target Group were made up, and up to and including the Latest Practicable Date.

LITIGATION

As at the Latest Practicable Date, no member of the Target Group was engaged in any litigation or arbitration of material importance and, so far as the Directors were aware, there was no litigation or claim of material importance pending or threatened by or against the any member of the Target Group.

(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following unaudited pro forma financial information of the Enlarged Group (the "**Unaudited Pro Forma Financial Information**"), comprising the unaudited pro-forma consolidated statement of assets and liabilities and the unaudited pro-forma consolidated statement of net tangible assets as at 31 December 2018, which have been prepared on the basis of the notes set out below and in accordance with paragraph 4.29 of the Listing Rules for the purpose of illustrating the effects on the consolidated statement of assets and liabilities and the consolidated statement of net tangible assets of the Enlarged Group as if the Transactions had been completed on 31 December 2018.

The Unaudited Pro Forma Financial Information has been prepared based on (i) the consolidated balance sheet of the Group as at 31 December 2018, as set out in its published announcement on the financial information for the year ended 31 December 2018; (ii) the consolidated balance sheet of the Target Group as at 31 December 2018; and (iii) the pro forma adjustments prepared to reflect the effects of the Transactions as explained in the notes set out below that are directly attributable to the Transactions and not relating to future events or decisions and are factually supportable.

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information contained in this circular.

The Unaudited Pro Forma Financial Information has been complied by the Directors for illustrative purposes only and is based on a number of assumptions, estimates and currently available information. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the financial position and net tangible assets of the Enlarged Group had the Transactions been completed as at 31 December 2018 or any future date.

(I) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP AS AT 31 DECEMBER 2018

			Pro forma adjustments			
	The Group as at 31 December 2018	**The Target Group as at 31 December 2018**				**Unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group as at 31 December 2018**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*	*Note 5*	
ASSETS						
Non-current assets						
Property, plant and equipment	1,994,812	491				1,995,303
Investment properties	10,865,470	—				10,865,470
Land use rights	207,569	—				207,569
Interests in joint ventures	6,473,872	—				6,473,872
Interests in associated entities	13,912,313	—				13,912,313
Financial assets at fair value through other comprehensive income	1,228,635	—				1,228,635
Properties under development	—	10,398,750	631,555			11,030,305
Derivative financial assets	9,069	—				9,069
Deferred tax assets	492,137	104,188				596,325
	35,183,877	10,503,429				46,318,861
Current assets						
Properties under development	73,069,099	4,854,843	294,853			78,218,795
Properties held for sale	10,164,536	—				10,164,536
Contract costs	334,697	—				334,697
Prepayments for land use rights	4,862,699	—				4,862,699
Inventories	—	—				
Trade receivables	50,916	—				50,916
Other receivables, prepayments and deposits	16,223,088	17,069	13,085,070		(13,085,070)	16,240,157
Prepaid taxation	1,772,324	—				1,772,324
Charged bank deposits	5,168,750	—				5,168,750
Cash and cash equivalents	21,990,512	274,340	(8,435,821)	(10,000)		13,819,031
	133,636,621	5,146,252				130,631,905

	The Group as at 31 December 2018	The Target Group as at 31 December 2018	Pro forma adjustments			Unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group as at 31 December 2018
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*	*Note 5*	
LIABILITIES						
Current liabilities						
Trade and note payables	1,407,577	30,876				1,438,453
Contract liabilities	31,637,956	—				31,637,956
Other payables and accrued charges	29,371,429	1,468,008			(1,185,400)	29,654,037
Borrowings	5,786,145	—				5,786,145
Taxation payable	4,425,962	—				4,425,962
	72,629,069	1,498,884				72,942,553
Net current assets	61,007,552	3,647,368				57,689,352
Total assets less current liabilities	96,191,429	14,150,797				104,008,213
Non-current liabilities						
Borrowings	47,619,960	—				47,619,960
Other payables and accrued charges	—	13,836,825			(11,899,670)	1,937,155
Deferred tax liabilities	5,604,127	—	559,851			6,163,978
Deferred revenue	55,624	—				55,624
	53,279,711	13,836,825				55,776,717
Net assets	42,911,718	313,972				48,231,496

Notes:

1. The balances are extracted from the consolidated balance sheet of the Group as at 31 December 2018 as set out in the Company's published announcement on the financial information for the year ended 31 December 2018.

2. The balances are extracted from the audited consolidated balance sheet of the Target Group as at 31 December 2018 as set out in Appendix IIA to this circular.

3. The Transactions

   The Transactions involve (i) the 51% Acquisition, (ii) the 35% Acquisition and (iii) the Subscription, which will be satisfied by (i) cash consideration of RMB8,314 million to GZYX for the 51% Acquisition, (ii) cash consideration of RMB5,521 million to Guangzhou Metro for the 35% Acquisition and (iii) cash consideration of RMB5,399 million from GZ Metro Subscriber for the allotment and issue of 3,080,973,807 Subscription Shares, which represented approximately 19.9% of the total number of issued shares as enlarged by the issue of the shares.

   For the purpose of the Unaudited Pro Forma Financial Information, the Directors have assumed that the fair value of the Subscription Shares is RMB3,887 million using the closing quoted market price of HK$1.44 per Subscription Share as at 31 December 2018.

   The cash consideration of the 51% Acquisition and the 35% Acquisition comprises:

	Principal Amount	**Accrued interests up to 31 December 2018**	**Consideration as at 31 December 2018**
	RMB'000	*RMB'000*	*RMB'000*
51% Acquisition			
51% Equity Transfer Consideration	10,413	—	10,413
51% Target Assignment Loan*	6,954,781	287,787	7,242,568
Target Holding Loan*	671,500	27,619	699,119
51% Purchaser Refinancing Loan*	102,000	589	102,589
Initial Cost Amount	259,448	—	259,448
	7,998,142		8,314,137
35% Acquisition			
35% Equity Transfer Consideration	479,988	—	479,988
35% Target Assignment Loan*	4,772,889	197,867	4,970,756
35% Purchaser Refinancing Loan*	70,000	38	70,038
	5,322,877		5,520,782
	13,321,019		13,834,919

* Together as the "Assignment Loans".

For the purpose of the Unaudited Pro Forma Financial Information, the Directors have assumed that the accrued interests in the Assignment Loans are calculated up to 31 December 2018.

The effective date of the 51% Acquisition and 35% Acquisition are conditional on the completion of the Subscription while the completion of the Subscription is not conditional upon the 51% Acquisition and 35% Acquisition.

Upon completion of the Transactions, the identifiable assets and liabilities of the Target Group will be accounted for in the consolidated statement of assets and liabilities of the Enlarged Group at fair value under the acquisition method in accordance with Hong Kong Financial Reporting Standard 3, "*Business Combination*" ("**HKFRS 3**"). For the purpose of the Unaudited Pro Forma Information and for illustrative purpose only, the Company has carried out an illustrative purchase price allocation in accordance with HKFRS 3. The identifiable assets and liabilities of the Target Group are recorded in the unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group at their fair value estimated by the directors with reference to the valuation performed by an independent valuer which issued a valuation report dated 18 March 2019 on the Target Group for the purpose of purchase price allocation.

The bargain purchase arising from the Transactions is calculated as follows:

Transactions Consideration	*Note*	*RMB'000*
Satisfied by:		
Cash paid to GZYX	(e)	8,314,137
Cash paid to Guangzhou Metro	(e)	5,520,782
Cash received from GZ Metro Subscriber	(a),(e)	(5,399,098)
Subscription Shares issued to GZ Metro Subscriber	(a),(e)	3,887,351
Total Consideration		12,323,172
Less:		
Net assets of the Target Group as at 31 December 2018		(313,970)
Fair value gain of the properties under development	(b),(e)	(926,408)
Effect of deferred tax liabilities arising from fair value gain of the properties under development	(c),(e)	559,851
Assignment Loans as at 31 December 2018	(e)	(13,085,070)
		(13,765,597)
Add:		
Non-controlling interests of 14% of the Target Group	(d)	191,995
Bargain purchase		(1,250,430)

(a) For the purpose of Unaudited Pro Forma Financial Information, the exchange rate of Hong Kong dollar against to Renminbi at 0.8762 is used to calculate the cash received from GZ Metro Subscriber and Subscription Shares issued to GZ Metro Subscriber, which is reference to the middle quoted price from the State Administration of Foreign Exchange as at 31 December 2018.

(b) For the purpose of Unaudited Pro Forma Financial Information, the fair value of the properties under development of the Target Group of RMB16,180 million is based on the valuation report prepared by an independent valuer on 18 March 2019, with a fair value gain amounting to RMB926 million compared to the amounts of properties under development of the Target Group of RMB15,254 million as set out in Appendix IIA to this circular. A fair value gain amounting to RMB1,313 million has been recognised in the Target Group when the Target Holding Company acquired 51% shares of the Target Company from Guangzhou Metro on 16 May 2018 (the "**Original 51% Acquisition**").

(c) The adjustment on deferred tax liabilities of RMB560 million is based on the fair value gain of the properties under development of the Target Company of RMB2,239 million, representing the total of RMB926 million and RMB1,313 million stated in Note (b) above, by applying China corporate income tax rate of 25%.

(d) The amount represents 14% of the recognised amounts of the fair value of the identifiable net assets attributable to non-controlling interest of the Target Company.

(e) Since (i) the liabilities assumed to be settled by cash consideration, (ii) the actual exchange rate, (iii) the quoted market price of the Company's shares and (iv) the fair values of the identifiable assets acquired and liabilities assumed of the Target Group at the date of Completion may be substantially different from those used in preparing this Unaudited Pro Forma Financial Information, the cash consideration and bargain purchase relating to the Transactions at the date of Completion may be substantially different from the corresponding amounts presented in this Unaudited Pro Forma Financial Information.

Since the share price of the Company was increased from HK$1.44 as at 31 December 2018 to HK$1.77 as at 15 March 2019 — the Latest Practicable Date, for the purpose of illustration, with all the financial information and other adjustments remain unchanged in this Unaudited Pro Forma Financial Information, the bargain purchase arising from the Transactions would have been RMB360 million if the closing quoted market price of the Company's share of HK$1.77 as at 15 March 2019, being the Latest Practicable Date prior to the publication of this crcular, had been used for the fair value of the Subscription Share.

4. The adjustment represents the estimated amounts regarding the legal and professional fees and other expenses incurred for the Transactions of approximately RMB10 million.

5. The adjustment represents the elimination of Assignment Loans on the completion of the Transactions.

6. Apart from the above, no adjustments have been made to reflect any trading results or other transactions of the Enlarged Group entered into subsequent to 31 December 2018.

(II) THE UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF NET TANGIBLE ASSETS OF THE ENLARGED GROUP AS AT 31 DECEMBER 2018

	Issuance of 3,080,973,807 Shares by the Company to acquire the Target Group			
	Audited consolidated net tangible assets attributable to owners of the Company as at 31 December 2018	**Audited consolidated net tangible assets attributable to owners of the Company per Share as at 31 December 2018**	**Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 31 December 2018**	**Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share as at 31 December 2018**
	RMB'000	*RMB*	*RMB'000*	*RMB*
	Note 1	*Note 2*	*Note 3*	*Note 4*
Consolidated net tangible assets attributable to owners of the Company	33,826,567	2.73	38,954,350	2.52

1. The amount of audited consolidated net tangible assets attributable to owners of the Company as at 31 December 2018 is based on the audited consolidated net assets attributable to the owners of the Company as at 31 December 2018 of RMB33,827 million as extracted from the published announcement of the Company for the year ended 31 December 2018.

2. The number of shares used for the calculation of the audited consolidated net tangible assets attributable to owners of the Company per Share comprises 12,401,306,631 Shares in issue as at 31 December 2018.

3. The amount of unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 31 December 2018 is calculated based on the unaudited pro forma consolidated net assets attributable to owners of the Company as at 31 December 2018 of RMB38,954 million as extracted from the unaudited pro forma consolidated statement of financial position of the Enlarged Group.

4. The number of shares used for the calculation of the unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share comprises 12,401,306,631 Shares in issue as at 31 December 2018 as explained in Note 2 above, and the 3,080,973,807 Shares to be issued upon completion of the Transactions as explained in Note 3 of section (I) above.

5. Apart from the above, no other adjustment has been made to the unaudited pro forma consolidated net tangible assets of the Enlarged Group to reflect any trading results or other transactions entered or proposed to enter into by the Enlarged Group subsequent to 31 December 2018.

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Yuexiu Property Company Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Yuexiu Property Company Limited (the "**Company**") and its subsidiaries (collectively the "**Group**"), and Guangzhou Dongxiao Industrial Development Company Limited and its subsidiary (the "**Target Group**") (collectively the "**Enlarged Group**") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro-forma consolidated statement of assets and liabilities and the unaudited pro-forma consolidated statement of net tangible assets of the Enlarged Group as at 31 December 2018 and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages IV-1 to IV-7 of the Company's circular dated 18 March 2019, in connection with the proposed subscription of new shares of the Company and the acquisitions of the Target Group (collectively, the "**Transactions**") by the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages IV-1 to IV-7.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the Transactions on the Group's financial position and net tangible assets as at 31 December 2018 as if the Transactions had taken place at 31 December 2018. As part of this process, information about the Group's financial position and net tangible assets has been extracted by the directors from the Group's published announcement on the financial information for the year ended 31 December 2018.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers Ltd, 22/F Prince's Building, Central, Hong Kong
T: (852) 2289 8888, F: (852) 2810 9888, www.pwc.com

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transactions at 31 December 2018 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong,
18 March 2019

The following is the text of a valuation report prepared for the purpose of incorporation in this circular received from JLL, an independent valuer, in connection with their valuation as at 31 December 2018 of Guangzhou Dongxiao Industrial Development Company Limited.

JLL
仲量聯行

INTRODUCTION

This report has been prepared in accordance with instructions from Yuexiu Property Company Limited to express an independent opinion of the market value of the net assets value of Guangzhou Dongxiao Industrial Development Co., Ltd. (廣州東曉實業發展有限公司, the "**Target Company**") as at 31 December 2018 (the "**Valuation Date**"). The report which follows is dated 18 March 2019 (the "**Report Date**").

PURPOSE OF VALUATION

The purpose of this valuation is for public disclosure reference.

BASIS OF OPINION

Our valuation was carried out on a market value basis. Market value is defined as "*estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*".

We have conducted our valuation in accordance with the International Valuation Standards issued by the International Valuation Standards Council. We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject assets. We believe that the valuation procedures we employed provide a reasonable basis for our opinion.

BACKGROUND

Established in May 2016, Guangzhou Dongxiao Industrial Development Co., Ltd. (廣州東曉實業發展有限公司, the "**Target Company**") was principally engaged in the development and operation of properties and provision of corporate management services. As of the Valuation Date, the Target Company holds 51% equity interest in Guangzhou City Pinxiu Property Development Co., Ltd. (廣州市品秀房地產開發有限公司, the "**Project Company**").

Project Company was established on 5 December 2017 and is principally engaged in the property development of Yue Galaxy (品秀星圖, the "**Property**"), which is located at the junction of Shixin Road and 107 National Highway Zengcheng District Guangzhou City Guangdong Province, PRC. The Property comprises a parcel of land with a site area of approximately 313,356.59 sq.m. (in accordance with the Real Estate Title Certificate (Land) — Yue (2018) Guang Zhou Shi Bu Dong Chan Quan No. 10800114) and a residential and commercial development which was under construction thereon as at the Valuation Date.

ASSUMPTIONS

In determining the net assets value of the Target Company, including the market value of the Property, the following key assumptions have been made:

- In valuing the Property, our valuation has been made on the assumption that the seller sells the Property interests on the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the Property interests.

- We have relied to a very considerable extent on the information given by the management and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

APPROACH AND METHODOLOGY

In arriving at our assessed value for the net assets, we have applied the summation method under cost approach in determining our opinion of value. In this report, we had considered the type of assets and liabilities and their conditions when arriving at their market values. We adopted appropriate valuation methodology for each different class of assets and liabilities.

Assets	***Valuation Approach & Methodology***
Property, plant and equipment; Deferred tax assets; Other receivables; Cash and cash equivalents	Based on values in audit report.
Properties under development (Current and Non-current)	Based on the Valuation Report of the Property issued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited.
Interests in a subsidiary	Summation method is applied to valuation on net assets value of the Project Company. Summation method is to assess the net assets value of a company based on the market values of the underlying assets of the entity less the value of any related liabilities.

Liabilities	*Valuation Approach & Methodology*
Note payables; Other payables and accrued charges; Amounts due to related parties (Current and Non-current);	Based on values in audit report.
Deferred tax liability	Deferred tax liability is estimated based on increase in value from book value of the Properties under development to the appraised value. 25% tax rate is applied in this exercise.

BOOK VALUES OF ASSETS AND LIABILITIES

The table below summarizes the book values of the assets and liabilities based on the audit report of the Target Company and the Project Company as at the Valuation Date.

Guangzhou Dongxiao Industrial Development Co., Ltd.	*Book Value (RMB)*
Total Assets	**681,182,000**
Interests in a subsidiary	670,914,000
Cash and cash equivalents	10,268,000
Total Liabilities	699,266,000
Amounts due to related parties (Current)	**699,266,000**
Equity	**(18,084,000)**

* *Interests in a subsidiary is 51% equity interest Guangzhou Dongxiao Industrial Development Co., Ltd. holds in Guangzhou City Pinxiu Property Development Co., Ltd.*

Guangzhou City Pinxiu Property Development Co., Ltd.	*Book Value (RMB)*
Total Assets	**14,328,284,000**
Property, plant and equipment	491,000
Deferred tax assets	106,055,000
Properties under development (Current)	9,484,877,000
Properties under development (Non-current)	4,455,720,000
Other receivables	17,069,000
Cash and cash equivalents	264,072,000
Total Liabilities	**14,636,443,000**
Note payables	30,876,000
Other payables and accrued charges	203,300,000
Amounts due to related parties (Current)	565,442,000
Amounts due to related parties (Non-current)	13,836,825,000
Equity	**(308,159,000)**

VALUATION COMMENTS

In general, we have undertaken the necessary and appropriate valuation procedures in the valuation of the subject items as at the Valuation date. The methodologies adopted are generally considered being suitable with regard to the nature of the relevant assets and liabilities. The user of the Valuation Report should be aware of the condition relating to the validity period of the report, which is one year as stated in the Valuation Report.

OPINION OF VALUE

Based on the results of our investigations and analyses outlined in this report, we are of the opinion that the net assets value of the Target Company as at the Valuation Date is RMB10,413,000. The details are as follows:

Guangzhou Dongxiao Industrial Development Co., Ltd.	*Market Value (RMB)*
Total Assets	**709,679,000**
Interests in a subsidiary	699,411,000
Cash and cash equivalents	10,268,000
Total Liabilities	**699,266,000**
Amounts due to related parties (Current)	699,266,000
Net Assets (rounded to thousand)	**10,413,000**

* *Interests in a subsidiary is 51% equity interest Guangzhou Dongxiao Industrial Development Co., Ltd. holds in Guangzhou City Pinxiu Property Development Co., Ltd.*

Guangzhou City Pinxiu Property Development Co., Ltd.	*Market Value (RMB)*
Total Assets	**16,567,687,000**
Property, plant and equipment	491,000
Deferred tax assets	106,055,000
Properties under development (Current)	16,180,000,000
Properties under development (Non-current)	
Other receivables	17,069,000
Cash and cash equivalents	264,072,000
Total Liabilities	**15,196,293,750**
Note payables	30,876,000
Other payables and accrued charges	203,300,000
Amounts due to related parties (Current)	565,442,000
Amounts due to related parties (Non-current)	13,836,825,000
Deferred tax liability	559,850,750
Net Assets	**1,371,393,250**

LIMITING CONDITIONS

This report and opinion of value are subject to our Limiting Conditions as attached.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Simon M.K. Chan
Regional Director

LIMITING CONDITIONS

1. In the preparation of our reports, we relied on the accuracy, completeness and reasonableness of the financial information, forecast, assumptions and other data provided to us by the Company/engagement parties and/or its representatives. We did not carry out any work in the nature of an audit and neither are we required to express an audit or viability opinion. We take no responsibility for the accuracy of such information. Our reports were used as part of the Company's/engagement parties' analysis in reaching their conclusion of value and due to the above reasons, the ultimate responsibility of the derived value of the subject property rests solely with the Company/engagement parties.

2. We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial information and forecast give a true and fair view and have been prepared in accordance with the relevant standards and companies ordinance.

3. Public information and industry and statistical information have been obtained from sources we deem to be reputable; however we make no representation as to the accuracy or completeness of such information, and have accepted the information without any verification.

4. The management and the Board of the Company/engagement parties have reviewed and agreed on the report and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.

5. Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this exercise, with reference to the project described herein. Should there be any kind of subsequent services required, the corresponding expenses and time costs will be reimbursed from you. Such kind of additional work may incur without prior notification to you.

6. No opinion is intended to be expressed for matters which require legal or other specialised expertise, which is out of valuers' capacity.

7. The use of and/or the validity of the report is subject to the terms of engagement letter/proposal and the full settlement of the fees and all the expenses.

8. Our conclusions assume continuation of prudent and effective management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the assets valued.

9. We assume that there are no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported review result. Further, we assume no responsibility for changes in market conditions, government policy or other conditions after the Valuation/Reference Date. We cannot provide assurance on the achievability of the results

forecasted by the Company/engagement parties because events and circumstances frequently do not occur as expected; difference between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans and assumptions of management.

10. This report has been prepared solely for internal use purpose. The report should not be otherwise referred to, in whole or in part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any their party without our prior written consent. We shall not under any circumstances whatsoever be liable to any third party.

11. This report is confidential to the client and the calculation of values expressed herein is valid only for the purpose stated in the engagement letter/or proposal as of the Valuation / Reference Date. In accordance with our standard practice, we must state that this report and exercise is for the use only by the party to whom it is addressed to and no responsibility is accepted with respect to any third party for the whole or any part of its contents.

12. Where a distinct and definite representation has been made to us by party/parties interested in the assets valued, we are entitled to rely on that representation without further investigation into the veracity of the representation.

13. You agree to indemnify and hold us and our personnel harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subjects in connection with this engagement. Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fee paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.

14. We are not environmental, structural or engineering consultants or auditors, and we take no responsibility for any related actual or potential liabilities exist, and the effect on the value of the asset is encouraged to obtain a professional assessment. We do not conduct or provide such kind of assessments and have not considered the potential impact to the subject property.

15. This exercise is premised in part on the historical financial information and future forecast provided by the management of the Company/engagement parties and/or its representatives. We have assumed the accuracy and reasonableness of the information provided and relied to a considerable extent on such information in our calculation of value. Since projections relate to the future, there will usually be differences between projections and actual results and in some cases, those variances may be material. Accordingly, to the extent any of the above mentioned information requires adjustments, the resulting value may differ significantly.

16. This report and the conclusion of values arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. Furthermore, the report and conclusion of values are not intended by the author, and should not be construed by the reader, to be investment advice or as financing or transaction reference in any manner whatsoever. The conclusion of values represents the consideration based on the information furnished by the Company/engagement parties and other sources. Actual transactions involving the subject assets/ business might be concluded at a higher or lower value, depending upon the circumstances of the transaction and the business, and the knowledge and motivation of the buyers and sellers at that time.

17. The management or staff of the Company/engagement parties and/or its representatives have confirmed to us that the transaction or themselves or the parties involved in the pertained assets or transaction are independent to our firm and JLL in this valuation or calculation exercise. Should there be any conflict of interest or potential independence issue that may affect our independence in our work, the Company/engagement parties and/or its representatives should inform us immediately and we may need to discontinue our work and we may charge our fee to the extent of our work performed or our manpower withheld or engaged.

VALUERS' PROFESSIONAL DECLARATION

The following valuers certify, to the best of their knowledge and belief, that:

- Information has been obtained from sources that are believed to be reliable. All facts which have a bearing on the value concluded have been considered by the valuers and no important facts have been intentionally disregarded.

- The reported analyses, opinions, and conclusions are subject to the assumptions as stated in the report and based on the valuers' personal, unbiased professional analyses, opinions, and conclusions. The valuation exercise is also bounded by the limiting conditions.

- The reported analyses, opinions, and conclusions are independent and objective.

- The valuers have no present or prospective interest in the asset that is the subject of this report, and have no personal interest or bias with respect to the parties involved.

- The valuers' compensation is not contingent upon the quantum of the value assessed, the attainment of a stipulated result, the occurrence of a subsequent event, or the reporting of a predetermined value or direction in value that favours the cause of the client.

- The analyses, opinions, and conclusions were developed, and this report has been prepared, in accordance with the International Valuation Standards published by the International Valuation Standards Council.

- The under mentioned persons provided professional assistance in the compilation of this report.

Simon M.K. Chan
Regional Director

Hunter Z.W. He	**Jessie J.Q. Zhou**
Director	*Assistant Manager*

The following is the text of a valuation report prepared for the purpose of incorporation in this circular received from JLL, an independent valuer, in connection with their valuation as at 31 December 2018 of Guangzhou City Pinxiu Property Development Company Limited.

INTRODUCTION

This report has been prepared in accordance with instructions from Yuexiu Property Company Limited to express an independent opinion of 35 percent of the net assets value of Guangzhou City Pinxiu Property Development Co., Ltd. (廣州市品秀房地產開發有限公司, the "**Project Company**") on control basis as at 31 December 2018 (the "**Valuation Date**"). The report which follows is dated 18 March 2019 (the "**Report Date**").

PURPOSE OF VALUATION

The purpose of this valuation is for public disclosure reference.

BASIS OF OPINION

Our valuation was carried out on a market value basis. Market value is defined as "*estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*".

We have conducted our valuation in accordance with the International Valuation Standards issued by the International Valuation Standards Council. We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject assets. We believe that the valuation procedures we employed provide a reasonable basis for our opinion.

BACKGROUND

Guangzhou City Pinxiu Property Development Co., Ltd. (廣州市品秀房產開發有限公司, the "**Project Company**") was established on 5 December 2017 and is principally engaged in the property development of Yue Galaxy (品秀星圖, the "**Property**"), which is located at the junction of Shixin Road and 107 National Highway Zengcheng District Guangzhou City Guangdong Province, PRC. The Property comprises a parcel of land with a site area of approximately 313,356.59 sq.m. (in accordance with the Real Estate Title Certificate (Land) — Yue (2018) Guang Zhou Shi Bu Dong Chan Quan No. 10800114) and a residential and commercial development which was under construction thereon as at the Valuation Date.

ASSUMPTIONS

In determining the net assets value of the Project Company, including the market value of the Property, the following key assumptions have been made:

- In valuing the Property, our valuation has been made on the assumption that the seller sells the Property interests on the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the Property interests.

- We have relied to a very considerable extent on the information given by the management and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

APPROACH AND METHODOLOGY

In arriving at our assessed value for 35 percent of the net assets, we have applied the summation method under cost approach in determining our opinion of value. In this report, we had considered the type of assets and liabilities and their conditions when arriving at their market values. We adopted appropriate valuation methodology for each different class of assets and liabilities.

Assets	***Valuation Approach & Methodology***
Property, plant and equipment; Deferred tax assets; Other receivables; Cash and cash equivalents	Based on values in audit report.
Properties under development (Current and Non-current)	Based on the Valuation Report of the Property issued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited.
Liabilities	***Valuation Approach & Methodology***
Note payables; Other payables and accrued charges; Amounts due to related parties (Current and Non-current);	Based on values in audit report.
Deferred tax liability	Deferred tax liability is estimated based on increase in value from book value of the Properties under development to the appraised value. 25% tax rate is applied in this exercise.

BOOK VALUES OF ASSETS AND LIABILITIES

The table below summarizes the book values of the assets and liabilities based on the audit report of the Project Company as at the Valuation Date.

Guangzhou City Pinxiu Property Development Co., Ltd.	**Book Value (RMB)**
Total Assets	**14,328,284,000**
Property, plant and equipment	491,000
Deferred tax assets	106,055,000
Properties under development (Current)	9,484,877,000
Properties under development (Non-current)	4,455,720,000
Other receivables	17,069,000
Cash and cash equivalents	264,072,000
Total Liabilities	**14,636,443,000**
Note payables	30,876,000
Other payables and accrued charges	203,300,000
Amounts due to related parties (Current)	565,442,000
Amounts due to related parties (Non-current)	13,836,825,000
Equity	**-308,159,000**

VALUATION COMMENTS

In general, we have undertaken the necessary and appropriate valuation procedures in the valuation of the subject items as at the Valuation date. The methodologies adopted are generally considered being suitable with regard to the nature of the relevant assets and liabilities. The user of the Valuation Report should be aware of the condition relating to the validity period of the report, which is one year as stated in the Valuation Report.

OPINION OF VALUE

Based on the results of our investigations and analyses outlined in this report, we are of the opinion that the 35 percent of net assets value of the Project Company on control basis as at the Valuation Date is RMB479,988,000. The details are as follows:

Guangzhou City Pinxiu Property Development Co., Ltd.	**Market Value (RMB)**
Total Assets	**16,567,687,000**
Property, plant and equipment	491,000
Deferred tax assets	106,055,000
Properties under development (Current) Properties under development (Non-current)	16,180,000,000
Other receivables	17,069,000
Cash and cash equivalents	264,072,000
Total Liabilities	**15,196,293,750**
Note payables	30,876,000
Other payables and accrued charges	203,300,000
Amounts due to related parties (Current)	565,442,000
Amounts due to related parties (Non-current)	13,836,825,000
Deferred tax liability	559,850,750
Net Assets	**1,371,393,250**
35% of Net Assets (rounded to thousand)	**479,988,000**

LIMITING CONDITIONS

This report and opinion of value are subject to our Limiting Conditions as attached.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Simon M.K. Chan
Regional Director

LIMITING CONDITIONS

1. In the preparation of our reports, we relied on the accuracy, completeness and reasonableness of the financial information, forecast, assumptions and other data provided to us by the Company/engagement parties and/or its representatives. We did not carry out any work in the nature of an audit and neither are we required to express an audit or viability opinion. We take no responsibility for the accuracy of such information. Our reports were used as part of the Company's/engagement parties' analysis in reaching their conclusion of value and due to the above reasons, the ultimate responsibility of the derived value of the subject property rests solely with the Company/engagement parties.

2. We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial information and forecast give a true and fair view and have been prepared in accordance with the relevant standards and companies ordinance.

3. Public information and industry and statistical information have been obtained from sources we deem to be reputable; however we make no representation as to the accuracy or completeness of such information, and have accepted the information without any verification.

4. The management and the Board of the Company/engagement parties have reviewed and agreed on the report and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.

5. Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this exercise, with reference to the project described herein. Should there be any kind of subsequent services required, the corresponding expenses and time costs will be reimbursed from you. Such kind of additional work may incur without prior notification to you.

6. No opinion is intended to be expressed for matters which require legal or other specialised expertise, which is out of valuers' capacity.

7. The use of and/or the validity of the report is subject to the terms of engagement letter/proposal and the full settlement of the fees and all the expenses.

8. Our conclusions assume continuation of prudent and effective management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the assets valued.

9. We assume that there are no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported review result. Further, we assume no responsibility for changes in market conditions, government policy or other conditions after the Valuation/Reference Date. We cannot provide assurance on the achievability of the results

forecasted by the Company/engagement parties because events and circumstances frequently do not occur as expected; difference between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans and assumptions of management.

10. This report has been prepared solely for internal use purpose. The report should not be otherwise referred to, in whole or in part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any their party without our prior written consent. We shall not under any circumstances whatsoever be liable to any third party.

11. This report is confidential to the client and the calculation of values expressed herein is valid only for the purpose stated in the engagement letter/or proposal as of the Valuation / Reference Date. In accordance with our standard practice, we must state that this report and exercise is for the use only by the party to whom it is addressed to and no responsibility is accepted with respect to any third party for the whole or any part of its contents.

12. Where a distinct and definite representation has been made to us by party/parties interested in the assets valued, we are entitled to rely on that representation without further investigation into the veracity of the representation.

13. You agree to indemnify and hold us and our personnel harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subjects in connection with this engagement. Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fee paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.

14. We are not environmental, structural or engineering consultants or auditors, and we take no responsibility for any related actual or potential liabilities exist, and the effect on the value of the asset is encouraged to obtain a professional assessment. We do not conduct or provide such kind of assessments and have not considered the potential impact to the subject property.

15. This exercise is premised in part on the historical financial information and future forecast provided by the management of the Company/engagement parties and/or its representatives. We have assumed the accuracy and reasonableness of the information provided and relied to a considerable extent on such information in our calculation of value. Since projections relate to the future, there will usually be differences between projections and actual results and in some cases, those variances may be material. Accordingly, to the extent any of the above mentioned information requires adjustments, the resulting value may differ significantly.

16. This report and the conclusion of values arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. Furthermore, the report and conclusion of values are not intended by the author, and should not be construed by the reader, to be investment advice or as financing or transaction reference in any manner whatsoever. The conclusion of values represents the consideration based on the information furnished by the Company/engagement parties and other sources. Actual transactions involving the subject assets/business might be concluded at a higher or lower value, depending upon the circumstances of the transaction and the business, and the knowledge and motivation of the buyers and sellers at that time.

17. The management or staff of the Company/engagement parties and/or its representatives have confirmed to us that the transaction or themselves or the parties involved in the pertained assets or transaction are independent to our firm and JLL in this valuation or calculation exercise. Should there be any conflict of interest or potential independence issue that may affect our independence in our work, the Company/engagement parties and/or its representatives should inform us immediately and we may need to discontinue our work and we may charge our fee to the extent of our work performed or our manpower withheld or engaged.

VALUERS' PROFESSIONAL DECLARATION

The following valuers certify, to the best of their knowledge and belief, that:

- Information has been obtained from sources that are believed to be reliable. All facts which have a bearing on the value concluded have been considered by the valuers and no important facts have been intentionally disregarded.

- The reported analyses, opinions, and conclusions are subject to the assumptions as stated in the report and based on the valuers' personal, unbiased professional analyses, opinions, and conclusions. The valuation exercise is also bounded by the limiting conditions.

- The reported analyses, opinions, and conclusions are independent and objective.

- The valuers have no present or prospective interest in the asset that is the subject of this report, and have no personal interest or bias with respect to the parties involved.

- The valuers' compensation is not contingent upon the quantum of the value assessed, the attainment of a stipulated result, the occurrence of a subsequent event, or the reporting of a predetermined value or direction in value that favours the cause of the client.

- The analyses, opinions, and conclusions were developed, and this report has been prepared, in accordance with the International Valuation Standards published by the International Valuation Standards Council.

- The under mentioned persons provided professional assistance in the compilation of this report.

Simon M.K. Chan
Regional Director

Hunter Z.W. He	**Jessie J.Q. Zhou**
Director	*Assistant Manager*

The following is the text of a letter, summary of values and valuation certificate prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 31 December 2018 of the property interest held by the Project Company.

JLL
仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
7/F One Taikoo Place 979 King's Road Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Licence No.: C-030171

18 March 2019

The Board of Directors
Yuexiu Property Company Limited
26/Floor, Yue Xiu Building,
160 Lockhart Road, Wanchai,
Hong Kong

Dear Sirs,

In accordance with the instructions of Yuexiu Property Company Limited (the "**Company**") to value the property interest held by Guangzhou City Pinxiu Property Development Co., Ltd. (廣州市品秀房地產開發有限公司, the "**Project Company**") in the People's Republic of China (the "**PRC**"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market values of the property interest as at 31 December 2018 (the "**Valuation Date**").

Our valuation is carried out on a market value basis. Market value is defined as "*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*" in accordance with the HKIS Valuation Standards.

In valuing the property interest in Group I which was held under development by the Project Company as at the valuation date, we have assumed that it will be developed and completed in accordance with the latest development proposals provided to us by the Project Company. In arriving at our opinion of values, we have adopted the comparison approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the valuation date and the remainder of the cost and fees expected to be incurred for completing the development. We have relied on the accrued construction cost and professional fees information provided by the Company and the Project Company according to the different stages of construction of the properties as at the valuation date, and we did not find any material inconsistency from those of other similar developments.

We have valued the property interest in Group II which was held for future development by the Project Company as at the valuation date by the comparison approach assuming sale of the property interest in their existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the market. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

For the purpose of our valuation, real estate developments under development are those for which the Construction Works Commencement Permit(s) has (have) been issued while the Construction Work Completion and Inspection Certificate(s)/Table(s) of the building(s) have not been issued. Real estate developments for future development are those the Construction Work Commencement Permits are not issued while the State-owned Land Use Rights Certificates/Real Estate Title Certificates (Land) have been obtained.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their value.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited; Rule 11 of the Code on Takeovers and Mergers issued by Securities and Futures Commission; the RICS Valuation — Global Standards 2017 published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Project Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of title documents including State-owned Land Use Rights Certificates, Real Estate Title Certificates and other official plans relating to the property interest and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interest or any tenancy amendment. We have summarized the major certificates/approvals of the properties in the notes of each valuation certificate. In these summaries, we state “no” if the Project Company has not obtained such certificates/approvals which are not required for the current construction stages, and we state “portion” if the Project Company has not yet obtained some of such certificates/approvals of the properties as these properties consist of different groups mentioned above/construction stages (different certificates/approvals are required for different groups/construction stages). We have relied considerably on the advice given by the Company's PRC legal adviser — Guangdong Horizon Law Firm, concerning the validity of the property interest in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the properties was carried out in November 2018 by Mr. Legend Zhan, Mr. Ross Tan and Mr. Jayden Gu. Mr. Ross Tan is a China Real Estate Appraiser in the PRC and these staff have more than 3 years' experience in the valuation of properties in the PRC.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company and the Project Company. We have also sought confirmation from the Company and the Project Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our summary of values and valuation certificate are attached below for your attention.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Eddie T. W. Yiu
MRICS MHKIS RPS (GP)
Senior Director

Note: Eddie T.W. Yiu is a Chartered Surveyor who has 25 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

SUMMARY OF VALUES

Abbreviation:

Group I: Properties held under development by the Project Company in the PRC
Group II: Properties held for future development by the Project Company in the PRC

Property	**Market value in existing state as at the valuation date** *RMB*	**Market value in existing state as at the valuation date** *RMB*	**The total market value in existing state as at the valuation date** *RMB*
	Group I:	**Group II:**	**Total:**
Yue Galaxy located at the junction of Shixin Road and 107 National Highway Zengcheng District Guangzhou City Guangdong Province The PRC (品秀星圖)	4,475,000,000	11,705,000,000	**16,180,000,000**

VALUATION CERTIFICATE

Property	**Description and tenure**	**Particulars of occupancy**	**Market value in existing state as at the valuation date** *RMB*
Yue Galaxy located at the junction of Shixin Road and 107 National Highway Zengcheng District Guangzhou City Guangdong Province The PRC (品秀星圖)	The project known as Yue Galaxy is located at the junction of Shixin Road and 107 National Highway. The subject area of this project is newly developed where public facilities such as municipal facilities and amenities are still under development. The project occupies a parcel of land with a site area of approximately 313,356.59 sq.m. which is being developed into a residential and commercial development. Portions of the project were under construction (the "**CIP**") as at the valuation date and are scheduled to be completed in July 2021. As advised by the Project Company, upon completion, the CIP will have a planned gross floor area of approximately 367,349.00 sq.m. The construction of the remaining portion of the project (the "**bare land**") had not been commenced as at the valuation date. As at the valuation date, the property comprised the whole project of Yue Galaxy with a total planned gross floor area of approximately 1,461,549.00 sq.m. The classification, usage and gross floor area details of the property were set out in note 7. As advised by the Project Company, the development cost (including the land cost) of the CIP of the property is estimated to be approximately RMB5,605,100,000, of which approximately RMB3,600,300,000 had been incurred as at the valuation date. The land use rights of the property have been granted for terms of 70 years expiring on 7 December 2087 for residential use, 40 years expiring on 7 December 2057 for commercial use and 50 years expiring on 7 December 2067 for other use.	As at the valuation date, portions of the property were under construction and the remaining portion of the property was bare land.	16,180,000,000

Notes:

1. Pursuant to a State-owned Land Use Rights Grant Contract — No. 440183-2017-000043 dated 8 December 2017 and a Revision Contract dated 29 December 2017, the land use rights of a parcel of land with a site area of approximately 323,348.30 sq.m. were granted to the Project Company. The total land premium was RMB13,155,170,000.

2. Pursuant to a Construction Land Planning Permit — Sui Guo Tu Gui Hua Di Zheng (2018) No. 256, permission towards the planning of the property with a site area of approximately 313,356.59 sq.m. has been granted to the Project Company.

3. Pursuant to a Real Estate Title Certificate (Land Part) — Yue (2018) Guang Zhou Shi Bu Dong Chan Quan No. 10800114, the land use rights of the property with a site area of approximately 313,356.59 sq.m. have been granted to the Project Company for terms of 70 years expiring on 7 December 2087 for residential use, 40 years expiring on 7 December 2057 for commercial use and 50 years expiring on 7 December 2067 for other use.

4. Pursuant to 30 Construction Work Planning Permits — Sui Gui Jian Zheng (2018) Nos. 2081, 2082, 2084, 2085, 2088, 2090, 2091, 2092, 3011, 3200 , 3202 to 3209, 3302, 3303, 4000, 4239 to 4241, 4785 to 4787, 4790 , 4791 and 4792 in favour of the Project Company, portions of Yue Galaxy with a total gross floor area of approximately 601,946.00 sq.m. have been approved for construction.

5. Pursuant to 8 Construction Work Commencement Permits — No. 440183-20180712-0101, 440183-20180920-0501, 440183-20181009-0101, 440183-20181119-0301, 440183-20181221-0101, 440183-20181123-0101, 440183-20181224-0101 and 440183-20181226-0101 in favour of the Project Company, permissions by the relevant local authority were given to commence portions of the construction of Yue Galaxy with a gross floor area of approximately 367,349.00 sq.m.

6. Pursuant to 2 Pre-sale Permits — Zeng Cheng Fang Yu (Wang) Zi Di Nos 20181087 and 20181256 in favour of the Project Company, the Project Company is entitled to sell portions of Yue Galaxy (representing a total gross floor area of approximately 81,576.52 sq.m.) to purchasers.

7. According to the information provided by the Project Company, the planned gross floor area of the property is set out as below:

Group	**Usage**	**Planned Gross Floor Area** *(sq.m.)*	**Nos. of car parking space**
Group I — held under development by the Project Company	Residential	228,459.00	
	Ancillary	19,986.00	
	Underground retail	4,202.00	
	Basement (inclusive of car parking spaces but exclusive underground retail)	114,702.00	2,193
	Sub-total:	**367,349.00**	**2,193**
Group II — held for future development by the Project Company	Residential	567,499.00	
	Retail	21,269.00	
	Ancillary	135,115.00	
	Basement (inclusive of car parking spaces)	370,317.00	7,083
	Sub-total:	**1,094,200.00**	**7,083**
	Total:	**1,461,549.00**	**9,276**

8. The market value of the CIP of the property as if completed as at the valuation date according to the development proposal as described above and which can be freely transferred in the market, would be RMB6,931,500,000.

9. Our valuation has been made on the following basis and analysis:

For portions of the property in Group I, we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the subject property such as nature, use, size, layout and accessibility of the property. The selected comparables are residential units and car parking spaces within the same development of the subject property and other to be completed developments located in the area close to the subject property with similar building conditions and facilities as the subject property, which were transacted in 2018. The unit price of these comparable properties ranges from RMB25,000 to RMB31,000 per sq.m. for residential units, RMB35,000 to RMB42,000 per sq.m. for retail units on the first floor and RMB190,000 to RMB230,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in several aspects including time, location and physical characteristics between the comparable properties and the property to arrive at an assumed unit rate. The general basis of adjustment of physical characteristics like age, size and layout, etc. and location such as accessibility is that if the comparable property is better than the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Regarding to time adjustment, the market condition at the transaction date is considered; and

For the remaining portion of the property in Group II, we have identified and analyzed various relevant sales evidences of land in the locality which have similar characteristics as the subject property such as nature, use, site area, layout and accessibility of the property. The selected comparables are residential land in Guangzhou City which were transacted between 2017 to 2018. The accommodation value of these comparable land sites ranges from RMB13,800 to RMB20,200 per sq.m. for residential use. Appropriate adjustments and analysis are considered to the differences in several aspects including time, location and other characteristics between the comparable properties and the property to arrive at an assumed unit rate. The general basis of adjustment of location such as accessibility and characteristics related to development potential like site area, shape, plot ratio, tenure, etc. is that if the comparable property is better than the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Regarding to time adjustment, the market condition between the transaction date and the valuation date is considered.

10. Based on the current tax laws and regulations in the PRC, if the property subject to this valuation is sold by the Project Company, the following China taxes will be payable: value-added tax at the rate of 10%, stamp duty at the rate of 0.05% of the contract price and land appreciation tax at progressive rates ranging from 30% to 60% on the appreciated amount (being the proceeds of sales of the property less deductible expenditure including costs of land, development and construction). The potential tax liabilities are likely to crystallize as the property is held under/for development for sale in the future by the Project Company. (Note: Enterprise income tax may also be payable depending on the Project Company's profit and loss situation at the relevant time)

11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, inter alia, the following:

a. The Project Company is legally and validly in possession of the land use rights of the property. The Project Company has the rights to occupy, use, lease and dispose of the land of the property;

b. The Project Company has obtained all requisite construction work approvals in respect of the actual development progress; and

c. The Project Company has the rights to legally pre-sell the portions of the property mentioned in note 6 according to the obtained Pre-sale Permits.

12. A summary of major certificates/approvals is shown as follows:

a.	State-owned Land Use Rights Grant Contract	Yes
b.	Real Estate Title Certificate (Land)	Yes
c.	Building Ownership Certificate	No
d.	Construction Land Planning Permit	Yes
e.	Construction Work Planning Permit	Portion
f.	Construction Work Commencement Permit	Portion
g.	Pre-sale Permit	Portion
h.	Construction Work Completion and Inspection Certificate/Table/Report	No

13. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	**Market value in existing state as at the valuation date** *(RMB)*
Group I — held under development by the Project Company	4,475,000,000
Group II — held for future development by the Project Company	11,705,000,000
Total:	**16,180,000,000**

The following is the text of a letter received from the independent financial adviser of the Company, Yu Ming Investment Management Limited, addressed to the Directors and prepared for the sole purpose of inclusion in this circular.

YU MING INVESTMENT MANAGEMENT LIMITED
禹 銘 投 資 管 理 有 限 公 司

The Board of Directors
26th Floor
Yue Xiu Building
160-174 Lockhart Road
Wanchai, Hong Kong

18 March 2019

Dear Sirs,

We refer to the circular (the "**Circular**") dated 18 March 2019 issued by Yuexiu Property Company Limited (the "**Company**") to its shareholders, of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this letter. We also refer to the valuation reports dated 18 March 2019 (the "**Valuation Reports**") prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**JLL**"), in respect of the appraisal of the market value of 100% of net assets of the Target Holding Company and 35% of net assets of the Target Company (details of which are set out in Appendix VA and Appendix VB to this circular).

This letter is issued (i) in compliance with the requirement under Rule 11.1(b) of the Takeovers Code and sets out our assessment and review of the qualifications and experience of Simon M.K. Chan, being the key member of JLL, and (ii) for the purpose of confirming our acknowledgment of and compliance with both the Circular to Financial Advisers in relation to their Advisory Work on Valuations in Corporate Transactions as issued by the SFC on 15 May 2017 (the "**Circular to Financial Advisers**") and the applicable requirements under the Corporate Finance Adviser Code of Conduct (the "**CFA Code**").

With regards to the qualifications and experience of Simon M.K. Chan of JLL, we have conducted reasonableness checks to assess his relevant experience and expertise and have reviewed and discussed with JLL the relevant information provided on his qualifications and experience. On the basis of the checks conducted and the information provided, we are satisfied that Simon M.K. Chan and JLL have the qualification and experience to undertake the valuation of the Target Holding Company and the Target Company, and prepare the Valuation Reports.

We, as independent financial adviser to the Company, also confirm our acknowledgment of and compliance with both the Circular to Financial Advisers and the applicable requirements of the CFA Code. We have reviewed and discussed with the Directors and JLL the bases and assumptions adopted by JLL in the course of its work and we are satisfied that the bases and assumptions adopted in the Valuation Reports have been made with due care and objectivity and on a reasonable basis.

Yours faithfully,
for and on behalf of
Yu Ming Investment Management Limited
Warren Lee
Managing Director

The following is the text of a letter and summary disclosure of values, prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 31 December 2018 of the property interests held by Yuexiu Property Company Limited. As described in section "Documents Delivered to the Registrar of Companies in Hong Kong and Available for Inspection" in Appendix VIA.

JLL
仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
7/F One Taikoo Place 979 King's Road Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Licence No.: C-030171

18 March 2019

The Board of Directors
Yuexiu Property Company Limited
26/Floor, Yue Xiu Building,
160 Lockhart Road, Wanchai,
Hong Kong

Dear Sirs,

In accordance with your instructions to value the property interests held by Yuexiu Property Company Limited (the "**Company**") and its subsidiaries, joint ventures and associated companies (excluding Yuexiu Real Estate Investment Trust) (hereinafter together referred to as the "**Group**") in Hong Kong, Macau and the People's Republic of China, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market values of the property interests as at 31 December 2018 (the "**valuation date**").

Our valuation is carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion" in accordance with the HKIS Valuation Standards.

We have valued the property interests in Group I which are held for sale by the Group, property interests in Groups III and VII which are held for future development by the Group, portions of property interests in Groups V and VIII which are held for investment by the Group and property interests in Groups VI and IX which are held and occupied by the Group by the comparison approach assuming sale of the property interests in their existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the market. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

For the purpose of our valuation, real estate developments for sale are those the Construction Work Completion and Inspection Certificates/Tables or Building Ownership Certificates/Real Estate Title Certificates thereof are issued by the relevant local authorities or are in the process of application, this also includes those property interests which have been contracted to be sold, but the formal assignment procedures of which have not yet been completed; and real estate developments for future development are those the Construction Work Commencement Permits are not issued while the State-owned Land Use Rights Certificates/Real Estate Title Certificates have been obtained, this also includes those property interests which the State-owned Land Use Rights Grant Contract have been signed, but the State-owned Land Use Rights Certificates/Real Estate Title Certificates have not been issued.

In valuing property interests in Group II which are currently under development by the Group, we have assumed that they will be developed and completed in accordance with the latest development proposals provided to us by the Group. In arriving at our opinion of values, we have adopted the comparison approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the valuation date and the remainder of the cost and fees expected to be incurred for completing the development. We have relied on the accrued construction cost and professional fees information provided by the Group according to the different stages of construction of the properties as at the valuation date, and we did not find any material inconsistency from those of other similar developments.

For the purpose of our valuation, real estate developments under development are those for which the Construction Works Commencement Permit(s) has (have) been issued while the Construction Work Completion and Inspection Certificate(s)/Table(s) of the building(s) have not been issued.

For the property interests in Group IV which are contracted to be acquired by the Group, the Group has entered into agreements with the relevant government authorities. Since the Group has not yet obtained the State-owned Land Use Rights Certificates/Real Estate Title Certificates and/or the payment of the land premium has not yet been fully settled as at the valuation date, we have attributed no commercial value to the property interests.

We have valued portions of the property interests in Groups V and VIII which are held for investment by the Group by the income approach by taking into account the rental income of the properties derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalized to determine the market value at an appropriate capitalization rate. Where appropriate, reference has also been made to the comparable sales transactions as available in the relevant market.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their value.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited; Rule 11 of the Code on Takeovers and Mergers issued by Securities and Futures Commission; the RICS Valuation — Global Standards 2017 published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of title documents including State-owned Land Use Rights Certificates, Building Ownership Certificates, Real Estate Title Certificates and other official plans relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisers, concerning the validity of the property interests in the PRC.

For the properties in Hong Kong and Macau, we have caused searches to be made at the Hong Kong Land Registry and the Conservatória do Registo Predial in Macau. However, we have not searched the original documents to verify the ownership or to ascertain any amendment.

In valuing the properties in Hong Kong held under the Government Leases expiring before 30 June 1997, we have taken into account the stipulations contained in Annex III of the Joint Declaration of the Government of the United Kingdom and the Government of the People's Republic of China on the question of Hong Kong and the New Territories Leases (Extension) Ordinance 1988 that such leases have been extended without premium until 30 June 2047 and that a rent of three per cent of the then ratable value is charged per annum from the date of extension.

In valuing the property in Macau, we have assumed that the owner of the property has free and uninterrupted rights to use and assign the property during the whole of the respective unexpired terms granted. Upon the expiration of the term, the Government lease can be renewed upon application for another 10 years upon payment of a fixed premium equivalent to 10 times the prevailing Government rent provided that the grantee has (a) complied with the Government lease and (b) settled the annual Government rent. The term of the grant can be renewed until 19 December 2049.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the properties was carried out in the first quarter of 2019 by about 20 technical staff including Mr. Michael Yu, Mr. Legend Zhan, Mr. Jayden Gu, Ms. Gloria Wang, Ms. Queenie Lu, Mr. Ross Tan, Ms. Raina Zheng, Ms. Immy Qu, Mr. Kevin Chu and Mr. Mark Wong, etc. They are Chartered Surveyors/China Real Estate Appraisers or have more than 2 years' experience in the valuation of properties.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, the monetary sums stated in our valuations are in Renminbi ("RMB") in respect of the properties in the PRC and in Hong Kong Dollars ("HK$") in respect of the properties in Hong Kong and Macau.

The potential tax liabilities would arise if the properties specified in this report were to be sold. As advised by the Group, the potential tax liabilities for the properties in the PRC mainly include: value-added tax at the rate of 10%, stamp duty at the rate of 0.05% of the contract price, land appreciation tax at progressive rates ranging from 30% to 60% on the appreciated amount (being the proceeds of sales of the property less deductible expenditure including costs of land, development and construction) and Enterprise income tax at the rate of 25% on the gain. The potential tax liabilities for the properties in Hong Kong and Macau mainly include profits tax (16.5%) and complementary tax (12%) respectively.

In respect of the properties held by the Group for occupation, operation and investment (including completed and under/for development), the likelihood of the relevant tax liabilities crystallizing is remote as the Group has no plans for the disposal of such properties yet. In respect of the properties held for sale (including completed and under/for development), it is likely that the relevant tax liabilities will crystallize upon sale.

Our summary disclosure of values is attached below for your attention.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Eddie T. W. Yiu
MRICS MHKIS RPS (GP)
Senior Director

Note: Eddie T.W. Yiu is a Chartered Surveyor who has 25 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

SUMMARY DISCLOSURE OF PROPERTY VALUATION

Abbreviation:

GFA: Gross Floor Area

R: Residential

C: Commercial

A: Apartment

O: Office

H: Hotel

CPS: Car Parking Space

"—": Not Applicable or not available

Group I — Property interests held for sale by the Group in the PRC

Property No.	Name of Property	Province/ Municipality	Site Area	Use	Total GFA	Total Leasable/ Saleable GFA (excluding CPS)	Number of Saleable CPS	Land Use Rights Expiry Date	Construction Commencement Date	Completion Date	Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold	Total Estimated Construction Cost (if under development)	Construction Cost incurred up to the valuation date (if under development)	Market Value in existing state as at the valuation date	Interest Attributable to the Group	Market Value Attributable to the Group as at the valuation date
			(sq.m.)		*(sq.m.)*	*(sq.m.)*						*(sq.m.)*	*(RMB)*	*(RMB)*	*(RMB)*	*(%)*	*(RMB)*
	—	**—**	**—**	**—**	**1,138,812.39**	**703,662.88**	**29,093**	**—**	**—**	**—**	**—**	**297,462.14**	**—**	**—**	**18,816,200,000**	**—**	**15,607,750,000**
1	The unsold completed portion of Guangzhou Fortune Century Square, Guangzhou	Guangdong	—	C,CPS	4,796.39	740.10	321	6 May 2058 for commercial use	August 2009	August 2012	June 2012	740.10	—	—	207,100,000	100.00%	207,100,000
2	The unsold completed portion of Guangzhou Starry Golden Sands, Guangzhou	Guangdong	—	R,C, CPS	13,599.19	3,978.42	752	21 September 2079 for residential use	June 2013	August 2015	March 2014	2,133.13	—	—	191,100,000	100.00%	191,100,000
3	The unsold completed portion for sale of Springland Garden, Guangzhou	Guangdong	—	R,C, CPS	3,287.07	2,838.02	36	27 June 2072 for residential use	June 2005	October 2007	April 2007	762.60	—	—	100,000,000	100.00%	100,000,000
4	The unsold completed portion of portions of Phase I of Guangzhou Starry Haizhu Bay, Guangzhou	Guangdong	—	C, O	6,034.96	6,034.96	—	14 October 2055 for commercial use	September 2016	December 2018	August 2016	2,035.11	—	—	254,900,000	48.69%	124,1100,000
5	The unsold completed portion of Guangzhou Starry Golden Sands Garden, Guangzhou	Guangdong	—	R,C, CPS	8,521.87	1,759.37	541	27 January 2084 for residential use	June 2013	August 2015	March 2014	829.58	—	—	160,800,000	100.00%	160,800,000
6	The unsold completed portion of Guangzhou Lingnan Villas, Guangzhou	Guangdong	—	R,C, CPS	15,912.49	579.69	1,233	9 October 2082 for residential use	July 2013	March 2015	March 2015	1,607.18	—	—	149,700,000	95.48%	142,930,000
7	The unsold completed portion of Guangzhou Starry Sky City, Guangzhou	Guangdong	—	R	53,261.75	53,261.75	—	4 March 2085 for residential use	April 2016	March 2018	June 2016	354.06	—	—	1,855,100,000	50.91%	944,430,000
8	The unsold completed portion for sale of Conghua Glade Village, Guangzhou	Guangdong	—	R, CPS	8,920.29	1,544.73	590	3 November 2069 for residential use	July 2005	November 2014	December 2005	—	—	—	91,700,000	99.75%	91,470,000
9	The unsold completed portion of Huadu Glade Greenland, Guangzhou	Guangdong	—	CPS	2,106.58	—	176	2 December 2063 for other use	July 2010	July 2012	September 2011	23.72	—	—	14,600,000	100.00%	14,600,000
10	The unsold completed portion of Conghua Yiquan Yingcui, Guangzhou	Guangdong	—	CPS	4,787.17	—	394	18 July 2063 for other use	October 2012	April 2015	June 2013	—	—	—	33,500,000	95.48%	31,990,000
11	The unsold completed portion of Guangzhou Starry Cullian, Guangzhou	Guangdong	—	R,CPS	6,384.68	4,483.30	155	9 December 2079 for residential use	June 2010	June 2014	February 2014	4,608.05	—	—	373,300,000	95.00%	354,640,000
12	The unsold completed portion of Starry Wenhua, Guangzhou	Guangdong	—	R,CPS	12,444.17	1,796.97	857	16 January 2080 for residential use	June 2010	October 2012	September 2011	2,324.78	—	—	240,100,000	95.00%	228,100,000

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			(sq.m.)		*(sq.m.)*	*(sq.m.)*						*(sq.m.)*	*(RMB)*	*(RMB)*	*(RMB)*	*(%)*	*(RMB)*
13	The unsold completed portion of Paradiso Riverside, Guangzhou	Guangdong	—	R,O,C, CPS	37,889.99	17,620.17	1,559	31 October 2080 for residential use; 31 October 2050 for commercial use	February 2012	February 2015	September 2012	4,201.24	—	—	540,100,000	95.00%	513,100,000
14	The unsold completed portion of Lingnan Hillside, Guangzhou	Guangdong	—	R,CPS	18,195.54	223.51	1,476	14 September 2081 for residential use	March 2012	October 2014	March 2014	896.40	—	—	240,200,000	95.00%	228,190,000
15	The unsold completed portion of Paradiso Sunshine, Guangzhou	Guangdong	—	C,CPS	7,265.48	1,990.92	446	30 October 2050 for commercial use	February 2012	May 2012	September 2012	228.91	—	—	105,300,000	95.00%	100,040,000
16	The unsold completed portion of Jiang Nan Garden, Guangzhou	Guangdong	—	R,CPS	2,328.42	77.96	181	18 April 2069 for residential use	March 2010	January 2013	April 2011	24.91	—	—	58,100,000	95.00%	55,200,000
17	The unsold completed portion for sale of Jiang Nan New Mansion, Guangzhou	Guangdong	—	R,C, CPS	9,174.10	8,674.76	44	6 September 2070 for residential use	March 2005	January 2011	December 2005	6,021.68	—	—	53,100,000	95.00%	50,450,000
18	The unsold completed portion of Paradiso Homeland, Guangzhou	Guangdong	—	R,CPS	1,650.84	1,483.36	13	18 April 2069 for residential use	July 2009	January 2012	September 2010	266.60	—	—	87,100,000	95.00%	82,750,000
19	The unsold completed portion of Paradiso Garden, Guangzhou	Guangdong	—	R,CPS	296.57	161.18	11	18 April 2069 for residential use	April 2011	May 2013	July 2012	238.78	—	—	7,500,000	95.00%	7,130,000
20	The unsold completed portion of Paradiso Courtyard, Guangzhou	Guangdong	—	CPS	270.13	—	15	18 April 2049 for other use	June 2012	February 2014	October 2012	—	—	—	4,500,000	95.00%	4,280,000
21	The unsold completed portion of Starry Wenhan, Guangzhou	Guangdong	—	CPS	5,709.92	—	462	9 June 2060 for other use	June 2011	June 2014	April 2012	273.88	—	—	92,500,000	95.00%	87,880,000
22	The unsold completed portion of Starry Wenyu, Guangzhou	Guangdong	—	CPS	7,073.85	—	563	9 June 2060 for other use	June 2011	June 2014	May 2012	405.21	—	—	112,700,000	95.00%	107,070,000
23	The unsold completed portion of Starring Winking, Guangzhou	Guangdong	—	CPS	2,237.30	—	182	27 March 2057 for other use	November 2007	October 2010	March 2010	377.17	—	—	58,700,000	95.00%	55,7700,000
24	The unsold completed portion of Tong De Phase II, Guangzhou	Guangdong	—	R,C, CPS	1,317.31	1,223.33	9	70 years for residential use; 40 years for commercial use; and 50 years for other use	1999	2001	2000	15.98	—	—	41,000,000	95.00%	38,950,000
25	The unsold completed portion of Zhongshan Paradiso Jadin, Guangzhou	Guangdong	—	R,CPS	212.44	196.24	2	18 April 2049 for residential use	March 2007	December 2009	April 2008	—	—	—	11,200,000	95.00%	10,640,000
26	The unsold completed portion of Zi Dan Ge, Guangzhou	Guangdong	—	R,CPS	295.39	276.86	3	70 years for residential use; 50 years for other use	1999	2000	2000	—	—	—	14,600,000	95.00%	13,870,000

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			(sq.m.)		*(sq.m.)*	*(sq.m.)*						*(sq.m.)*	*(RMB)*	*(RMB)*	*(RMB)*	*(%)*	*(RMB)*
27	The unsold completed portion for sale of Nansha Southern Le Sand I-V and VIII, Guangzhou	Guangdong	—	R,C, O,CPS	104,629.07	39,749.93	4,918	70 years for residential use; 40 years for commercial use; 50 years for other use	April 2002	June 2016	January 2003	3,228.01	—	—	1,137,200,000	95.48%	1,085,800,000
28	The unsold completed portion of Phase IX of Nansha Southern Le Sand, Guangzhou	Guangdong	—	R,C,O, CPS	31,640.10	28,390.10	260	15 January 2084 for residential use; 15 January 2054 for commercial use; 15 January 2064 for other use	February 2015	March 2017	September 2015	27,772.51	—	—	781,400,000	95.48%	746,080,000
29	The unsold completed portion of Phase VII of Nansha Southern Le Sand, Guangzhou	Guangdong	—	C,O	26,918.96	26,918.96	—	13 January 2057 for commercial and office use	August 2017	September 2018	March 2018	10,225.13	—	—	517,900,000	95.48%	494,490,000
30	The unsold completed portion of Guangzhou Lingnan Wood, Guangzhou	Guangdong	—	C,CPS	20,126.70	1,785.40	1,429	17 October 2052 for commercial use	April 2013	October 2015	June 2014	2,345.67	—	—	221,500,000	47.74%	105,740,000
31	The unsold completed portion of Phase I of Guangzhou Yuexiu Poly Aite City, Guangzhou	Guangdong	—	R,C, CPS	104,034.84	20,700.84	2,357	7 November 2083 for residential use; 7 November 2053 for commercial use	September 2014	October 2018	May 2017	11,335.52	—	—	765,600,000	47.74%	365,500,000
32	The unsold completed portion of Guangzhou Yuexiu Greenland Haiyue, Guangzhou	Guangdong	—	C	60,245.08	60,245.08	—	2 September 2085 for residential use; 2 September 2055 for commercial use	November 2016	December 2018	November 2016	56,348.38	—	—	2,025,900,000	47.74%	967,160,000
33	The unsold completed portion for sale of Nanhai Starry Winking, Foshan	Guangdong	—	R,CPS	10,106.74	2,806.74	584	24 September 2080 for residential use; 24 September 2050 for commercial use	June 2011	March 2017	2014 December	4,569.24	—	—	169,000,000	100.00%	169,000,000
34	The unsold completed portion of Phases II and III of Foshan Lingnan Junting, Foshan	Guangdong	—	R,C,O,CPS	31,296.60	18,296.60	1,040	24 January 2084 for residential use; 24 January 2054 for commercial use	January 2015	January 2018	July 2017	10,970.16	—	—	525,100,000	95.00%	498,850,000
35	The unsold completed portion of Foshan Paradiso Power, Foshan	Guangdong	—	R,C,O,CPS	30,435.00	15,835.00	1,168	4 April 2085 for residential use; 4 April 2055 for commercial use	July 2015	July 2017	March 2016	14,322.69	—	—	332,400,000	93.10%	309,460,000

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			(sq.m.)		*(sq.m.)*	*(sq.m.)*						*(sq.m.)*	*(RMB)*	*(RMB)*	*(RMB)*	*(%)*	*(RMB)*
36	The unsold completed portion of Phases I, II and III of Jiangmen Starry Regal Court, Jiangmen	Guangdong	—	R,C,CPS	9,684.35	9,080.22	18	1 September 2079 for residential use; 1 September 2049 for commercial use	May 2010	December 2015	June 2011	3,200.92	—	—	102,700,000	95.00%	97,570,000
37	The unsold completed portion of Jiangmen Xijiang Joy Mansion, Jiangmen	Guangdong	—	R,C	2,885.56	2,885.56	—	26 October 2085 for residential use; 26 October 2055 for commercial use	September 2016	December 2018	November 2016	2,885.56	—	—	29,000,000	46.41%	13,460,000
38	The unsold completed portion of Jiangmen Starry Mansion, Jiangmen	Guangdong	—	R,C,CPS	15,492.80	3,205.30	983	19 November 2086 for residential use; 19 November 2056 for commercial use	November 2016	December 2018	April 2017	2,683.88	—	—	187,600,000	95.40%	178,970,000
39	The unsold completed portion of Jiangmen Xijiang Mansion, Jiangmen	Guangdong	—	R,C, CPS	26,124.82	4,578.96	720	18 August 2085 for residential use; 18 August 2055 for commercial use	November 2015	November 2017	January 2016	2,412.00	—	—	173,800,000	44.59%	77,500,000
40	The unsold completed portion of Zhongshan Starry Winking, Zhongshan	Guangdong	—	R,CPS	7,567.08	281.20	566	15 March 2080 for residential use	December 2010	September 2017	April 2012	392.08	—	—	51,200,000	95.00%	48,640,000
41	The unsold completed portion of Phases I and II of Zhongshan Starry Peakfield, Zhongshan	Guangdong	—	R,C, CPS	8,760.90	223.90	683	18 June 2081 for residential use; 18 June 2051 for commercial use	June 2013	May 2017	April 2014	200.00	—	—	83,000,000	95.00%	78,850,000
42	The unsold completed portion of Zhongshan Starry Junting, Zhongshan	Guangdong	—	C,CPS	1,817.38	1,454.88	28	15 April 2063 for commercial use	June 2011	August 2014	September 2013	—	—	—	15,100,000	100.00%	15,100,000
43	The unsold completed portion of Zhongshan Paradiso Jadin, Zhongshan	Guangdong	—	R,C, CPS	12,033.14	9,108.14	234	23 September 2068 for residential use; 23 September 2038 for commercial use	April 2013	December 2017	November 2016	736.46	—	—	90,900,000	100.00%	90,900,000
44	The unsold completed portion of Suzhou Paradiso Pavilion, Kunshan	Jiangsu	—	R,C	6,644.65	6,644.65	—	16 March 2083 for residential use; 16 March 2053 for commercial use	August 2013	December 2016	October 2013	257.86	—	—	66,800,000	48.45%	32,360,000
45	The unsold completed portion of Suzhou Starry Pavilion, Kunshan	Jiangsu	—	R	292.07	292.07	—	10 April 2085 for residential use	August 2015	December 2017	January 2016	88.75	—	—	7,600,000	48.45%	3,680,000

Property No.	Name of Property	Province/ Municipality	Site Area	Use	Total GFA	Total Leasable/ Saleable GFA (excluding CPS)	Number of Saleable CPS	Land Use Rights Expiry Date	Construction Commencement Date	Completion Date	Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold	Total Estimated Construction Cost (if under development)	Construction Cost incurred up to the valuation date (if under development)	Market Value in existing state as at the valuation date	Interest Attributable to the Group	Market Value Attributable to the Group as at the valuation date
			(sq.m.)		*(sq.m.)*	*(sq.m.)*						*(sq.m.)*	*(RMB)*	*(RMB)*	*(RMB)*	*(%)*	*(RMB)*
46	The unsold completed portion for sale of Hangzhou Starry City, Hangzhou	Zhejiang	—	R,C,O	53,543.16	53,543.16	—	6 December 2080 for residential use; 6 December 2050 for commercial use	January 2012	October 2018	August 2012	3,287.82	—	—	531,900,000	100.00%	531,900,000
47	The unsold completed portion of Hangzhou Qinaili Lane, Hangzhou	Zhejiang	—	R,C	971.04	971.04	—	16 February 2087 for residential use	January 2017	August 2018	August 2017	—	—	—	35,700,000	95.04%	33,930,000
48	The unsold completed portion of Wuhan Starry Emperor, Wuhan	Hubei	—	C,O	10,598.20	10,598.20	—	14 May 2083 for residential use; 14 May 2053 for commercial use	September 2014	January 2017	August 2015	2,852.83	—	—	192,300,000	95.48%	183,610,000
49	The unsold completed portion of Phases I, II and IV of Wuhan International Financial City, Wuhan	Hubei	—	R,C, CPS	79,140.16	63,884.76	1,192	21 May 2085 and 24 December 2085 for residential use; 21 May 2055 and 24 December 2055 for commercial use	July 2015	December 2018	July 2015	8,482.98	—	—	2,965,500,000	99.64%	2,954,820,000
50	The unsold completed portion of Wuhan Starry Mountain, Wuhan	Hubei	—	C	7,426.28	7,426.28	—	28 June 2057 for commercial use	October 2017	November 2018	October 2017	5,991.14	—	—	213,500,000	51.42%	109,780,000
51	The unsold completed portion of Yantai Starry Phoenix, Yantai	Shandong	—	R,C, CPS	56,630.79	37,796.59	1,505	10 December 2079 for residential use; 10 December 2049 for commercial use	December 2010	December 2012	November 2011	3,896.34	—	—	512,100,000	100.00%	512,100,000
54	The unsold completed portion of Yantai Starry Golden Sands, Yantai	Shandong	—	R,C, CPS	28,955.63	11,177.93	1,387	18 September 2072 for residential use 18 September 2042 for commercial use	April 2013	December 2018	July 2013	11,177.93	—	—	184,600,000	100.00%	184,600,000
55	The unsold completed portion of Qingdao Starry Blue Bay, Qingdao	Shandong	—	R,C	15,647.78	15,647.78	—	8 January 2083 for residential use; 8 January 2053 for commercial use	September 2013	February 2017	December 2013	9,121.00	—	—	215,300,000	100.00%	215,300,000
54	The unsold completed portion of Qingdao Infinite Mansion, Qingdao	Shandong	—	R,C	1,348.46	1,348.46	—	28 September 2086 for residential use; 28 September 2056 for commercial use	December 2016	August 2018	March 2017	1,348.46	—	—	20,500,000	95.12%	19,500,000

Property No.	Name of Property	Province/ Municipality	Site Area	Use	Total GFA	Total Leasable/ Saleable GFA (excluding CPS)	Number of Saleable CPS	Land Use Rights Expiry Date	Construction Commencement Date	Completion Date	Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold	Total Estimated Construction Cost (if under development)	Construction Cost incurred up to the valuation date (if under development)	Market Value in existing state as at the valuation date	Interest Attributable to the Group	Market Value Attributable to the Group as at the valuation date
			(sq.m.)		*(sq.m.)*	*(sq.m.)*						*(sq.m.)*	*(RMB)*	*(RMB)*	*(RMB)*	*(%)*	*(RMB)*
55	The unsold completed portion of Qingdao Elegant Mansion, Qingdao	Shandong	—	R,C	58,105.16	58,105.16	—	6 August 2087 for residential use; 6 August 2057 for commercial use	November 2017	October 2018	January 2018	61,488.68	—	—	514,100,000	95.00%	488,400,000
56	The unsold completed portion of Phase I of Shenyang Starry Winking, Shenyang	Liaoning	—	R,C	10,129.71	10,129.71	—	30 December 2081 for residential use; 30 December 2051 for commercial use	March 2012	November 2018	July 2014	4,887.19	—	—	223,000,000	100.00%	223,000,000
57	The unsold completed portion of Shenyang Starry Blue sea, Shenyang	Liaoning	—	C	3,851.56	3,851.56	—	1 March 2083 for residential use; 1 March 2053 for commercial use	April 2013	July 2018	July 2013	529.44	—	—	54,800,000	100.00%	54,800,000
58	The unsold completed portion of Phase I to Phase III of Shenyang Hill Lake, Shenyang	Liaoning	—	R	67,754.74	67,754.74	—	7 October 2056 and 29 September 2055 for residential use; 7 October 2046 for commercial use	July 2008	June 2016	November 2011	2,054.46	—	—	770,700,000	99.95%	770,310,000

Notes:

1. As advised by the Group, portions of the properties with a total gross floor area of approximately 297,462.14 sq.m. have been pre-sold to various third parties at a total consideration of RMB5,991,102,569. Such portions of the properties have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market values of the properties, we have taken into account the contracted prices of such portions.

2. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal advisers, which contains, inter alia, the following:

   a. The Group is legally and validly in possession of the land use rights with respect to the properties held for sale;

   b. The Group has obtained all requisite construction work approvals in respect of the actual development progress;

   c. The Group has the rights to legally pre-sell portions of the properties according to the obtained Pre-sale Permits; and

   d. The Group have completed and passed final acceptance of construction for the properties held for sale, and there is no material legal barrier to obtain the building ownership certificates/real estate title certificates.

Group II — Property interests held under development by the Group in the PRC

Property No.	Name of Property	Province/ Municipality	Site Area	Use	Total GFA	Total Leasable/ Saleable GFA (excluding CPS)	Number of Saleable CPS	Land Use Rights Expiry Date	Construction Commencement Date	Estimated Completion Date	Estimated/ Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold	Total Estimated Construction Cost (if under development)	Construction Cost incurred up to the valuation date (if under development)	Market Value in existing state as at the valuation date	Interest Attributable to the Group	Market Value Attributable to the Group as at the valuation date
			(sq.m.)		*(sq.m.)*	*(sq.m.)*						*(sq.m.)*	*(RMB)*	*(RMB)*	*(RMB)*	*(%)*	*(RMB)*
	—	—	—	—	**7,586,345.52**	**5,290,267.48**	**29,132**	—	—	—	—	**1,901,315.90**	**38,038,770,000**	**13,774,170,000**	**88,871,000,000**	—	**61,328,570,000**
59	Project Guangzhou Asia Pacific Century Plaza, Guangzhou	Guangdong	22,591.81	C,A,H, CPS	231,974.00	187,903.00	650	27 August 2038 for commercial use	December 2017	December 2020	—	—	2,758,700,000	168,800,000	2,528,500,000	100.00%	2,528,500,000
60	The remaining portion of Springland Garden under construction, Guangzhou	Guangdong	—	R,CPS	8,892.10	5,502.80	40	27 June 2072 for residential use	January 2018	August 2019	March 2019	—	92,800,000	6,500,000	114,400,000	100.00%	114,400,000
61	The remaining portion of Phase I and Phase II of Guangzhou Starry Haizhu Bay under construction, Guangzhou	Guangdong	—	R,C,O, CPS	527,474.70	356,248.90	3,694	14 October 2085 for residential use; 14 October 2055 for commercial use	September 2016	April 2021	September 2016	187,277.52	2,690,900,000	1,815,200,000	14,638,400,000	48.69%	7,127,440,000
62	The remaining portion of Guangzhou Starry Sky City under construction, Guangzhou	Guangdong	—	R,C, CPS	612,117.08	346,239.39	5,425	4 March 2085 for residential use	April 2016	June 2021	September 2016	162,933.80	2,584,900,000	1,426,700,000	11,500,000,000	50.91%	5,854,650,000
63	Project Guangzhou Haizhu Nanzhou Road Land Project, Guangzhou	Guangdong	22,629.00	R,CPS	154,114.30	112,496.60	1,131	25 November 2083 for residential use	March 2018	October 2020	March 2019	—	1,084,000,000	114,800,000	3,060,500,000	95.00%	2,907,480,000
64	The remaining portion of Phase IX of Nansha Southern Le Sand under construction, Guangzhou	Guangdong	—	R,C	30,179.68	30,179.68	—	15 January 2084 for residential use; 15 January 2054 for commercial use; 15 January 2064 for other use	November 2017	July 2019	December 2017	22,118.32	148,800,000	112,400,000	564,900,000	95.48%	539,370,000
65	Portions of Phase VII of Nansha Southern Le Sand under construction, Guangzhou	Guangdong	—	R,C,O ,CPS	300,361.27	207,323.31	2,230	13 January 2057 for commercial use; 13 January 2087 for residential use	August 2018	May 2019	September 2018	19,581.81	1,664,800,000	497,300,000	2,456,700,000	95.48%	2,345,660,000
66	Project Phase X of Nansha Binhai New Town, Guangzhou	Guangdong	—	R,C, CPS	672,022.77	541,575.18	3,746	23 November 2071 for residential use; 23 November 2041 for commercial use	August 2017	May 2019	September 2017	353,316.82	2,577,100,000	1,098,000,000	6,567,800,000	95.00%	6,239,410,000

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total GFA (sq.m.)	Total Leasable/ Saleable GFA (excluding CPS) (sq.m.)	Number of Saleable CPS	Land Use Rights Expiry Date	Construction Commencement Date	Estimated Completion Date	Estimated/ Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold (sq.m.)	Total Estimated Construction Cost (if under development) (RMB)	Construction Cost incurred up to the valuation date (if under development) (RMB)	Market Value in existing state as at the valuation date (RMB)	Interest Attributable to the Group (%)	Market Value Attributable to the Group as at the valuation date (RMB)
67	Phase II of Project Guangzhou Yuexiu Poly Aite City under construction, Guangzhou	Guangdong	—	R,C, CPS	359,547.30	240,766.10	1,434	7 November 2083 for residential use; 7 November 2053 for commercial use	April 2017	February 2020	February 2019	—	1,173,700,000	1,096,200,000	5,776,200,000	47.74%	2,757,560,000
68	The remaining portion under construction of Guangzhou Yuexiu Greenland Haiyue under construction, Guangzhou	Guangdong	—	R,C, CPS	154,974.04	100,886.74	1,491	2 September 2085 for residential use; 2 September 2055 for commercial use	November 2016	June 2019	March 2017	71,923.92	891,300,000	190,700,000	3,468,600,000	47.74%	1,655,910,000
69	Phase I of Foshan Lingnan Junting under construction, Foshan	Guangdong	—	O,CPS	5,752.47	4,337.70	22	24 January 2054 for commercial use	July 2017	May 2019	September 2018	985.13	40,200,000	31,900,000	56,300,000	95.00%	53,490,000
70	Project Foshan Longfor Yuexiu Cloud Mansion, Foshan	Guangdong	14,819.00	R,CPS	76,281.78	51,481.46	450	20 December 2087 for residential use; 20 December 2057 for commercial use	May 2018	June 2020	October 2019	—	406,000,000	82,200,000	749,600,000	46.55%	348,940,000
71	Phase V of Jiangmen Starry Regal Court under construction, Jiangmen	Guangdong	—	C,CPS	58,215.59	36,969.90	143	1 September 2049 for commercial use	June 2017	September 2019	December 2017	41,994.17	176,500,000	132,100,000	268,700,000	95.00%	255,270,000
72	The remaining portion of Jiangmen Xijiang Joy Mansion under construction, Jiangmen	Guangdong	—	R,C, CPS	86,140.60	23,694.60	1,812	26 October 2085 for residential use; 26 October 2055 for commercial use	September 2016	June 2019	June 2017	23,694.60	138,100,000	136,700,000	488,800,000	46.41%	226,850,000
73	The remaining portion of Jiangmen Starry Mansion under construction, Jiangmen	Guangdong	—	C	2,874.03	2,874.03	—	19 November 2056 for commercial use	February 2017	April 2019	April 2017	2,873.03	9,600,000	9,500,000	63,300,000	95.40%	60,390,000
74	The remaining portion of Jiangmen Xijiang Mansion under construction, Jiangmen	Guangdong	—	C	1,820.00	1,820.00	—	18 August 2055 for commercial use	January 2016	January 2020	December 2019	—	5,170,000	5,170,000	28,200,000	44.59%	12,570,000
75	Phase I and Portion of Phase II of Jiangmen Yuexiu Binjiang City Glory under construction, Jiangmen	Guangdong	—	R,O,CPS	230,786.40	135,305.10	1,771	27 February 2085 for residential use; 27 February 2055 for commercial use	December 2018	November 2020	May 2019	—	881,100,000	204,300,000	648,200,000	47.50%	307,900,000
76	Project Heshan Starry Regal Court, Heshan	Guangdong	105,608.48	R,C,O, CPS	412,922.50	314,887.59	2,601	19 September 2087 for residential use; 19 September 2057 for commercial use	December 2017	December 2020	March 2018	94,207.63	1,187,800,000	410,500,000	1,661,600,000	95.00%	1,578,520,000
77	Phase IV of Zhongshan Starry Peakfield under construction, Zhongshan	Guangdong	—	C,CPS	155,055.68	126,713.31	992	18 June 2051 for commercial use	May 2017	December 2019	December 2017	99,498.11	642,100,000	376,900,000	1,256,700,000	95.00%	1,193,870,000

Property No.	Name of Property	Province/ Municipality	Site Area	Use	Total GFA	Total Leasable/ Saleable GFA (excluding CPS)	Number of Saleable CPS	Land Use Rights Expiry Date	Construction Commencement Date	Estimated Completion Date	Estimated/ Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold	Total Estimated Construction Cost (if under development)	Construction Cost incurred up to the valuation date (if under development)	Market Value in existing state as at the valuation date	Interest Attributable to the Group	Market Value Attributable to the Group as at the valuation date
			(sq.m.)		*(sq.m.)*	*(sq.m.)*						*(sq.m.)*	*(RMB)*	*(RMB)*	*(RMB)*	*(%)*	*(RMB)*
78	Portions of Hangzhou Starry City under construction, Hangzhou	Zhejiang	—	R,C,A	536,794.93	375,199.41	—	6 November 2081 for residential use; 6 November 2051 for commercial use	November 2017	June 2020	January 2018	238,741.39	2,023,600,000	384,700,000	3,144,100,000	100.00%	3,144,100,000
79	Project Hangzhou Lake & Mountain, Hangzhou	Zhejiang	61,835.00	R	224,799.49	165,450.01	—	20 November 2087 for residential use	December 2017	December 2019	June 2018	57,217.00	885,700,000	164,700,000	1,782,000,000	95.00%	1,692,900,000
80	Project Hangzhou Joy Mountain, Hangzhou	Zhejiang	77,631.00	R,C	231,562.38	152,988,70	—	7 December 2087 for residential use; 7 December 2057 for commercial use	March 2018	September 2019	August 2018	114,230.41	1,147,000,000	249,500,000	1,661,100,000	39.18%	650,820,000
81	Project Hangzhou Joy Bay, Hangzhou	Zhejiang	113,982.00	R,C	360,702.70	245,108.02	—	11 September 2087 for residential use; 11 September 2057 for commercial use	September 2017	June 2021	August 2018	68,784.25	2,827,500,000	430,700,000	7,010,500,000	48.45%	3,396,590,000
82	Phase I of Hangzhou Garden 1872 under construction, Hangzhou	Zhejiang	—	R,C	130,054.50	90,378.76	—	9 October 2087 for residential use; 9 October 2057 for commercial use	September 2017	October 2019	October 2018	56,453.76	858,700,000	538,500,000	3,235,800,000	49.08%	1,588,130,000
83	Phase IV of Suzhou Taicang Xiangdong Island Land under construction, Suzhou	Jiangsu	—	R,C, CPS	241,635.34	174,920.75	1,030	7 July 2073 for residential use; 7 July 2053 for comprehensive use	November 2018	July 2021	May 2019	—	1,303,400,000	61,200,000	1,364,000,000	47.50%	647,900,000
84	Project Suzhou Yuefu Mansion, Suzhou	Jiangsu	77,483.10	C,O,H,CPS	210,172.87	142,750.25	—	27 April 2088 for residential use; 27 April l2058 for commercial use	July 2018	June 2020	October 2018	30,623.14	965,200,000	101,300,000	1,917,200,000	95.00%	1,821,340,000
85	Phases III and V of Wuhan International Financial City under construction, Wuhan	Hubei	—	C	587,716.33	407,377.43	—	28 September 2056 for commercial use	December 2018	June 2022	March 2019	—	4,392,900,000	2,858,700,000	7,806,300,000	99.64%	7,778,200,000
86	Project Wuhan Starry Bay, Wuhan	Hubei	15,113.92	C	84,465.53	59,505.35	—	3 July 2057 for commercial use	January 2018	January 2020	December 2019	15,418.22	473,000,000	147,200,000	452,500,000	95.00%	429,880,000
87	Project Wuhan Yuexiu Paradiso Mansion, Wuhan	Hubei	9,449.61	R	42,191.77	29,708.05	—	12 March 2087 for residential use	March 2018	June 2020	November 2018	7,978.68	240,700,000	78,100,000	245,600,000	48.69%	119,580,000
88	Project Wuhan Joy Mansion, Wuhan	Hubei	43,980.00	R,C	171,742.38	129,490.46	—	4 April 2088 for residential use	August 2018	April 2020	September 2018	71,926.21	703,800,000	144,000,000	423,300,000	95.48%	404,170,000
89	Project Wuhan Yuexiu Paradiso Garden, Wuhan	Hubei	69,955.11	R,C	210,036.38	157,963.95	—	19 October 2087 for residential use	June 2018	May 2020	July 2018	46,207.30	908,400,000	246,500,000	1,288,200,000	95.48%	1,229,970,000

Property No.	Name of Property	Province/ Municipality	Site Area	Use	Total GFA	Total Leasable/ Saleable GFA (excluding CPS)	Number of Saleable CPS	Land Use Rights Expiry Date	Construction Commencement Date	Estimated Completion Date	Estimated/ Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold	Total Estimated Construction Cost (if under development)	Construction Cost incurred up to the valuation date (if under development)	Market Value in existing state as at the valuation date	Interest Attributable to the Group	Market Value Attributable to the Group as at the valuation date
			(sq.m.)		*(sq.m.)*	*(sq.m.)*						*(sq.m.)*	*(RMB)*	*(RMB)*	*(RMB)*	*(%)*	*(RMB)*
90	Project Yantai Elegant Mansion, Yantai	Shandong	30,000.00	R,CPS	78,549.87	59,524.09	470	24 October 2087 for residential use	April 2018	April 2020	June 2018	64,910.70	293,900,000	137,300,000	458,100,000	90.25%	413,440,000
91	Project Qingdao Jiaozhou Platinum Mansion, Qingdao	Shandong	81,057.98	R	209,132.17	144,142.08	—	16 September 2088 for residential use	October 2018	December 2020	December 2018	7,953.85	909,700,000	97,700,000	1,039,600,000	99.50%	1,034,400,000
92	Project Ji'nan Gemdale Yuexiu Art Living, Jinan	Shandong	24,830.00	R	53,265.46	37,245.00	—	26 July 2088 for residential use	December 2018	December 2020	October 2019	—	226,300,000	13,900,000	445,700,000	38.00%	169,370,000
93	Phase II-A-1 of Shenyang Starry Winking under construction, Shenyang	Liaoning	—	R,C	132,016.93	91,299.77	—	30 December 2081 for residential use; 30 December 2051 for commercial use	April 2018	June 2020	December 2018	40,466.13	725,400,000	204,300,000	699,600,000	100.00%	699,600,000

Notes:

1. As advised by the Group, portions of the properties with a total gross floor area of approximately 1,901,315.90 sq.m. have been pre-sold to various third parties at a total consideration of RMB44,554,939,504. Such portions of the properties have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market values of the properties, we have taken into account the contracted prices of such portions.

2. In the valuation of the property, we have attributed no commercial value to the buildings of Phase V of property no. 85 of which the Construction Work Commencement Permits have not been obtained. However, for reference purpose, we are of the opinion that the capital value of these buildings of the property as at the valuation date would be RMB1,800,300,000, assuming the relevant Construction Work Commencement Permits have been obtained by the Group and the buildings could be freely transferred.

3. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal advisers, which contains, inter alia, the following:

    a. The Group is legally and validly in possession of the land use rights with respect to the properties held under development;

    b. The Group has obtained all requisite construction work approvals in respect of the actual development progress except Phase V of property no. 85;

    c. The Group has the rights to legally pre-sell portions of the properties according to the obtained Pre-sale Permits; and

    d. For property no. 85, the construction work of Phase V has been commenced at current stage but the relevant Construction Work Commencement Permit in relation to the construction work are still in process of application by the Group. However, relevant government authorities did not stop the construction work. As the current construction is in compliance with the land planning, also the development is a landmark project in Wuhan City as well as in Hubei Province, according to previous practice, there is no substantial impediment for the Group to obtain the relevant approvals and permits of the construction works subsequently.

Group III — Property interests held for future development by the Group in the PRC

Property No.	Name of Property	Province/ Municipality	Site Area	Use	Total GFA	Total Leasable/ Saleable GFA (excluding CPS)	Number of Saleable CPS	Land Use Rights Expiry Date	Estimated Construction Commencement Date	Estimated Completion Date	Estimated Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold	Total Estimated Construction Cost (if under development)	Construction Cost incurred up to the valuation date (if under development)	Market Value in existing state as at the valuation date	Interest Attributable to the Group	Market Value Attributable to the Group as at the valuation date
			(sq.m.)		*(sq.m.)*	*(sq.m.)*						*(sq.m.)*	*(RMB)*	*(RMB)*	*(RMB)*	*(%)*	*(RMB)*
	–	**–**	**–**	**–**	**4,536,720.72**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**28,331,200,000**	**–**	**19,051,030,000**
94	Phase II of New Times Project, Guangzhou	Guangdong	–	R,C, CPS	20,018.00	–	–	18 May 2075 for residential use; 18 May 2045 for commercial use	1979	1981	–	–	–	–	630,400,000	45.00%	283,680,000
95	Reserved land for Phase III of Guangzhou Starry Haizhu Bay, Guangzhou	Guangdong	–	R,C	203,800.00	–	–	14 October 2085 for residential use; 14 October 2055 for commercial use	April 2019	May 2021	November 2019	–	–	–	2,886,500,000	48.69%	1,405,440,000
96	The remaining portion of Phase VII of Nansha Southern Le Sand, Guangzhou	Guangdong	–	C,O	728,756.77	–	–	13 January 2057 for commercial use	August 2019	November 2022	May 2021	–	–	–	3,587,900,000	95.48%	3,425,730,000
97	The remaining portion of Nansha Binhai New Town Guangzhou	Guangdong	–	R, C	354,489.23	–	–	23 November 2071 for residential use; 23 November 2041 for commercial use	February 2019	June 2021	November 2019	–	–	–	1,553,100,000	95.00%	1,475,450,000
98	A parcel of land of Nansha Lingshan Island Land I, Guangzhou	Guangdong	49,494.00	C	218,633.18	–	–	18 September 2057 for commercial use	April 2019	October 2021	June 2020	–	–	–	1,128,400,000	100.00%	1,128,400,000
99	Reserved land of Foshan Lingnan Junting, Foshan	Guangdong	–	C,O	17,583.54	–	–	24 January 2054 for commercial use	February 2019	January 2021	September 2019	–	–	–	85,700,000	95.00%	81,420,000
100	The remaining portion of Phase II of Jiangmen Yuexiu Binjiang City Glory, Jiangmen	Guangdong	–	C,O	122,188.20	–	–	27 February 2055 for commercial use	June 2019	June 2021	January 2020	–	–	–	242,100,000	47.50%	115,000,000
101	Project Hainan Simapo Island Land, Haikou	Hainan	558,500.00	R,C,H,O	558,500.00	–	–	18 December 2088 for residential use; December 2058 for commercial use; 18 December 2068 for other use	–	–	–	–	–	–	4,585,000,000	47.50%	2,177,880,000
102	Reserved land of Hangzhou Starry City, Hangzhou	Zhejiang	–	R,C,A	648,245.58	–	–	12 August 2050 for commercial use	April 2019	April 2022	July 2019	–	–	–	2,334,900,000	100.00%	2,334,900,000

Property No.	Name of Property	Province/ Municipality	Site Area (sq.m.)	Use	Total GFA (sq.m.)	Total Leasable/ Saleable GFA (excluding CPS) (sq.m.)	Number of Saleable CPS	Land Use Rights Expiry Date	Estimated Construction Commencement Date	Estimated Completion Date	Estimated Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold (sq.m.)	Total Estimated Construction Cost (if under development) (RMB)	Construction Cost incurred up to the valuation date (if under development) (RMB)	Market Value in existing state as at the valuation date (RMB)	Interest Attributable to the Group (%)	Market Value Attributable to the Group as at the valuation date (RMB)
103	Reserved land of Hangzhou Garden 1872, Hangzhou	Zhejiang	—	R,C,O	230,264.69	—	—	9 October 2087 for residential use; 9 October 2057 for commercial use	January 2019	October 2020	April 2019	—	—	—	4,060,400,000	49.08%	1,992,840,000
104	Phases V-VIII of Suzhou Taicang Xiangdong Island Land, Suzhou	Jiangsu	—	R,C	730,821.70	—	—	7 July 2073 for residential use; 7 July 2053 for comprehensive use	July 2019	August 2023	September 2019	—	—	—	4,080,100,000	47.50%	1,938,050,000
105	A parcel of land of Qingdao Licang Ocean Chemical Industry Land, Qingdao	Shandong	61,003.20	R,C	211,945.90	—	—	9 July 2088 for residential use; 9 July 2058 for commercial use	April 2019	June 2021	September 2019	—	—	—	946,500,000	51.00%	482,720,000
106	Reserved land of Shenyang Starry Winking, Shenyang	Liaoning	—	R,C	221,248.43	—	—	30 December 2081 for residential use; 30 December 2051 for commercial use	September 2019	October 2021	March 2020	—	—	—	842,800,000	100.00%	842,800,000
107	Reserved land of Shenyang Hill Lake, Shenyang	Liaoning	—	R,C	270,225.50	—	—	29 September 2055 for residential use	May 2019	June 2021	November 2019	—	—	—	1,367,400,000	99.95%	1,366,720,000

Notes:

1. In our valuation for the property no.101, we have based on the following basis assumptions:

   a. According to a publicity — 海口市規劃局關於《海口市南渡江西岸片區控制性詳細規劃》F0101地塊(司馬坡島)規劃修改公示 provided by the Group, the land use rights of a parcel of land of this property with a site area of approximately 558,500.00 sq.m. would be adjusted to comprehensive use from cultural, sport and entertainment use and the permitted plot ratio of this land parcel would be increased to 1.0; and

   b. As advised by the Group, the remaining land parcels of this property with a total site area of approximately 575,905.24 sq.m. would be withdrawn by the government, and the related compensation would be the same as the additional land premium aroused from the adjustment mentioned in Note 1a.

2. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal advisers, which contains, inter alia, the following:

   a. The Group is legally and validly in possession of the land use rights with respect to the properties held for future development.

Group IV — Property interests contracted to be acquired by the Group in the PRC

Property No.	Name of Property	Province/ Municipality	Site Area	Use	Total GFA	Total Leasable/ Saleable GFA (excluding CPS)	Number of Saleable CPS	Land Use Rights Expiry Date	Estimated Construction Commencement Date	Estimated Completion Date	Estimated Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold	Total Estimated Construction Cost (if under development)	Construction Cost incurred up to the valuation date (if under development)	Market Value in existing state as at the valuation date	Interest Attributable to the Group	Market Value Attributable to the Group as at the valuation date
			(sq.m.)		*(sq.m.)*	*(sq.m.)*						*(sq.m.)*	*(RMB)*	*(RMB)*	*(RMB)*	*(%)*	*(RMB)*
	–	**–**	**137,214.00**	**–**	**489,627.00**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
108	A parcel of land of Nansha Lingshan Island Land II, Guangzhou	Guangdong	121,027.00	R,C	410,882.00	–	–	–	February 2019	May 2021	December 2019	–	–	–	No commercial value	95%	No commercial value
109	A parcel of land of Wuhan Caidian Land I, Wuhan	Hubei	16,187.00	R,C	78,745.00	–	–	–	May 2019	October 2021	November 2019	–	–	–	No commercial value	95%	No commercial value

Notes:

1. As at the valuation date, the properties had not been assigned to the Group and thus the titles of the properties had not been vested in the Group, the relevant land use rights certificates had not been obtained. Therefore, we have attributed no commercial value to the properties in this Group.

2. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal advisers, which contains, inter alia, the following:

    a. The State-owned Construction Land Use Rights Grant Contracts and State-owned Construction Land Use Rights Transaction Confirmation Letters are legal and valid.

Group V — Property interests held for investment by the Group in the PRC

Property No.	Name of Property	Province/ Municipality	Site Area	Use	Total GFA	Total Leasable/ Saleable GFA (excluding CPS)	Number of Saleable CPS	Land Use Rights Expiry Date	Construction Commencement Date	Estimated/ Actual Completion Date	Estimated/ Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold	Total Estimated Construction Cost (if under development)	Construction Cost incurred up to the valuation date (if under development)	Market Value in existing state as at the valuation date	Interest Attributable to the Group	Market Value Attributable to the Group as at the valuation date
			(sq.m.)		*(sq.m.)*	*(sq.m.)*						*(sq.m.)*	*(RMB)*	*(RMB)*	*(RMB)*	*(%)*	*(RMB)*
	—	**—**	**—**	**—**	**505,286.01**	**416,666.46**	**2,805**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**9,736,020,000**	**—**	**9,357,470,000**
110	Yuexiu Financial Building (excluding Level 31), Guangzhou	Guangdong	—	O, C, CPS	210,477.00	166,110.34	869	15 April 2047 for commercial use; 15 April 2057 for other use	—	2015	—	—	—	—	6,650,400,000	95.00%	6,317,880,000
111	A commercial unit and 7 car parking spaces of Springland Garden, Guangzhou	Guangdong	—	C, CPS	362.00	281.00	7	27 June 2032 for commercial use; 27 June 2042 for other use	—	2007	—	—	—	—	3,000,000	100.00%	3,000,000
112	31 car parking spaces of Jiang Nan New Mansion, Guangzhou	Guangdong	—	CPS	362.00	—	31	5 September 2050 for other use	—	2011	—	—	—	—	9,330,000	95.00%	8,860,000
113	74 car parking spaces and a commercial building of Huang Stone Garden, Guangzhou	Guangdong	—	C, CPS	22,078.00	20,968.00	74	15 June 2034 for commercial use; 15 June 2044 for other use	—	1998	—	—	—	—	100,500,000	95.00%	95,480,000
114	101 car parking spaces of Fortune Plaza, Guangzhou	Guangdong	—	CPS	1,515.00	—	101	25 November 2052 for other use	—	2011	—	—	—	—	31,800,000	95.00%	30,210,000
115	151 car parking spaces of City Development Plaza, Guangzhou	Guangdong	—	CPS	2,265.00	—	151	26 January 2047 for other use	—	1997	—	—	—	—	42,300,000	95.00%	40,190,000
116	117 car parking spaces of White Horse Commercial Building, Guangzhou	Guangdong	—	CPS	1,755.00	—	117	6 June 2055 for other use	—	1992	—	—	—	—	19,000,000	100.00%	19,000,000
117	Guang Yuan Cultural Centre, Guangzhou	Guangdong	—	C, CPS	32,004.00	18,585.00	266	40 years for commercial use and 50 years for other use	—	1996	—	—	—	—	no commercial value	95.00%	no commercial value
118	Various commercial units of Guang Yuan Xin Cun, Guangzhou	Guangdong	—	C	1,133.60	1,133.60	—	40 years for commercial use	—	1996	—	—	—	—	8,870,000	95.00%	8,430,000
119	4 residential units of Li Yuan Building, Guangzhou	Guangdong	—	R	324.59	324.59	—	—	—	1998	—	—	—	—	—	95.00%	—
120	A commercial unit of Shui Yin Gang, Guangzhou	Guangdong	—	C	817.97	817.97	—	40 years for commercial use	—	1996	—	—	—	—	4,240,000	95.00%	4,030,000

Property No.	Name of Property	Province/ Municipality	Site Area	Use	Total GFA	Total Leasable/ Saleable GFA (excluding CPS)	Number of Saleable CPS	Land Use Rights Expiry Date	Construction Commencement Date	Estimated/ Actual Completion Date	Estimated/ Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold	Total Estimated Construction Cost (if under development)	Construction Cost incurred up to the valuation date (if under development)	Market Value in existing state as at the valuation date	Interest Attributable to the Group	Market Value Attributable to the Group as at the valuation date
			(sq.m.)		(sq.m.)	(sq.m.)						(sq.m.)	(RMB)	(RMB)	(RMB)	(%)	(RMB)
121	A basement unit of Nan Kang Court, Guangzhou	Guangdong	—	C	817.97	817.97	—	9 March 2049 for other use	—	1997	—	—	—	—	1,610,000	95.00%	1,530,000
122	3 commercial units of Nan Tian Court, Guangzhou	Guangdong	—	C	1,703.03	1,703.03	—	9 March 2049 for commercial use	—	1994	—	—	—	—	2,630,000	95.00%	2,500,000
123	A commercial unit of Phase III of Jiang Nan Xin Cun, Guangzhou	Guangdong	—	C	29.99	29.99	—	9 March 2049 for commercial use	—	1994	—	—	—	—	1,010,000	95.00%	960,000
124	Various commercial units of Blocks 2-11,2-12 of Phase IV of Jiang Nan Xin Cun, Guangzhou	Guangdong	—	C	4,757.88	4,757.88	—	—	—	1994	—	—	—	—	no commercial value	95.00%	no commercial value
125	Various commercial units of Tian He West Residential 1-3, Guangzhou	Guangdong	—	C	1,223.00	1,223.00	—	40 years for commercial use	—	1995	—	—	—	—	19,590,000	95.00%	18,610,000
126	Various commercial units of Tian He South Residential 9-20, Guangzhou	Guangdong	—	C	1,111.00	1,111.00	—	40 years for commercial use	—	1993	—	—	—	—	20,010,000	95.00%	19,010,000
127	Various commercial units of Tian Hui Court, Guangzhou	Guangdong	—	C	2,707.00	2,707.00	—	26 August 2048 for commercial use	—	2002	—	—	—	—	33,710,000	95.00%	32,020,000
128	A car parking space of Gold Arch Residence, Guangzhou	Guangdong	—	CPS	11.85	—	1	25 August 2043 for other use	—	1998	—	—	—	—	350,000	95.00%	330,000
129	Various commercial units of Tian He South Residential 9-14, 15 and 16, Guangzhou	Guangdong	—	C	4,852.00	4,852.00	—	40 years for commercial use	—	1989	—	—	—	—	52,230,000	95.00%	49,620,000
130	214 car parking spaces of Blocks A, B and C, Hui Ya Court, Guangzhou	Guangdong	—	CPS	3,210.00	—	214	23 July 2046 for other use	—	2000	—	—	—	—	53,930,000	95.00%	51,230,000
131	Zone 4 of Tian He South Residential Area, Guangzhou	Guangdong	—	O, CPS	11,446.00	5,787.96	86	26 January 2047 for comprehensive use	—	1997	—	—	—	—	76,680,000	95.00%	72,850,000
132	Several commercial units of Chao Hui Commercial Centre, Guangzhou	Guangdong	—	C	824.00	824.00	—	1 December 2032 for commercial use	—	2000	—	—	—	—	8,010,000	95.00%	7,610,000
133	Several office units of Cheng Zong Building, Guangzhou	Guangdong	—	O	6,304.40	6,304.40	—	50 years for office use	—	1996	—	—	—	—	48,880,000	95.00%	46,440,000
134	56 car parking spaces of Fortuna Garden, Guangzhou	Guangdong	—	CPS	840.00	—	56	50 years for other use	—	1997	—	—	—	—	21,600,000	95.00%	20,520,000
135	5 car parking spaces of Dragons Pearl Garden, Guangzhou	Guangdong	—	CPS	75.00	—	5	25 January 2048 for other use	—	1996	—	—	—	—	1,800,000	95.00%	1,710,000
136	A building located in Er Sha District 11, Guangzhou	Guangdong	—	C	6,190.00	6,190.00	—	40 years for commercial use	—	2003	—	—	—	—	61,490,000	95.00%	58,420,000

Property No.	Name of Property	Province/ Municipality	Site Area	Use	Total GFA	Total Leasable/ Saleable GFA (excluding CPS)	Number of Saleable CPS	Land Use Rights Expiry Date	Construction Commencement Date	Estimated/ Actual Completion Date	Estimated/ Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold	Total Estimated Construction Cost (if under development)	Construction Cost incurred up to the valuation date (if under development)	Market Value in existing state as at the valuation date	Interest Attributable to the Group	Market Value Attributable to the Group as at the valuation date
			(sq.m.)		*(sq.m.)*	*(sq.m.)*						*(sq.m.)*	*(RMB)*	*(RMB)*	*(RMB)*	*(%)*	*(RMB)*
137	341 car parking spaces of Ming Ya Yuan, Guangzhou	Guangdong	—	CPS	5,115.00	—	341	50 years for other use	—	1994	—	—	—	—	95,500,000	95.00%	90,730,000
138	Various commercial units of Building H1 and 4 located at Jiangnan Central Avenue, Guangzhou	Guangdong	—	C	1,494.00	1,494.00	—	40 years for commercial use	—	1985	—	—	—	—	23,700,000	95.00%	22,520,000
139	114 car parking spaces of Tian Jun Court, Guangzhou	Guangdong	—	CPS	1,710.00	—	114	18 September 2052 for other use	—	2003	—	—	—	—	31,900,000	95.00%	30,310,000
140	2 commercial units of Tong De Wei, Guangzhou	Guangdong	—	C	1,274.94	1,274.94	—	5 April 2035 for commercial use	—	1998	—	—	—	—	8,790,000	95.00%	8,350,000
141	Er Sha Dao International Badminton Training Center, Guangzhou	Guangdong	—	C	10,750.00	10,750.00	—	28 October 2058 for other use	—	2010	—	—	—	—	49,070,000	95.00%	46,620,000
142	3 car parking spaces of Xing Hui International, Guangzhou	Guangdong	—	CPS	45.00	—	3	17 December 2049 for other use	—	2005	—	—	—	—	840,000	100.00%	840,000
143	A commercial unit located at Nos. 16, 18, 20 and 22 Ti Yu East Heng Street, Guangzhou	Guangdong	—	C	471.89	471.89	—	26 January 2037 for commercial use	—	1992	—	—	—	—	25,370,000	97.60%	24,760,000
144	A residential unit located at No. 7 Liu Yun Liu Street of Tian He South Er Road, Guangzhou	Guangdong	—	R	75.46	75.46	—	26 January 2067 for residential use	—	1999	—	—	—	—	1,010,000	97.60%	990,000
145	2 commercial units located at Nos. 401 and 403 Lin He Street of Tian He North Road, Guangzhou	Guangdong	—	C	71.44	71.44	—	26 January 2037 for commercial use	—	1998	—	—	—	—	2,400,000	97.60%	2,340,000
146	2 commercial units of Jun Hui Building, Guangzhou	Guangdong	—	C	134.78	134.78	—	17 September 2038 for commercial use	—	2000	—	—	—	—	12,600,000	97.60%	12,300,000
147	Various commercial units located at No.162 Jiang Nan Central Avenue, Guangzhou	Guangdong	—	C	1,438.00	1,438.00	—	40 years for commercial use	—	1999	—	—	—	—	55,680,000	97.60%	54,340,000
148	3 commercial units of Ke Yi Ming Ting, Guangzhou	Guangdong	—	C	2,065.00	2,065.00	—	28 February 2039 for commercial use	—	1999	—	—	—	—	40,690,000	97.60%	39,710,000
149	A building located at the Nos. 1-3 Tian He North Road, Guangzhou	Guangdong	—	O	4,372.71	4,372.71	—	26 January 2047 for office use	—	1993	—	—	—	—	61,100,000	98.62%	60,260,000
150	Various commercial units located at No. 55 Pan Fu Road, Guangzhou	Guangdong	—	C	744.98	744.98	—	—	—	—	—	—	—	—	no commercial value	98.62%	no commercial value
151	Various commercial units of Tianhe Southern Residential 9-21 located at Liu Yun Liu Street, Guangzhou	Guangdong	—	C	424.83	424.83	—	26 January 2037 for commercial use	—	1999	—	—	—	—	4,400,000	98.13%	4,320,000

Property No.	Name of Property	Province/ Municipality	Site Area	Use	Total GFA	Total Leasable/ Saleable GFA (excluding CPS)	Number of Saleable CPS	Land Use Rights Expiry Date	Construction Commencement Date	Estimated/ Actual Completion Date	Estimated/ Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold	Total Estimated Construction Cost (if under development)	Construction Cost incurred up to the valuation date (if under development)	Market Value in existing state as at the valuation date	Interest Attributable to the Group	Market Value Attributable to the Group as at the valuation date
			(sq.m.)		*(sq.m.)*	*(sq.m.)*						*(sq.m.)*	*(RMB)*	*(RMB)*	*(RMB)*	*(%)*	*(RMB)*
152	233 car parking spaces located at No. 11 South Second Street of Si You New Road, Guangzhou	Guangdong	—	CPS	3,495.00	—	233	23 December 2049 for other use	—	2002	—	—	—	—	71,800,000	99.06%	71,130,000
153	Various commercial units of Galaxy City, Guangzhou	Guangdong	—	C	1,012.74	1,012.74	—	29 December 2038 for commercial use;	—	2003	—	—	—	—	15,800,000	100.00%	15,800,000
154	Xiang Kang Commercial Building, Guangzhou	Guangdong	—	C, O, CPS	32,220.99	28,859.99	121	30 January 2032 for commercial and office use; 30 January 2042 for other use	—	1999	—	—	—	—	603,800,000	100.00%	603,800,000
155	9 car parking spaces of Bing Jiang Yi Yuan, Guangzhou	Guangdong	—	CPS	135.00	—	9	20 April 2053 for other use	—	2005	—	—	—	—	3,500,000	95.00%	3,330,000
156	6 car parking spaces of Yue Xiu City Plaza, Guangzhou	Guangdong	—	CPS	90.00	—	6	26 June 2053 for other use	—	2007	—	—	—	—	2,100,000	75.00%	1,580,000
157	The remaining unsold completed portion of Nanhai Starry Winking, Foshan	Guangdong	—	C,O	119,340.21	119,340.21	—	24 September 2050 for commercial use	—	2016	—	—	—	—	1,353,000,000	100.00%	1,353,000,000

Notes:

1. As advised by the Group, portions of the properties have been leased to various tenants with a monthly rent as at the valuation date ranges from RMB47 to RMB660 per sq.m., exclusive of management fees, water and electricity charges and other outgoings.

2. In the valuation of the property, we have attributed no commercial value to the property no. 117 of which the land premiums have not been paid. However, for reference purpose, we are of the opinion that the capital value of the property as at the valuation date would be RMB218,800,000, assuming all the land premiums have been paid and all relevant title certificates have been obtained.

3. In the valuation of the property, we have attributed no commercial value to the property no. 119 of which the land premiums have not been paid. However, for reference purpose, we are of the opinion that the capital value of the property as at the valuation date would be RMB4,860,000, assuming all the land premiums have been paid and all relevant title certificates have been obtained.

4. In the valuation of the property, we have attributed no commercial value to the property no. 124 of which the land premiums have not been paid. However, for reference purpose, we are of the opinion that the capital value of the property as at the valuation date would be RMB46,450,000, assuming all the land premiums have been paid and all relevant title certificates have been obtained.

5. In the valuation of the property, we have attributed no commercial value to the property no. 150 of which the land premiums have not been paid. However, for reference purpose, we are of the opinion that the capital value of the property as at the valuation date would be RMB25,960,000, assuming all the land premiums have been paid and all relevant title certificates have been obtained.

6. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal advisers, which contains, inter alia, the following:

   a. The interests of the properties held for investment in the PRC are owned by the Group; and

   b. For the property nos. 117, 119, 124 and 150, the land premiums have not been settled, the Group can freely transfer these properties after fully pay the land premiums.

Group VI — Property interests held and occupied by the Group in the PRC

Property No.	Name of Property	Province/ Municipality	Site Area *(sq.m.)*	Use	Total GFA *(sq.m.)*	Total Leasable/ Saleable GFA (excluding CPS) *(sq.m.)*	Number of Saleable CPS	Land Use Rights Expiry Date	Construction Commencement Date	Completion Date	Estimated/ Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold *(sq.m.)*	Total Estimated Construction Cost (if under development) *(RMB)*	Construction Cost incurred up to the valuation date (if under development) *(RMB)*	Market Value in existing state as at the valuation date *(RMB)*	Interest Attributable to the Group *(%)*	Market Value Attributable to the Group as at the valuation date *(RMB)*
	—	**—**	**—**	**—**	**107,964.62**	**107,964.62**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**1,208,100,000**	**—**	**1,174,510,000**
158	Level 31 of Yuexiu Financial Building, Guangzhou	Guangdong	—	O	3,124.71	3,124.71	—	15 April 2047 for commercial use; 15 April 2057 for other use	—	2015	—	—	—	—	122,500,000	95.00%	116,380,000
159	Various office units of New Times Project, Guangzhou	Guangdong	—	O	1,042.00	1,042.00	—	18 May 2055 for office use	—	1981	—	—	—	—	18,800,000	45.00%	8,460,000
160	Various commercial and residential units of Conghua Glade Village, Guangzhou	Guangdong	—	R,C	5,557.08	5,557.08	—	3 November 2069 for residential use; 3 November 2039 for commercial use	—	2014	—	—	—	—	56,000,000	99.75%	55,860,000
161	Various commercial units located at Tiyu West Heng Street, Guangzhou	Guangdong	—	C	1,387.55	1,387.55	—	26 January 2037 for commercial use	—	2002	—	—	—	—	41,600,000	98.00%	40,770,000
162	Various residential and commercial units located at Nos.497 and 483 Huanshi Avenue, Guangzhou	Guangdong	—	R,C	327.75	327.75	—	24 December 2070 for residential use; 24 December 2040 for commercial use	—	2008	—	—	—	—	7,200,000	98.00%	7,060,000
163	Shi Min Building, Guangzhou	Guangdong	—	O	1,964.91	1,964.91		26 November 2067 for office use	—	2010	—	—	—	—	31,400,000	95.00%	29,830,000
164	Sheraton Guangzhou Nansha Hotel of Phase V of Nansha Southern Le Sand, Guangzhou	Guangdong	—	H	42,556.67	42,556.67	—	24 December 2040 for commercial use	—	2011	—	—	—	—	314,500,000	95.48%	300,280,000
165	A residential unit and a commercial unit of Greenhouse Golf 2th building, Jiangmen	Guangdong	—	R,C	217.74	217.74	—	21 May 2065 for residential use; 21 May 2055 for commercial use	—	2009	—	—	—	—	2,900,000	98.25%	2,850,000
166	2 residential units located at Greenhouse Golf 5th building, Jiangmen	Guangdong	—	R	307.18	307.18	—	21 May 2065 for residential use	—	2009	—	—	—	—	3,700,000	95.00%	3,520,000

Property No.	Name of Property	Province/ Municipality	Site Area	Use	Total GFA	Total Leasable/ Saleable GFA (excluding CPS)	Number of Saleable CPS	Land Use Rights Expiry Date	Construction Commencement Date	Completion Date	Estimated/ Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold	Total Estimated Construction Cost (if under development)	Construction Cost incurred up to the valuation date (if under development)	Market Value in existing state as at the valuation date	Interest Attributable to the Group	Market Value Attributable to the Group as at the valuation date
			(sq.m.)		*(sq.m.)*	*(sq.m.)*						*(sq.m.)*	*(RMB)*	*(RMB)*	*(RMB)*	*(%)*	*(RMB)*
167	A hotel building of Hangzhou Starry City, Hangzhou	Zhejiang	—	H	49,925.00	49,925.00	—	12 August 2050 for commercial use	—	2018	—	—	—	—	561,400,000	100.00%	561,400,000
168	Various commercial units of Wuhan Starry Winking, Wuhan	Hubei	—	C	1,554.03	1,554.03		26 May 2051 for commercial use	—	2017	—	—	—	—	48,100,000	100.00%	48,100,000

Notes:

1. We have been provided with a legal opinion regarding the property interests by the Company's PRC legal advisers, which contains, inter alia, the following:

   a. The interests of the properties held for self-occupied in the PRC are owned by the Group.

Group VII — Property interests held for future development by the Group in Hong Kong and Macau

Property No.	Name of Property	Special Administrative Region	Site Area	Use	Total GFA	Total Leasable/ Saleable Area (excluding CPS)	Number of Saleable CPS	Government Lease Expiry Date	Construction Commencement Date	Completion Date	Estimated/ Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold	Total Estimated Construction Cost (if under development)	Construction Cost incurred up to the valuation date (if under development)	Market Value in existing state as at the valuation date	Interest Attributable to the Group	Market Value Attributable to the Group as at the valuation date
			(sq.ft.)		*(sq.ft.)*	*(sq.ft.)*						*(sq.ft.)*	*(HK$)*	*(HK$)*	*(HK$)*	*(%)*	*(HK$)*
	—	**—**	**113,005.43**	**—**		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**1,851,000,000**	**—**	**1,837,500,000**
169	A parcel of land at Section B of Yau Tong Inland Lot No. 4, Hong Kong	Hong Kong	58,533.43	Industrial and/or godown	—	—	—	30 June 2047	—	—	—	—	—	—	951,000,000	100%	951,000,000
170	A parcel of land at Yau Tong Inland lot No. 9, Hong Kong	Hong Kong	52,120.00	Industrial and/or godown	—	—		30 June 2047	—	—	—	—	—	—	873,000,000	100%	873,000,000
171	Nos. 1, 3 & 5, Avenida de Artur Tamagnini Barbosa, and No. 6 — 16, Avenida do Conselheiro Borja, Macau	Macau	2,352.00	Non-industrial	—	—	—	under Concessão por Arrendamento (政府租賃批地) for a term of 10 years commencing on 26 May 2011	—	—	—	—	—	—	27,000,000	50%	13,500,000

Notes:

1. In our valuation for the property no.171, we have based on the following basis assumptions:

   a. We have not been provided with copy of government lease of this property, if any. We have assumed that the government lease (if any) does not contain any onerous terms and conditions;

   b. As instructed by the Group, we have assessed the market value of this property subject to vacant possession as at the date of valuation and the development parameters set out under the Draft Alignment Plan of the Proposed Development;

   c. We have assumed the Draft Alignment Plan and development parameters stated therein e.g. site area, plot ratio, uses, gross floor area, etc. had been approved by the Government as at the date of valuation;

   d. We have assumed that this property is free of encumbrance and can be freely assigned in the market and if any consent to sell/ consent to assign is required, such consent is assumed to be available as at the date of valuation; and

   e. We have assumed that the Proposed Development will be finished to a standard commensurate with newly completed comparable developments in the locality or comparable districts.

Group VIII — Property interests held for investment by the Group in Hong Kong and Macau

Property No.	Name of Property	Special Administrative Region	Site Area	Use	Total GFA	Total Leasable/ Saleable Area (excluding CPS)	Number of Saleable CPS	Government Lease Expiry Date	Construction Commencement Date	Completion Date	Estimated/ Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold	Total Estimated Construction Cost (if under development)	Construction Cost incurred up to the valuation date (if under development)	Market Value in existing state as at the valuation date	Interest Attributable to the Group	Market Value Attributable to the Group as at the valuation date
			(sq.ft.)		*(sq.ft.)*	*(sq.ft.)*						*(sq.ft.)*	*(HK$)*	*(HK$)*	*(HK$)*	*(%)*	*(HK$)*
	—	**—**	**—**	**—**	**129,489.19**	**—**	**106**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**951,130,000**	**—**	**951,130,000**
172	4 Car Parking Spaces of Pokfulam Terrace, Hong Kong	Hong Kong	—	CPS	538.19	—	4	29 May 2049	—	2004	—	—	—	—	5,700,000	100%	5,700,000
173	Various commercial and office units of Yue Hing Building, Hong Kong	Hong Kong	—	C, O	10,002.00	—		for a term of 99 years renewable for 99 years commencing on 25 May 1929	—	1995	—	—	—	—	143,900,000	100%	143,900,000
174	Various commercial units of Kwong Sang Hong Building, Hong Kong	Hong Kong	—	C	3,248.00	—		for a term of 999 years commencing on 11 October 1859	—	1980	—	—	—	—	88,500,000	100%	88,500,000
175	Various commercial units and car parking spaces of Yue Xiu Plaza, Hong Kong	Hong Kong	—	C, CPS	112,497.00	—	102	for a term commencing on 20 February 1992 and expiring on 30 June 2047	—	1995	—	—	—	—	670,000,000	100%	670,000,000
176	2 residential units of Li Chit Garden, Hong Kong	Hong Kong	—	R	1,168.00	902.00		for a term commencing on 28 April 1994 and expiring on 30 June 2047	—	1994	—	—	—	—	16,730,000	100%	16,730,000
177	A residential unit of Li City Garden, Hong Kong	Hong Kong	—	R	896.00	807.00		for a term of 75 years and renewed for a further term of 75 years commencing on 31 August 1914	—	1983	—	—	—	—	13,100,000	100%	13,100,000

Property No.	Name of Property	Special Administrative Region	Site Area	Use	Total GFA	Total Leasable/ Saleable Area (excluding CPS)	Number of Saleable CPS	Government Lease Expiry Date	Construction Commencement Date	Completion Date	Estimated/ Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold	Total Estimated Construction Cost (if under development)	Construction Cost incurred up to the valuation date (if under development)	Market Value in existing state as at the valuation date	Interest Attributable to the Group	Market Value Attributable to the Group as at the valuation date
			(sq.ft.)		*(sq.ft.)*	*(sq.ft.)*						*(sq.ft.)*	*(HK$)*	*(HK$)*	*(HK$)*	*(%)*	*(HK$)*
178	2 residential units of Wing Shun Mansion, Hong Kong	Hong Kong	—	R	1,140.00	882.75		for a term of 75 years and renewed for a further term of 75 years commencing on 13 February 1922	—	1993	—	—	—	—	13,200,000	100%	13,200,000

Notes:

1. As advised by the Group, portions of the properties have been leased to various tenants with a monthly rent as at the valuation date ranges from HK$7.7 to HK$189 per sq.ft., exclusive of management fees, water and electricity charges and other outgoings.

Group IX — Property interests held and occupied by the Group in Hong Kong and Macau

Property No.	Name of Property	Special Administrative Region	Site Area	Use	Total GFA	Total Leasable/ Saleable Area (excluding CPS)	Number of Saleable CPS	Government Lease Expiry Date	Construction Commencement Date	Completion Date	Estimated/ Actual Pre-Sale Commencement Date	Total Saleable GFA Pre-Sold	Total Estimated Construction Cost (if under development)	Construction Cost incurred up to the valuation date (if under development)	Market Value in existing state as at the valuation date	Interest Attributable to the Group	Market Value Attributable to the Group as at the valuation date
			(sq.ft.)		*(sq.ft.)*	*(sq.ft.)*						*(sq.ft.)*	*(HK$)*	*(HK$)*	*(HK$)*	*(%)*	*(HK$)*
	—	**—**	**—**	**—**	**98,985.00**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**490,800,000**	**—**	**490,800,000**
179	Various office units of Seabright Plaza, Hong Kong	Hong Kong	—	O	6,441.00	—	—	for a term of 75 years and renewed for a further term of 75 years commencing on 25 August 1919	—	1992	—	—	—	—	66,700,000	100%	66,700,000
180	Various residential units of City Garden, Hong Kong	Hong Kong	—	R	3,784.00	3,442.00	—	for a term of 75 years and renewed for a further term of 75 years commencing on 31 August 1914	—	1983	—	—	—	—	53,200,000	100%	53,200,000
181	Various residential units of Wing Shun Mansion, Hong Kong	Hong Kong	—	R	3,420.00	2,648.25	—	for a term of 75 years and renewed for a further term of 75 years commencing on 13 February 1922	—	1993	—	—	—	—	41,200,000	100%	41,200,000
182	An industrial building erected on Yau Tong Marine Lot No. 57, Hong Kong	Hong Kong	15,810.00	I	84,623.00	—	—	30 June 2047	—	—	—	—	—	—	318,000,000	100%	318,000,000
183	A residential unit of Sung Fung Court — Harbour Heights, Hongkong	Hong Kong	—	R	717.00	616.00		Marine Lot No. 277 for a term of 999 years commencing on 24 February 1896. Marine Lot No. 277 for a term of 75 years and renewed a further term of 75 years commencing on 31 August 1903	—	1988-	—	—	—	—	11,700,000	100%	11,700,000

SUMMARY OF PROJECTS IN THE PRC

Abbreviation:

GDV: Gross Development Value (RMB) as completed for property under construction of the project

MCP-AV: Market Comparable Price (Accommodation Value) (RMB/sq.m) for bare lands of the project

MCP-R: Market Comparable Price (RMB/sq.m.) for residential

MCP-C: Market Comparable Price (RMB/sq.m.) for commercial

MCP-O: Market Comparable Price (RMB/sq.m.) for office

MCP-CPS: Market Comparable Price (RMB/space) for car parking space

Rent-C: Market Monthly Rent (RMB/sq.m.) for commercial

Rent-O: Market Monthly Rent (RMB/sq.m.) for office

Rent-R: Market Monthly Rent (RMB/sq.m.) for residential

Rent-CPS: Market Monthly Rent (RMB/space) for car parking space

CR: Capitalization Rate

Project No.	Project Name	Brief Description of the Project	Province/ Municipality	Ref. to Property Nos.	Market Value in existing state as at the valuation date *(RMB)*	Market Value Attributable to the Group as at the valuation date *(RMB)*	Valuation Parameter
	—	—	—	—	**146,962,520,000**	**106,519,330,000**	—
1	Guangzhou Fortune Century Square	The project is located at the western side of Haiye Road and the northern side of Haian Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a commercial and office development. The project is completed and various commercial units and car parking spaces are vacant for sale.	Guangdong	1	207,100,000	207,100,000	MCP-C: 60,000-140,000 MCP-CPS: 430,000-480,000
2	Guangzhou Asia Pacific Century Plaza	The project is located at the northern side of Tianhe North Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project is being developed into a commercial development. The project is under construction.	Guangdong	59	2,528,500,000	2,528,500,000	GDV: 6,537,500,000 MCP-O: 38,000-43,000 MCP-C: 45,000-60,000 Rent-A: 145-160 MCP-CPS: 350,000-420,000 CR-A: 5%
3	Guangzhou Starry Golden Sands	The project is located at the northern side of Huatang Street and the eastern side of Chunman Street. The locality of the project is a well-developed residential area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various residential and commercial units and car parking spaces are vacant for sale.	Guangdong	2	191,100,000	191,100,000	MCP-R: 11,000-13,000 MCP-C: 10,000-16,000 MCP-CPS: 180,000-200,000

Project No.	Project Name	Brief Description of the Project	Province/ Municipality	Ref. to Property Nos.	Market Value in existing state as at the valuation date *(RMB)*	Market Value Attributable to the Group as at the valuation date *(RMB)*	Valuation Parameter
4	Yuexiu Financial Building	The project is located at No.28 Zhujiang East Road. The locality of the project is a well-developed commercial area served with public facilities and transportation. The project had been developed into a commercial and office building. The project is completed and held for investment except Level 31 which is held for self-occupied.	Guangdong	110, 158	6,772,900,000	6,434,260,000	Rent-O: 180-200 Rent-C: 450-500 Rent-CPS: 300-350 CR-O: 4.5% CR-C: 4.75% CR-CPS: 3.75%
5	Springland Garden	The project is located at the western side of Baogang Avenue and the northern side of Nantai Road. The locality of the project is a well-developed residential area served with public facilities and transportation. The project is being developed into a residential and commercial development. Portions of the project are completed and various residential and commercial units and car parking spaces are vacant for sale, a commercial unit and various car parking spaces are held for investment, whilst the remaining portion of the project is under construction.	Guangdong	3, 60, 111	217,400,000	217,400,000	GDV: 203,300,000 MCP-R: 46,000-54,000 MCP-C: 34,000-48,000 MCP-CPS: 270,000-350,000 Rent-C: 185-210 CR-C: 4.5%
6	New Times Project	The project is located at the western side of Jianshe San Road. The locality of the project is a well-developed residential area served with public facilities and transportation. The project is being developed into a composite development in two phases. Phase I is completed and various office units are self-occupied, whilst Phase II is bare land.	Guangdong	94, 159	649,200,000	292,140,000	MCP-O: 17,000-20,000 MVP-AV: 30,000-35,000

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7	Guangzhou Starry Haizhu Bay	The project is located at the western side of Guangzhi East Road. The locality of the project is a well-developed residential area served with public facilities and transportation. The project is being developed into a composite development in 3 phases. Portions of Phases I are completed and various commercial and office units are vacant for sale, the remaining portion of Phase I and Phase II are under construction, whilst Phase III is bare land.	Guangdong	4, 61, 95	17,779,800,000	8,656,990,000	GDV: 17,230,800,000 MCP-AV: 17,500-21,000 MCP-R: 46,000-55,000 MCP-O: 33,500-42,000 MCP-C: 38,000-63,000 MCP-CPS: 330,000-420,000
8	Guangzhou Starry Golden Sands Garden	The Project is located at the northern side of Kangyuan Road. The locality of the project is a newly developed residential area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various residential, commercial units and car parking units are vacant for sale.	Guangdong	5	160,800,000	160,800,000	MCP-R: 24,000-38,000 MCP-C: 20,000-34,000 MCP:CPS: 180,000-300,000
9	Guangzhou Lingnan Villas	The project is located at the southern side of Kaiyuan Avenue. The locality of the project is a newly-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various residential, commercial units and car parking spaces are vacant for sale.	Guangdong	6	149,700,000	142,930,000	MCP-R: 14,000-16,000 MCP-C: 26,000-32,000 MCP-CPS: 90,000-150,000

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10	Guangzhou Starry Sky City	The project is located at the northern side of Tongbao Road. The locality of the project is a well-developed residential area served with public facilities and transportation. The project is being developed into a residential and commercial development. Portions of the property are completed and various residential units are vacant for sale, whilst the remaining portion of the project is under construction.	Guangdong	7, 62	13,355,100,000	6,799,080,000	GDV: 14,971,600,000 MCP-R: 32,000-42,000 MCP-C: 37,000-46,000 MCP-CPS: 240,000-290,000
11	Conghua Glade Village	The project is located at the northern side of Guangzhou-Conghua North Road and the southern side of Yiquan Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various residential and car parking spaces are vacant for sale and various residential and commercial units are self-occupied.	Guangdong	8, 160	147,700,000	147,330,000	MCP-R: 20,000-29,000 MCP-C: 10,000-16,000 MCP-CPS: 230,000-330,000
12	Huadu Glade Greenland	The project is located at the northern side of Taiping West Road. The locality of the project is a newly-developed residential area served with public facilities and transportation. The project had been developed into a residential development. The project is completed and various car parking spaces are vacant for sale.	Guangdong	9	14,600,000	14,600,000	MCP-CPS: 80,000-100,000

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13	Conghua Yiquan Yingcui	The project is located at the northern side of Yingbin Avenue. The locality of the project is a well-developed residential area served with public facilities and transportation. The project had been developed into a residential development. The project is completed and various car parking spaces are vacant for sale.	Guangdong	10	33,500,000	31,990,000	MCP-CPS: 80,000-100,000
14	Guangzhou Starry Cullian	The project is located at the eastern side of Haiye Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential development. The project is completed and various residential units and car parking spaces are vacant for sale.	Guangdong	11	373,300,000	354,640,000	MCP-R: 58,000-71,000 MCP-CPS: 410,000-450,000
15	Starry Wenhua	The project is located at the eastern side of Lide Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential development. The project is completed and various residential units and car parking spaces are vacant for sale.	Guangdong	12	240,100,000	228,100,000	MCP-R: 35,000-41,000 MCP-CPS: 180,000-230,000

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16	Paradiso Riverside	The project is located at the eastern side of Nanhuan Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a composite development. The project is completed and various residential, commercial and office units and car parking spaces are vacant for sale.	Guangdong	13	540,100,000	513,100,000	MCP-R: 14,000-21,000 MCP-C: 15,000-22,000 MCP-O: 11,000-18,000 MCP-CPS: 120,000-180,000
17	Lingnan Hillside	The project is located at the western side of Kaichuang Avenue. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential development. The project is completed and various residential units and car parking spaces are vacant for sale.	Guangdong	14	240,200,000	228,190,000	MCP-R: 14,000-22,000 MCP-CPS: 130,000-190,000
18	Paradiso Sunshine	The project is located at the western side of Dexin Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various commercial units and car parking spaces are vacant for sale.	Guangdong	15	105,300,000	100,040,000	MCP-C: 15,000-22,000 MCP-CPS: 120,000-180,000

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19	Jiang Nan Garden	The project is located at the western side of Xingyuan Avenue. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential development. The project is completed and various residential units and car parking spaces are vacant for sale.	Guangdong	16	58,100,000	55,200,000	MCP-R: 43,000-62,000 MCP-CPS: 250,000-320,000
20	Jiang Nan New Mansion	The project is located at the eastern side of Dongxiao South Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various residential and commercial units and car parking spaces are vacant for sale, whilst various car parking spaces are held for investment.	Guangdong	17, 112	62,430,000	59,310,000	MCP-R: 43,000-62,000 MCP-C: 10,000-31,000 MCP-CPS: 250,000-320,000
21	Paradiso Homeland	The project is located at the eastern side of Baogang Avenue. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential development. The project is completed and various residential units and car parking spaces are vacant for sale.	Guangdong	18	87,100,000	82,750,000	MCP-R: 43,000-62,000 MCP-CPS: 250,000-360,000

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22	Paradiso Garden	The project is located at the eastern side of Xingyuan Avenue. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential development. The project is completed and various residential units and car parking spaces are vacant for sale.	Guangdong	19	7,500,000	7,130,000	MCP-R: 43,000-62,000 MCP-CPS: 250,000-380,000
23	Paradiso Courtyard	The project is located at the southern side of Nantian Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential development. The project is completed and various car parking spaces are vacant for sale.	Guangdong	20	4,500,000	4,280,000	MCP-CPS: 280,000-360,000
24	Starry Wenhan	The project is located at the eastern side of Fengmao Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential development. The project is completed and various car parking spaces are vacant for sale.	Guangdong	21	92,500,000	87,880,000	MCP-CPS: 180,000-230,000

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25	Starry Wenyu	The project is located at the western side of Mingzhi Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential development. The project is completed and various car parking spaces are vacant for sale.	Guangdong	22	112,700,000	107,070,000	MCP-CPS: 180,000-230,000
26	Starring Winking	The project is located at the southern side of Huaming Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various car parking spaces are vacant for sale.	Guangdong	23	58,700,000	55,770,000	MCP-CPS: 300,000-390,000
27	Tong De Phase II	The project is located at the eastern side of Xicha Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various residential and commercial units and car parking spaces are vacant for sale.	Guangdong	24	41,000,000	38,950,000	MCP-R: 30,000-36,000 MCP-C: 28,000-34,000 MCP-CPS: 180,000-260,000

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28	Zhongshan Paradiso Jadin	The project is located at the western side of Baogang. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various residential units and car parking spaces are vacant for sale.	Guangdong	25	11,200,000	10,640,000	MCP-R: 43,000-62,000 MCP-CPS: 250,000-360,000
29	Zi Dan Ge	The project is located at the eastern side of Zidan Avenue. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential development. The project is completed and various residential units and car parking spaces are vacant for sale.	Guangdong	26	14,600,000	13,870,000	MCP-R: 43,000-62,000 MCP-CPS: 250,000-360,000
30	Huang Stone Garden	The project is located at the northern side of Huang Stone East Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and a commercial building and 74 car parking spaces are held for investment.	Guangdong	113	100,500,000	95,480,000	MCP-CPS: 170,000-210,000 Rent-C: 32-39 CR-C: 4.5%

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31	Guangzhou Haizhu Nanzhou Road Land Project	The project is located at the southern side of Nanzhou Road. The locality of the project is a newly-developed residential area served with public facilities. The project is being developed into a residential development. The project is under construction.	Guangdong	63	3,060,500,000	2,907,480,000	GDV: 5,458,200,000 MCP-R: 34,000-55,000 MCP-CPS: 300,000-350,000
32	Several units located at Tiyu West Heng Street	The project is located at Tiyu Hengjie of Tiyu Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project is completed and various commercial units is self-occupied.	Guangdong	161	41,600,000	40,770,000	MCP-C: 30,000-35,000
33	Several units located at Nos.497 and 483 Huanshi Avenue	The project is located at Nos.497 and 483 Huanshi Avenue. The locality of the project is a newly-developed residential and commercial area served with public facilities and transportation. The project had been developed into a commercial and residential development. The project is completed and various commercial and residential units are self-occupied.	Guangdong	162	7,200,000	7,060,000	MCP-R: 21,000-23,500 MCP-C: 15,000-17,000
34	Shi Min Building	The project is located at the eastern side of Xiwan Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into an office development. The project is completed and this office building is self-occupied.	Guangdong	163	31,400,000	29,830,000	MCP-O: 16,000-18,500

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35	Fortune Plaza	The project is located at the eastern side of Tiyu East Road. The locality of the project is a well-developed commercial area served with public facilities and transportation. The project had been developed into a commercial. The project is completed and various car parking spaces are held for investment.	Guangdong	114	31,800,000	30,210,000	MCP-CPS: 300,000-320,000
36	City Development Plaza	The project is located at the northern side of Tianhe Road. The locality of the project is a well-developed commercial area served with public facilities and transportation. The project had been developed into an office development. The project is completed and various car parking spaces are held for investment.	Guangdong	115	42,300,000	40,190,000	MCP-CPS: 270,000-310,000
37	White Horse Commercial Building	The project is located at the eastern side of Zhannan Road. The locality of the project is a well-developed commercial area served with public facilities and transportation. The project had been developed into a commercial and office development. The project is completed and various car parking spaces are held for investment.	Guangdong	116	19,000,000	19,000,000	Rent-CPS: 650-850 CR-CPS: 3.75%

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38	Guang Yuan Cultural Centre	The project is located at the northern side of Jingtai Commercial Pedestrian Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a commercial building. The project is completed and is held for investment.	Guangdong	117	—	—	–
39	Guang Yuan Xin Cun	The project is located at Nos. 1109-1113 Guangyuan Middle Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a commercial and residential development. The project is completed and various commercial units are held for investment.	Guangdong	118	8,870,000	8,430,000	Rent-C: 105-120 CR-C: 4.5%
40	Li Yuan Building	The project is located at the northern side of Guava Bridge Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a commercial and residential development. The project is completed and 4 residential units are held for investment.	Guangdong	119	no commercial value	no commercial value	—

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41	Shui Yin Gang	The project is located at the eastern side of Inner Loop Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a commercial and residential development. The project is completed and a commercial unit is held for investment.	Guangdong	120	4,240,000	4,030,000	Rent-C: 100-115 CR-C: 4.5%
42	Nan Kang Court	The project is located at the eastern side of Baogang Avenue. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential development. The project is completed and a commercial unit is held for investment.	Guangdong	121	1,610,000	1,530,000	Rent-C: 46-55 CR-C: 4.5%
43	Nan Tian Court	The project is located at the eastern side of Xingyuan Avenue. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and 3 commercial units are held for investment.	Guangdong	122	2,630,000	2,500,000	Rent-C: 46-58 CR-C: 4.5%

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44	Phase III of Jiang Nan Xin Cun	The project is located at the eastern side of Ziyu Avenue. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and a commercial unit is held for investment.	Guangdong	123	1,010,000	960,000	Rent-C: 210-225 CR-C: 4.5%
45	Blocks 2-11,2-12 of Phase IV of Jiang Nan Xin Cun	The project is located at the eastern side of Xin Lin Da Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various commercial units are held for investment.	Guangdong	124	no commercial value	no commercial value	—
46	Tian He West Residential 1-3	The project is located at the southern side of Tianhe North Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various commercial units are held for investment.	Guangdong	125	19,590,000	18,610,000	Rent-C: 86-92 CR-C: 4.5%

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47	Tian He South Residential 9-20	The project is located at the northern side of Tiyu East Heng Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various commercial units are held for investment.	Guangdong	126	20,010,000	19,010,000	Rent-C: 110-125 CR-C: 4.5%
48	Tian Hui Court	The project is located at the eastern side of Tianhe East Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various commercial units are held for investment.	Guangdong	127	33,710,000	32,020,000	Rent-C: 60-80 CR-C: 4.75%
49	Gold Arch Residence	The project is located at the eastern side of Pazhou Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and a car parking space is held for investment.	Guangdong	128	350,000	330,000	MCP-CPS: 330,000-360,000

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50	Tian He South Residential 9-14, 15 and 16	The project is located at the northern side of Tiyu East Heng Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various commercial units are held for investment.	Guangdong	129	52,230,000	49,620,000	Rent-C: 140-152 CR-C: 4.5%
51	Blocks A, B and C of Hui Ya Court	The project is located at the western side of Linhe East Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various car parking spaces are held for investment.	Guangdong	130	53,930,000	51,230,000	MCP-CPS: 230,000-280,000
52	Zone 4 of Tian He South Residential Area	The project is located at the northern side of Tiyu East Heng Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into an office building. The project is completed and is held for investment.	Guangdong	131	76,680,000	72,850,000	Rent-O: 50-63 Rent-CPS: 920-950 CR-O: 4.75% CR-CPS: 3.75%

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53	Chao Hui Commercial Centre	The project is located at the western side of Tianshou Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into an office and commercial development. The project is completed and various commercial units are held for investment.	Guangdong	132	8,010,000	7,610,000	Rent-C: 76-84 CR-C: 4.75%
54	Cheng Zong Building	The project is located at the northern side of Baqi Second Road. The locality of the project is a well-developed commercial area served with public facilities and transportation. The project had been developed into an office development. The project is completed and various office units are held for investment.	Guangdong	133	48,880,000	46,440,000	Rent-O: 60-80 CR-O: 4.75%
55	Fortuna Garden	The project is located at the eastern side of Inner Ring Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential development. The project is completed and 56 car parking spaces are held for investment.	Guangdong	134	21,600,000	20,520,000	MCP-CPS: 360,000-400,000

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56	Dragons Pearl Garden	The project is located at the northern side of Julong Avenue. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential development. The project is completed and 5 car parking spaces are held for investment.	Guangdong	135	1,800,000	1,710,000	MCP-CPS: 330,000-380,000
57	A building located at Er Sha District 11	The project is located at the northern side of Yanyu South Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a comprehensive development. The project is completed and a building is held for investment.	Guangdong	136	61,490,000	58,420,000	Rent-C: 90-100 CR-C: 6.5%
58	Ming Ya Yuan	The project is located at the northern side of Huawen Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential development. The project is completed and various car parking spaces are held for investment.	Guangdong	137	95,500,000	90,730,000	MCP-CPS: 250,000-310,000

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59	Building H1 and 4 located at Jiangnan Central Avenue	The project is located at the southern side of Zilai Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a commercial development. The project is completed and various commercial units are held for investment.	Guangdong	138	23,700,000	22,520,000	Rent-C: 100-125 CR-C: 4.5%
60	Tian Jun Court	The project is located at the northern side of Tianhe Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various car parking spaces are held for investment.	Guangdong	139	31,900,000	30,310,000	MCP-CPS: 250,000-300,000
61	Tong De Wei	The project is located at the western side of Xicha Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and 2 commercial units are held for investment.	Guangdong	140	8,790,000	8,350,000	Rent-C: 48-53 CR-C: 4.5%

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62	Er Sha Dao International Badminton Training Center	The project is located at the northern side of Yanyu South Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a commercial building. The project is completed and is held for investment.	Guangdong	141	49,070,000	46,620,000	Rent-C: 48-55 CR-C: 6.5%
63	Xing Hui International	The project is located at the southern side of Jinsui Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into an office and commercial development. The project is completed and 3 car parking spaces are held for investment.	Guangdong	142	840,000	840,000	MCP-CPS: 250,000-300,000
64	Nos. 16, 18, 20 and 22 Ti Yu East Heng Street	The project is located at the southern side of Tiyu East Heng Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a commercial development. The project is completed and a commercial unit is held for investment.	Guangdong	143	25,370,000	24,760,000	Rent-C: 350-368 CR-C: 4.5%

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65	Liu Yun Residential Community	The project is located at the northern side of Liuyunliu Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential development. The project is completed and a residential unit is held for investment.	Guangdong	144	1,010,000	990,000	Rent-R: 87-98 CR-R: 3.5%
66	Several units located at Nos. 401 and 403 Lin He Street of Tian He North Road	The project is located at the western side of Linlezhi Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a commercial development. The project is completed and 2 commercial units are held for investment.	Guangdong	145	2,400,000	2,340,000	Rent-C: 410-460 CR-C: 4.5%
67	Jun Hui Building	The project is located at the western side of Tiyu West Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a commercial development. The project is completed and 2 commercial units are held for investment.	Guangdong	146	12,600,000	12,300,000	Rent-C: 590-620 CR-C: 4.5%

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68	No.162 Jiang Nan Central Avenue	The project is located at the northern side of Jiangnan West Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a commercial development. The project is completed and various commercial units are held for investment.	Guangdong	147	55,680,000	54,340,000	Rent-C: 450-500 CR-C: 4.5%
69	Ke Yi Ming Ting	The project is located at the eastern side of Baogang Avenue. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a commercial development. The project is completed and 3 commercial units are held for investment.	Guangdong	148	40,690,000	39,710,000	Rent-C: 145-160 CR-C: 4.5%
70	Nos. 1-3 Tian He North Road	The project is located at the northern side of Tianhe North Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into an office building. The project is completed and is held for investment.	Guangdong	149	61,100,000	60,260,000	Rent-O: 73-78 CR-O: 4.75%

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71	No. 55 Pan Fu Road	The project is located at the western side of Panfu Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a commercial development. The project is completed and various commercial units are held for investment.	Guangdong	150	no commercial value	no commercial value	—
72	Tian He Southern Residential 9-21	The project is located at the northern side of Tiyu East Heng Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various commercial units are held for investment.	Guangdong	151	4,400,000	4,320,000	Rent-C: 140-152 CR-C: 4.5%
73	No. 11 South Second Street of Si You New Road	The project is located at the southern side of Siyouxin Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into an office and commercial development. The project is completed and various car parking spaces are held for investment.	Guangdong	152	71,800,000	71,130,000	MCP-CPS: 280,000-330,000

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74	Galaxy City	The project is located at the southern side of Jinsui Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various commercial units are held for investment.	Guangdong	153	15,800,000	15,800,000	Rent-C: 100-120 CR-C: 4.5%
75	Xiang Kang Commercial Building	The project is located at the northern side of Yellowstone East Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into an office and commercial building. The project is completed and is held for investment.	Guangdong	154	603,800,000	603,800,000	Rent-C: 630-660 Rent-O: 73-82 Rent-CPS: 550-700 CR-C: 7% CR-O: 5% CR-CPS: 3.75%
76	Bing Jiang Yi Yuan	The project is located at the western side of Hongmei Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential development. The project is completed and 9 car parking spaces are held for investment.	Guangdong	155	3,500,000	3,330,000	MCP-CPS: 360,000-400,000

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77	Yue Xiu City Plaza	The project is located at the eastern side of Cangbian Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into an office development. The project is completed and 6 car parking spaces are held for investment.	Guangdong	156	2,100,000	1,580,000	MCP-CPS: 330,000-380,000
78	Nansha Southern Le Sand I-V and VIII	The project is located at the eastern side of Haibin Road and the western side of Huanshi Avenue Middle. The locality of the project is a newly-developed residential and commercial area served with public facilities and transportation. The project had been developed into a composite development in eight phases. The project is completed and various residential, commercial and office units and car parking spaces are vacant for sale, whilst the Sheraton Guangzhou Nansha Hotel began operation in 2017.	Guangdong	27, 164	1,451,700,000	1,386,080,000	MCP-R: 21,000-25,000 MCP-C: 17,000-22,000 MCP-O: 13,000-16,000 MCP-CPS: 160,000-180,000 Average Daily Room Rate: RMB645 for year 1 Discount Rate for Hotel: 8.5% Capitalization Rate for Hotel: 5%

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79	Nansha Southern Le Sand IX	The project is located at the southern side of Shuangshan Avenue and western side of Jinlong Road. The locality of the project is a well-developed residential area served with public facilities and transportation. The project is being developed into a residential and commercial development. Portions of the project are completed and various residential, commercial and office units and car parking spaces are vacant for sale, whilst the remaining portion of the project is under construction.	Guangdong	28, 64	1,346,300,000	1,285,450,000	GDV: 654,800,000 MCP-R: 26,000-30,000 MCP-C: 25,000-30,000 MCP-O:16,000-18,000 MCP-CPS: 110,000-130,000
80	Nansha Southern Le Sand VII	The project is located at the northern side of Shuangshan Avenue and the western side of Jinlong Road. The locality of the project is a well-developed residential area served with public facilities and transportation. The project is being developed into a composite development. Portions of the project are completed and various office and commercial units are vacant for sale, portions of the project are under construction, whilst the remaining portion of the project is bare land.	Guangdong	29, 65, 96	6,562,500,000	6,265,880,000	GDV: 4,884,600,000 MCP-AV: 5,000-7,000 MCP-C: 17,500-38,000 MCP-R: 25,000-27,000 MCP-O:17,500-38,500 MCP-CPS: 110,000-130,000

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81	Nansha Binhai New Town X	The project is located at the western side of Jinsha Road and the southern side of Huanshi Avenue North. The locality of the project is a newly-developed residential area served with public facilities and transportation. The project is being developed into a residential and commercial development. Portions of the project are under construction whilst the remaining portion of the project is bare land.	Guangdong	66, 97	8,120,900,000	7,714,860,000	GDV: 10,093,100,000 MCP-AV: 9,000-11,000 MCP-R: 16,000-20,000 MCP-C: 18,000-22,000 MCP-CPS: 100,000-140,000
82	Nansha Lingshan Island Land I	The project is located at the southern side of Guangfo Road and the western side of Yanbu Avenue. The locality of the project is a newly-developed residential area served with public facilities and transportation. The project will be developed into a commercial development. The project is bare land.	Guangdong	98	1,128,400,000	1,128,400,000	MCP-AV: 6,000-7,000
83	Nansha Lingshan Island Land II	The project is located at the western side of Miaonan Road and the northern side of Xiti Road. The locality of the project is a newly-developed residential area served with public facilities and transportation. The project will be developed into a residential and commercial development. The project is bare land.	Guangdong	108	No commercial value	No commercial value	—

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84	Guangzhou Lingnan Wood	The project is located at the southern side of Yongshun Avenue. The locality of the project is a newly-developed residential area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various commercial and car parking spaces are vacant for sale.	Guangdong	30	221,500,000	105,740,000	MCP-R: 10,000-13,000 MCP-CPS: 90,000-150,000
85	Guangzhou Yuexiu Poly Aite City	The project is located at the southern side of Yunpu Yi Road. The locality of the project is a well-developed residential area served with public facilities and transportation. The project is being developed into a residential and commercial development in two phases. Phase I is completed and various residential and commercial units and car parking spaces are vacant for sale, whilst Phase II is under construction.	Guangdong	31, 67	6,541,800,000	3,123,060,000	GDV: 5,961,500,000 MCP-R: 25,000-28,000 MCP-C: 20,000-30,000 MCP-CPS: 100,000-135,000
86	Guangzhou Yuexiu Greenland Haiyue	The project is located at the southwestern side of Gongye Middle Avenue. The locality of the project is a newly-developed residential area served with public facilities and transportation. The project is being developed into a residential and commercial development. Portions of the project are completed and various commercial units are vacant for sale, whilst the remaining portion of the project is under construction.	Guangdong	32, 68	5,494,500,000	2,623,070,000	GDV: 5,783,300,000 MCP-R: 50,000-52,000 MCP-C: 30,000-70,000 MCP-CPS: 330,000-380,000

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87	Nanhai Starry Winking	The project is located at the eastern side of Nanhai Avenue and the southern side of Nangui East Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various residential and car parking spaces are vacant for sale whilst various commercial and office units are held for investment.	Guangdong	33, 157	1,522,000,000	1,522,000,000	MCP-R: 19,000-20,000 MCP-CPS: 180,000-210,000 Rent-C: 150-180 Rent-O: 60-75 CR-C: 5% CR-O: 5%
88	Foshan Lingnan Junting	The project is located at the southern side of Tongji Road. The locality of the project is a well-developed residential area served with public facilities and transportation. The project is being developed into an commercial and office development in four phases. Phases II and III are completed and various residential and commercial units and car parking spaces are vacant for sale, Phase I is under construction, whilst Phase IV is bare land.	Guangdong	34, 69, 99	667,100,000	633,760,000	GDV: 67,900,000 MCP-AV: 5,700-6,500 MCP-O: 14,000-16,000 MCP-C: 20,000-25,000 MCP-CPS: 160,000-180,000

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89	Foshan Paradiso Power	The project is located at the northern side of Foping Road and the eastern side of Shidongshang Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various residential and commercial units and car parking spaces are vacant for sale.	Guangdong	35	332,400,000	309,460,000	MCP-R: 15,000-17,000 MCP-C: 16,000-25,000 MCP-CPS: 120,000-180,000
90	Foshan Longfor Yuexiu Cloud Mansion	The project is located at the western side of Chao'an Road. The locality of the project is a newly-developed residential area served with public facilities. The project is being developed into a residential and commercial development. The project is under construction.	Guangdong	70	749,600,000	348,940,000	GDV: 1,351,300,000 MCP-R: 22,000-26,000 MCP-CPS: 160,000-220,000
91	Jiangmen Starry Regal Court	The project is located at the southern side of Jiangqiao Road. The locality of the project is a well-developed residential area served with public facilities and transportation. The project is being developed into a residential and commercial development in four phases. Phases I to III are completed and various residential units and car parking space are vacant for sale, whilst Phase IV is under construction.	Guangdong	36, 71	371,400,000	352,840,000	GDV: 340,000,000 MCP-C: 9,000-11,000 MCP-R: 9,500-15,000 MCP-CPS: 120,000-160,000

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92	Jiangmen Xijiang Joy Mansion	The project is located at the Intersection of Gantang Road and Baishi Avenue. The locality of the project is a well-developed residential area served with public facilities and transportation. The project is being developed into a residential and commercial development. Portions of the project are completed and various residential and commercial units are vacant for sale, whilst the remaining portion of the project is under construction.	Guangdong	37, 72	517,800,000	240,310,000	GDV: 491,800,000 MCP-R: 10,000-15,000 MCP-C: 18,000-25,000 MCP-CPS: 120,000-160,000
93	Jiangmen Starry Mansion	The project is located at the intersection of Jiangqiao Road and Fengle Road. The locality of the project is a well-developed residential area served with public facilities and transportation. The project is being developed into a residential and commercial development. Portions of the project are completed and various residential and commercial units and car parking spaces are vacant for sale, whilst the remaining portion of the project is under construction.	Guangdong	38, 73	250,900,000	239,360,000	GDV: 63,600,000 MCP-R: 10,000-12,000 MCP-C: 15,000-23,000 MCP-CPS: 120,000-160,000

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94	Jiangmen Xijiang Mansion	The project is located at the eastern side of Yangbianli Road and northern side of Baishi Avenue. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. Portions of the project are completed and various residential and commercial units and car parking spaces are vacant for sale whilst the remaining portion of the project is under construction.	Guangdong	39, 74	202,000,000	90,070,000	GDV: 28,200,000 MCP-C: 18,000-20,000 MCP-R: 11,000-13,000 MCP-CPS: 120,000-130,000
95	Jiangmen Yuexiu Binjiang City Glory	The project is located at the southeast corner of Jiangmen Avenue and Huasheng Road. The locality of the project is a newly-developed residential area served with public facilities and transportation. The project is being developed into a residential and commercial development in two phases. Phase I and portions of Phase II are under construction whilst the remaining portion of Phase II is bare land.	Guangdong	75, 100	890,300,000	422,900,000	GDV: 1,852,100,000 MCP-AV: 1,900-2,100 MCP-R: 13,000-15,000 MCP-O: 8,500-9,500 MCP-C: 18,000-28,000 MCP-CPS: 110,000-150,000
96	Heshan Starry Regal Court	The project is located at Yayao Dagang Village. The locality of the project is a newly-developed residential area served with public facilities. The project is being developed into a residential and commercial development. The project is under construction.	Guangdong	76	1,661,600,000	1,578,520,000	GDV: 3,000,600,000 MCP-R: 7,500-9,000 MCP-C: 12,500-18,000 MCP-CPS: 90,000-120,000

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97	No.109 of No.66 of Beihuan Road	The project is located at No.66 of Beihuan Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project is completed and a residential unit and a commercial unit are self-occupied.	Guangdong	165	2,900,000	2,850,000	MCP-R: 10,000-13,000 MCP-C: 11,000-19,000
98	Greenhouse Golf 5th building	The project is located on Beihuan Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project is completed and 2 residential units are self-occupied.	Guangdong	166	3,700,000	3,520,000	MCP-R: 10,000-13,000
99	Zhongshan Starry Winking	The project is located at No. 25 Xingnan Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development in three phases. The project is completed and various residential units and car parking spaces are vacant for sale.	Guangdong	40	51,200,000	48,640,000	MCP-R: 6,700-7,000 MCP-CPS: 85,000-90,000

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100	Zhongshan Starry Peakfield	The project is located at the southern side of Bo Ai road. The locality of the project is a newly-developed residential area served with public facilities and transportation. The project is being developed into a residential and commercial development in four phases. Phases I to III are completed and various residential and commercial units and car parking spaces are vacant for sale, whilst Phase IV is under construction.	Guangdong	41, 77	1,339,700,000	1,272,720,000	GDV: 1,759,300,000 MCP-R: 12,000-15,000 MCP-C: 20,000-29,000 MCP-CPS: 100,000-150,000
101	Zhongshan Starry Junting	The project is located at No. 32 Qiguanxi Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various commercial and car parking spaces are vacant for sale.	Guangdong	42	15,100,000	15,100,000	MCP-C: 7,000-9,000 MCP-CPS: 110,000-130,000
102	Zhongshan Paradiso Jadin	The project is located at the western side of Tanbei. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development in four phases. The project is completed and various residential and commercial units and car parking spaces are vacant for sale.	Guangdong	43	90,900,000	90,900,000	MCP-R: 7,000-9,000 MCP-C: 7,000-9,000 MCP-CPS: 73,000-76,000

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103	Hainan Simapo Island Land	The project is located in the Simapo Island. The locality of the project is a newly-developed area with a great natural view. The project will be developed into a composite development. The project comprise a parcel of land and several old buildings erected thereon which will be demolished as advised by the Group.	Hainan	101	4,585,000,000	2,177,880,000	MCP-AV: 7,000 - 11,000
104	Suzhou Paradiso Pavilion	The project is located at No. 588 Huaji Road, Huaqiao Town. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development in three phases. The project is completed and various residential and commercial units are vacant for sale.	Jiangsu	44	66,800,000	32,360,000	MCP-R: 7,300-7,600 MCP-C: 9,000-12,000
105	Suzhou Starry Pavilion	The project is located at No. 999 Shangyin Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various residential units are vacant for sale.	Jiangsu	45	7,600,000	3,680,000	MCP-R: 25,000-27,000

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106	Hangzhou Starry City	The project is located in the Qingshan Lake Science and Technology City. The locality of the project is a newly-developed residential area served with public facilities and transportation. The project is being developed into a composite development. Portions of the project are completed and various residential, commercial and office units are vacant for sale and a hotel building is held for operation, portions of the project are under construction, whilst the remaining portion of the project is bare land.	Zhejiang	46, 78, 102, 167	6,572,300,000	6,572,300,000	GDV: 5,830,100,000 MCP-AV for residential: 6,500-8,200 MCP-AV for commercial: 2,000-3,500 MCP-R: 15,000-17,000 MCP-C: 18,500-21,000 MCP-O: 9,000-11,000 Average Daily Room Rate: RMB600 for year 1 Discount Rate for hotel: 8.5% Capitalization Rate for hotel: 5%
107	Hangzhou Qinaili Lane	The project is located at the eastern side of Jiuhuan Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various residential and commercial units are vacant for sale.	Zhejiang	47	35,700,000	33,930,000	MCP-R: 30,000-35,000 MCP-C: 37,000-40,000
108	Hangzhou Lake & Mountain	The project is located at the intersection of Qianjin avenue and Wanghu road. The locality of the project is a newly-developed residential area served with public facilities. The project is being developed into a residential development. The project is under construction.	Zhejiang	79	1,782,000,000	1,692,900,000	GDV:2,954,200,000 MCP-R: 17,000-18,500 MCP-CPS: 150,000-160,000

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109	Hangzhou Joy Mountain	The project is located at the southern side of Yinghe Road and the eastern side of Xinguo Road. The locality of the project is a newly-developed residential area served with public facilities. The project is being developed into a residential and commercial development. The project is under construction.	Zhejiang	80	1,661,100,000	650,820,000	GDV: 3,030,600,000 MCP-R: 16,000-28,500 MCP-C: 37,000-40,000
110	Hangzhou Joy Bay	The project is located at the southwestern side of the junction of Sanguantang Road and Jianhua Road. The locality of the project is a newly-developed residential area served with public facilities. The project is being developed into a residential and commercial development in two phases. The project is under construction.	Zhejiang	81	7,010,500,000	3,396,590,000	GDV: 10,158,300,000 MCP-R: 38,000-55,000 MCP-C: 45,000-55,000
111	Hangzhou Garden 1872	The project is located at the northern side of Xintang Road. The locality of the project is a newly-developed residential area served with public facilities and transportation. The project is being developed into a residential and commercial development in three phases. Phase I is under construction whilst Phases II and III are bare land.	Zhejiang	82, 103	7,296,200,000	3,580,970,000	GDV: 3,589,500,000 MCP-AV: 25,000-30,000 MCP-R: 40,000-41,500 MCP-C: 47,000-50,000

Project No.	Project Name	Brief Description of the Project	Province/ Municipality	Ref. to Property Nos.	Market Value in existing state as at the valuation date *(RMB)*	Market Value Attributable to the Group as at the valuation date *(RMB)*	Valuation Parameter
112	Suzhou Taicang Xiangdong Island Land	The project is located at No.1 Fuda Road. The locality of the project is a newly-developed residential area served with public facilities and transportation. The project is being developed into a residential and commercial development in five phases. Phase IV is under construction whilst Phases V to VIII are bare land.	Jiangsu	83, 104	5,444,100,000	2,585,950,000	GDV: 3,376,800,000 MCP-AV: 7,500-8,800 MCP-R: 17,000-22,000 MCP-C: 24,000-30,000 MCP-CPS: 120,000-150,000
113	Suzhou Yuefu Mansion	The project is located at the southern side of Wengu Road. The locality of the project is a well-developed residential area served with public facilities and transportation. The project is being developed into a residential and commercial development. The project is under construction.	Jiangsu	84	1,917,200,000	1,821,340,000	GDV: 3,561,600,000 MCP-R: 23,000-28,000 MCP-C: 30,000-40,000
114	Wuhan Starry Emperor	The project is located at the northern side of Hexie Avenue and the western side of Huasheng Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a composite development in three phases. The project is completed and various commercial and office units are vacant for sale.	Hubei	48	192,300,000	183,610,000	MCP-C: 28,000-35,000 MCP-O: 8,000-13,000

Project No.	Project Name	Brief Description of the Project	Province/ Municipality	Ref. to Property Nos.	Market Value in existing state as at the valuation date *(RMB)*	Market Value Attributable to the Group as at the valuation date *(RMB)*	Valuation Parameter
115	Wuhan International Financial City	The project is located at the junction of Jiefang Avenue and Xinhua Road. The locality of the property is a well-developed residential and commercial area served with public transportation. The project is being developed into a composite development in five phases. Phases I, II and IV are completed and various residential and commercial units and car parking spaces are vacant for sale, whilst Phases III and V are under construction.	Hubei	49, 85	10,771,800,000	10,733,020,000	GDV: 11,020,000,000 MCP-AV: 11,000-14,000 MCP-R: 35,000-37,000 MCP-C: 40,000-60,000 MCP-CPS: 350,000-400,000
116	Wuhan Starry Mountain	The project is located at No.259 Zhongbei Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a commercial development. The project is completed and various commercial units are vacant for sale.	Hubei	50	213,500,000	109,780,000	MCP-C: 28,000-45,000
117	Wuhan Starry Bay	The project is located at the intersection of Huizhan Bei'er Street and Jiangdi Middle Street. The locality of the project is a well-developed residential area served with public facilities. The project is being developed into a commercial development. The project is under construction.	Hubei	86	452,500,000	429,880,000	GDV: 938,300,000 MCP-C: 14,000-17,000

Project No.	Project Name	Brief Description of the Project	Province/ Municipality	Ref. to Property Nos.	Market Value in existing state as at the valuation date *(RMB)*	Market Value Attributable to the Group as at the valuation date *(RMB)*	Valuation Parameter
118	Wuhan Yuexiu Paradiso Mansion	The project is located at the southern side of Middle Machi Road and the western side of East Aoyuan Road. The locality of the project is a newly-developed residential area served with public facilities. The project is being developed into a residential development. The project is under construction.	Hubei	87	245,600,000	119,580,000	GDV: 470,800,000 MCP-R: 14,500-17,000
119	Wuhan Caidian Land I	The project is located at the eastern side of Wenxing Road and the northern side of Hanle Road. The locality of the project is a well-developed residential area served with public facilities and transportation. The project will be developed into a residential and commercial development. The project is bare land.	Hubei	109	No commercial value	No commercial value	—
120	Wuhan Joy Mansion	The project is located at the western side of Caiyao Road. The locality of the project is a newly-developed residential area served with public facilities. The project is being developed into a residential and commercial development. The project is under construction.	Hubei	88	423,300,000	404,170,000	GDV: 1,186,500,000 MCP-R: 8,000-10,000 MCP-C: 13,000-20,000
121	Wuhan Yuexiu Paradiso Garden	The project is located at the southern side of Houguan Lake South Road. The locality of the project is a newly-developed residential area served with public facilities. The project is being developed into a residential and commercial development. The project is under construction.	Hubei	89	1,288,200,000	1,229,970,000	GDV: 2,106,400,000 MCP-R: 12,000-14,000 MCP-C: 25,000-30,000

Project No.	Project Name	Brief Description of the Project	Province/ Municipality	Ref. to Property Nos.	Market Value in existing state as at the valuation date *(RMB)*	Market Value Attributable to the Group as at the valuation date *(RMB)*	Valuation Parameter
122	Wuhan Starry Winking	The project is located at the western side of Qiaokou Road and the northern side of Yanhe Avenue. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a commercial development. The project is completed and various commercial units are held for self-occupied.	Hubei	168	48,100,000	48,100,000	MCP-C: 30,000-52,000
123	Yantai Starry Phoenix	The project is located at the southern side of Zhichu Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various residential, commercial and car parking spaces are vacant for sale.	Shandong	51	512,100,000	512,100,000	MCP-R: 9,000-10,000 MCP-C: 11,000-16,000 MCP-CPS: 55,000-65,000
124	Yantai Starry Golden Sands	The project is located at the southern side of Hangzhou Avenue. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development in three phases. The project is completed and various residential and commercial units and car parking spaces are vacant for sale.	Shandong	52	184,600,000	184,600,000	MCP-R: 8,000-10,000 MCP-C: 11,000-16,000 MCP-CPS: 55,000-65,000

Project No.	Project Name	Brief Description of the Project	Province/ Municipality	Ref. to Property Nos.	Market Value in existing state as at the valuation date (RMB)	Market Value Attributable to the Group as at the valuation date (RMB)	Valuation Parameter
125	Yantai Elegant Mansion	The project is located at the southern side of Huanghe Road. The locality of the project is a newly-developed residential area served with public facilities. The project is being developed into a residential and commercial development. The project is under construction.	Shandong	90	458,100,000	413,440,000	GDV: 722,100,000 MCP-R: 9,500-11,500 MCP-CPS: 75,000-85,000
126	Qingdao Starry Blue Bay	The project is located at the western side of Yongan Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development in two phases. The project is completed and various residential and commercial are vacant for sale.	Shandong	53	215,300,000	215,300,000	MCP-R: 9,000-13,000 MCP-C: 12,000-15,000
127	Qingdao Infinite Mansion	The project is located at the western side of Binhai Avenue and the eastern side of Dazhushan South Road. The locality of the project is a well-developed logistics area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various residential and commercial are vacant for sale.	Shandong	54	20,500,000	19,500,000	MCP-R: 8,000-25,000 MCP-C: 12,000-14,000

Project No.	Project Name	Brief Description of the Project	Province/ Municipality	Ref. to Property Nos.	Market Value in existing state as at the valuation date (RMB)	Market Value Attributable to the Group as at the valuation date (RMB)	Valuation Parameter
128	Qingdao Elegant Mansion	The project is located at the northern side of Shiji Avenue and the eastern side of Haixi Road. The locality of the project is a well-developed logistics area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various residential and commercial units are vacant for sale.	Shandong	55	514,100,000	488,400,000	MCP-R: 7,000-9,000 MCP-C: 9,000-14,000
129	Qingdao Licang Ocean Chemical Industry Land	The project is located at the southern side of Fenyang Road and the eastern side of Anshun Avenue. The locality of the project is a well-developed residential area served with public facilities and transportation. The project will be developed into a residential and commercial development . The project is bare land.	Shandong	105	946,500,000	482,720,000	MCP-AV for commercial: 5,000-6,000 MCP-AV for residential: 7,000-8,500
130	Qingdao Jiaozhou Platinum Mansion	The project is located at the southern side of Yangzhou Road and the western of Haier Avenue. The locality of the project is a well-developed residential area served with public facilities and transportation. The project is being developed into a residential development. The project is under construction.	Shandong	91	1,039,600,000	1,034,400,000	GDV: 2,220,500,000 MCP-R: 13,000-24,000

Project No.	Project Name	Brief Description of the Project	Province/ Municipality	Ref. to Property Nos.	Market Value in existing state as at the valuation date *(RMB)*	Market Value Attributable to the Group as at the valuation date *(RMB)*	Valuation Parameter
131	Ji'nan Gemdale Yuexiu Art Living	The project is located at the southern side of Hancang Avenue. The locality of the project is a well-developed residential area served with public facilities and transportation. The project is being developed into a residential development. The project is under construction.	Shandong	92	445,700,000	169,370,000	GDV: 885,000,000 MCP-R: 22,000-25,500 MCP-CPS: 135,000-150,000
132	Shenyang Starry Winking	The project is located at the southern side of Nanta Road and the northern side of Shenshui Road. The locality of the project is a newly-developed residential area served with public facilities and transportation. The project is being developed into a residential and commercial development in two phases. Phase I is completed and various residential and commercial units are vacant for sale, portions of Phase II are under construction whilst the remaining portion of Phase II is bare land.	Liaoning	56, 93, 106	1,765,400,000	1,765,400,000	GDV: 1,600,100,000 MCP-AV: 4,000-4,800 MCP-R: 15,000-22,000 MCP-C: 25,000-27,000
133	Shenyang Starry Blue sea	The project is located at the western side of Shenglinan Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential and commercial development. The project is completed and various commercial units are vacant for sale.	Liaoning	57	54,800,000	54,800,000	MCP-C: 12,000-16,000

Project No.	Project Name	Brief Description of the Project	Province/ Municipality	Ref. to Property Nos.	Market Value in existing state as at the valuation date *(RMB)*	Market Value Attributable to the Group as at the valuation date *(RMB)*	Valuation Parameter
134	Shenyang Hill Lake	The project is located at the eastern side of Renhe Road and the northern side of Pubei Road. The locality of the project is a well-developed residential area served with public facilities and transportation. The project is being developed into a residential and commercial development in thirteen phases. Phases I to III are completed and various residential units are vacant for sale, whilst the remaining portion of the project is bare land.	Liaoning	58, 107	2,138,100,000	2,137,030,000	MCP-AV: 3,500-5,000 MCP-R: 8,000-18,000

Summary of Projects in Hong Kong and Macau

Abbreviation:

MCP-AV: Market Comparable Price (Accommodation Value) (HK$/ sq.ft) for bare lands of the project

MCP-R: Market Comparable Price (HK$/sq.ft.) for residential

MCP-C: Market Comparable Price (HK$/sq.ft.) for commercial

MCP-O: Market Comparable Price (HK$/sq.ft.) for office

MCP-CPS: Market Comparable Price (HK$/space) for car parking space

Rent-C: Market Monthly Rent (HK$/sq.ft.) for commercial

CR: Capitalization Rate

Project No.	Project Name	Brief Description of the Project	Special Administrative Region	Ref. to Property Nos.	Market Value in existing state as at the valuation date *(HK$)*	Market Value Attributable to the Group as at the valuation date *(HK$)*	Valuation Parameter
	—	—	—	—	**3,292,930,000**	**3,279,430,000**	—
135	Section B of Yau Tong Inland Lot No. 4	The project is located at the northeastern side of the Tung Yuen Street in Yau Yong. The locality of the project is a industrial area served with public facilities and transportation. The project will be developed into a residential development. The project is bare land.	Hong Kong	169	951,000,000	951,000,000	MCP-AV: 4,900-7,100
136	Seabright Plaza	The project is located on Shell Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a commercial development and various office units are self-occupied.	Hong Kong	179	66,700,000	66,700,000	MCP-O: 9,300-13,000
137	Yau Tong Inland lot No. 9	The project is located at the northeastern side of the Tung Yuen Street in Yau Yong. The locality of the project is a industrial area served with public facilities and transportation. The project will be developed into a residential development. The project is bare land.	Hong Kong	170	873,000,000	873,000,000	MCP-AV: 4,900-7,100

Project No.	Project Name	Brief Description of the Project	Special Administrative Region	Ref. to Property Nos.	Market Value in existing state as at the valuation date *(HK$)*	Market Value Attributable to the Group as at the valuation date *(HK$)*	Valuation Parameter
138	Pokfulam Terrace	The project is located at the junction of Wah Lok Path and Wah Fu Road. The locality of the project is a well-developed residential area served with public facilities and transportation. The project had been developed into a residential development and 4 car parking spaces are held for investment.	Hong Kong	172	5,700,000	5,700,000	MCP-CPS: 1,300,000-1,590,000
139	Yue Hing Building	The project is located on Hennessy Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a commercial and office development and various commercial and office units are held for investment.	Hong Kong	173	143,900,000	143,900,000	MCP-C: 17,000-26,400 MCP-O: 20,500-25,500
140	Kwong Sang Hong Building	The project is located at the junction of Wan Chai Road and Heard Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a composite development and various commercial units are held for investment.	Hong Kong	174	88,500,000	88,500,000	Rent-C: 14-163 CR-C: 2.75%

Project No.	Project Name	Brief Description of the Project	Special Administrative Region	Ref. to Property Nos.	Market Value in existing state as at the valuation date *(HK$)*	Market Value Attributable to the Group as at the valuation date *(HK$)*	Valuation Parameter
141	Yue Xiu Plaza	The project is located at the junction of King Fuk Street and Ning Yuen Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a composite development and various commercial units and car parking spaces are held for investment.	Hong Kong	175	670,000,000	670,000,000	Rent-C: 7.7-169 CR-C: 5%
142	Li Chit Garden	The project is located on Johnston Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a composite development and 2 residential units are held for investment.	Hong Kong	176	16,730,000	16,730,000	MCP-R: 12,800-16,200
143	City Garden	The project it located on Electric Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential development and 4 residential units are self-occupied and a residential unit is held for investment.	Hong Kong	177, 180	66,300,000	66,300,000	MCP-R: 12,300-16,900

Project No.	Project Name	Brief Description of the Project	Special Administrative Region	Ref. to Property Nos.	Market Value in existing state as at the valuation date (HK$)	Market Value Attributable to the Group as at the valuation date (HK$)	Valuation Parameter
144	Wing Shun Mansion	The project is located at the junction of Kin Wah Street and N View Street. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential development and 6 residential units are self-occupied and 2 residential units are held for investment.	Hong Kong	178, 181	54,400,000	54,400,000	MCP-R: 11,800-14,700
145	Yau Tong Marine Lot No. 57	The project is located on Tung Yuen Street. The locality of the project is a industrial area served with public facilities and transportation. The project had been developed into an industrial building which is self-occupied.	Hong Kong	182	318,000,000	318,000,000	MCP-AV: 4,900-7,100
146	Sung Fung Court — Harbour Heights	The project is located at No. 3 Fook Yum Road. The locality of the project is a well-developed residential and commercial area served with public facilities and transportation. The project had been developed into a residential development and a residential unit is self-occupied.	Hong Kong	183	11,700,000	11,700,000	MCP-R: 15,200-17,500

Project No.	Project Name	Brief Description of the Project	Special Administrative Region	Ref. to Property Nos.	Market Value in existing state as at the valuation date *(HK$)*	Market Value Attributable to the Group as at the valuation date *(HK$)*	Valuation Parameter
147	Nos. 1, 3 & 5, Avenida de Artur Tamagnini Barbosa, and No. 6 — 16, Avenida do Conselheiro Borja	The project located at the north-western side of the junction of Avenida de Artur Tamagnini Barbosa and Avenida do Conselheiro Borja. The locality of the project is a well-developed residential and Commercial area served with public facilities and transportation. The project will be developed into a non-industrial development. The project is a bare land.	Macau	171	27,000,000	13,500,000	MCP-AV:5,100-6,600

The following is the text of a letter and summary of valuations prepared for the purpose of incorporation in this circular received from Savills Valuation and Professional Services Limited, an independent property valuer, in connection with their opinion of values of the property interests of the Company as at 31 December 2018.

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The Board of Directors
Yuexiu Property Company Limited
26th Floor, Yue Xiu Building
160 Lockhart Road
Wanchai, Hong Kong

18 March 2019

Dear Sirs,

INSTRUCTIONS

In accordance with the instructions from Yuexiu Property Company Limited ("the Company") to us to value the properties situated in the People's Republic of China (the "PRC") (as more particularly described in the attached summary of valuations), which are held by Yuexiu Real Estate Investment Trust ("Yuexiu REIT"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the respective market values of the properties as at 31 December 2018 (the "valuation date") for the purpose of inclusion in the Company's circular.

We have also prepared a valuation report for the properties as part of the documents available for public inspection in accordance with the instructions from the Company.

BASIS OF VALUATION

Our valuation of each of the properties is our opinion of its market value which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Moreover, market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

Our valuation has been undertaken in accordance with the HKIS Valuation Standards 2017 of The Hong Kong Institute of Surveyors ("HKIS"), which incorporates the International Valuation Standards ("IVS"); and (where applicable) the relevant HKIS or jurisdictional supplement. We have also complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and Rule 11 of the Code on Takeovers and Mergers published by the Securities and Futures Commission in Hong Kong (the "Takeovers Code").

IDENTIFICATION AND STATUS OF THE VALUER

The subject valuation exercise is handled by Mr Anthony C.K. Lau, who is the Director of Savills Valuation and Professional Services Limited ("SVPSL") and a corporate member of HKIS with over 25 years' experience in valuation of properties in the PRC and has sufficient knowledge of the relevant market, the skills and understanding to handle the subject valuation exercise competently.

Prior to your instructions for us to provide this valuation services in respect of the properties, SVPSL had been involved in the valuation of the properties in the past 12 months.

We are independent of the Company and the holding entities. We confirm SVPSL and Mr Anthony C.K. Lau are in the position to provide objective and unbiased valuation for the properties.

VALUATION APPROACHES

In arriving at our opinion of values, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions and/or offerings of comparable properties. In the course of our valuation, we have principally adopted both Income Capitalization Approach and Discounted Cash Flow Analysis ("DCF Analysis") and counter-checked by the Direct Comparison Approach.

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach is an approach of valuation whereby the existing rental incomes of all lettable units of each property are capitalized for the respective unexpired terms of contractual tenancies whilst vacant units are assumed to be let at their respective market rents as at the valuation date. Upon expiry of the existing tenancies, each unit is assumed to be let at its market rent as at the valuation date, which is in turn capitalized for the unexpired term of the land use rights under which the property is held. The summation of the capitalized value of the term income for the leased portion, the capitalized value of the reversion income (i.e. market rental income) as appropriately deferred for the leased portion and the capitalized value of the vacant portion provides the market value of each property.

DCF ANALYSIS

DCF Analysis is an approach of valuation where a discount rate is applied to a series of cash flows over an investment horizon including a terminal value to discount them to a present value. We have either adopted a 5-year or 10-year projection time frame in our DCF Analysis depending on the type of property. In preparing the DCF Analysis, the income and expenses over the coming 5 or 10 years from the valuation date are itemized and projected annually taking into account either the historical operating accounts or the contractual tenancies, and the expected growth of income and expenses. The net cash flows from the 6th or 11th year onward are capitalized at appropriate terminal capitalization rates for the properties until the expiry of the respective land use terms. The terminal values are then discounted at our adopted rates that reflect the rates of return that adequately compensate the investors for the risks taken.

DIRECT COMPARISON APPROACH

As a supporting approach to our valuation, we have also considered the Direct Comparison Approach as a reference check for the valuations arrived from Income Capitalization Approach and DCF Analysis whereby comparable sales transactions and /or listings of comparable properties as available in the market are collected and analyzed. Appropriate adjustments are applied to the comparable properties to adjust for the discrepancies between the properties and the comparables.

APPROACH TO VALUE

In arriving at the market values of the properties, excluding the hotel and serviced apartment portions of Guangzhou International Finance Centre, we have applied equal weighting to the values derived from Income Capitalization Approach and Discounted Cash Flow Analysis; whilst the market values of the hotel and serviced apartment portions of Guangzhou International Finance Centre are assessed by DCF Analysis.

TITLE INVESTIGATION

We have been provided with extracts of the documents relating to the properties. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments which may not appear on the copies handed to us. In course of our valuation, we have relied to a very considerable extent on information given by the Company and the legal opinion issued by the PRC's legal adviser to the Company, Zhong Lun Law Firm, regarding the titles to the properties in the PRC.

SOURCE OF INFORMATION

In the course of our valuation, we have relied to a considerable extent on information given by the Company and have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, particulars of occupancy, tenancy details, operation accounts, site and floor areas and all other relevant matters. Dimensions, measurements and areas are based on information contained in the documents provided to us and are therefore only approximations. No on-site measurements have been taken. We have no reason to doubt the truth and accuracy of the information provided to us by the Company, which is material to our valuation. We were also advised by the Group that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view.

VALUATION ASSUMPTIONS

In valuing the properties in the PRC, unless otherwise stated, we have assumed that transferable land use rights in respect of the properties for their respective specific terms at nominal annual land use fees have been granted and that any land grant premium payable has already been fully paid. Unless otherwise stated, we have also assumed that the owners of the properties have good legal titles and have free and uninterrupted rights to occupy, use, lease or transfer the properties for the whole of the respective unexpired terms as granted.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

SITE INSPECTION

We have inspected the exterior and where possible, the interior of the properties. On-site inspections for the properties located in Guangzhou were carried out by Ms. Joanna Cheung on both 29 and 30 January 2019. Mr. Anthony Lau and Ms. Joanna Cheung have inspected the properties located in Wuhan and Hangzhou on 18 and 19 December 2018 respectively. Mr. Sam Ngai have inspected the property located in Shanghai on 21 December 2018. During the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report as to whether the properties are free from rot, infestation or any other defects. No tests were carried out on any of the services.

POTENTIAL TAX LIABILITIES

For the purpose of compliance with Rule 11.3 of the Takeovers Code and as advised by the Company, the potential tax liabilities which would arise from the sale of the properties in the PRC comprise value-added tax at 10%; stamp duty at 0.05%; land appreciation tax at progressive rates from 30% to 60%; and corporate income tax at 25%.

As advised by the Company, the properties are continued to be held by the Company with no intention for sale. Hence, the likelihood of any potential tax liability of these properties being crystallized is remote.

CURRENCY

Unless otherwise stated, all money amounts are stated in Renminbi ("RMB").

We enclose herewith our summary of valuations.

Yours faithfully,
For and on behalf of
Savills Valuation and Professional Services Limited

Anthony C K Lau
MHKIS MRICS RPS(GP)
Director

Note: Mr. Anthony C.K. Lau is a professional surveyor who has over 25 years' experience in valuation of properties in the PRC.

SUMMARY OF VALUATIONS

PROPERTIES HELD BY THE COMPANY FOR INVESTMENT IN THE PRC

Property No.	Property name	Holding entity	City	District	Land use	Type of property	GFA (sq m)	Year of completion	Market value in existing state as at the valuation date (RMB)	Interest attributable to the Company (%)	Market value in existing state attributable to the Company as at the valuation date (RMB)
1	Guangzhou International Finance Centre	廣州越秀城建國際金融中心有限公司 (Guangzhou Yue Xiu City Construction International Finance Centre Co., Ltd)	Guangzhou	Tianhe	Office, commercial, tourism and entertainment	Retail, office, serviced apartment, hotel and car parking spaces	457,356.68	2010 and 2011	18,366,000,000	35.76%	6,567,681,600
2	Various Units in White Horse Building	柏達投資有限公司 (Partat Investment Limited)	Guangzhou	Yuexiu	Commercial, office and storage	Commercial wholesale centre	50,199.35	1990	5,061,000,000	36.12%	1,828,033,200
3	Various Units in Fortune Plaza	金峰有限公司 (Moon King Limited)	Guangzhou	Tianhe	Commercial and office	Commercial and office	41,355.20	2003	1,197,000,000	36.12%	432,356,400
4	Various Units in City Development Plaza	福達地產投資有限公司 (Full Estate Investment Limited)	Guangzhou	Tianhe	Commercial and office	Commercial and office	42,397.36	1997	975,000,000	36.12%	352,170,000
5	Various Units in Victory Plaza	京澳有限公司 (Keen Ocean Limited)	Guangzhou	Tianhe	Commercial	Commercial	27,698.14	2003	936,000,000	36.12%	338,083,200
6	Tower 2 and 315 car parking spaces at Basement Levels 1 and 2, Hangzhou Victory Business Center	杭州越輝房地產開發有限公司 (Hangzhou Yuehui Real Estate Development Co., Ltd.)	Hangzhou	Jianggan	Commercial services	Office, retail, storage and car parking spaces	22,484.83 together with 315 car parking spaces	2017	601,000,000	36.12%	217,081,200
7	Yuexiu Tower	上海宏嘉房地產開發有限公司 (Shanghai Hong Jia Real Estate Development Co., Ltd)	Shanghai	Pudong	Commercial and office	Office, retail and car parking spaces	62,139.35	2010	3,149,000,000	36.12%	1,137,418,800
8	Wuhan Yuexiu Fortune Centre, Starry Victoria Shopping Centre and various car parking spaces	武漢越秀地產開發有限公司 (Wuhan Yuexiu Property Development Limited)	Wuhan	Qiaokou	Commercial, and financial and commercial services	Office, retail and car parking spaces	248,194.23	2015 and 2016	3,685,000,000	57.20%	2,107,820,000
Total									**33,970,000,000**		**12,980,644,400**

Notes:

(1) All areas are stated in approximations.

(2) GFA represents Gross Floor Area.

(3) We have been provided by the Company with a legal opinion on the title to the properties, which contains, inter-alia, the following information:

i. the holding entities have legally obtained the land use rights of the properties;

ii. the holding entities are in possession of the building ownership of the properties, except for the underground portion of Property No. 8. The absence of building ownership certificates of the underground portion of Property No. 8 would not adversely affect the holding entity's right to legally own, occupy, transfer and lease out such areas in accordance with the relevant PRC laws; and

iii. except for portion of Property No. 1 which is subject to mortgages, the remaining properties are free from any mortgages, seizure or other third parties rights.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors jointly and severally accept full responsibility for the accuracy of information contained in this circular (other than information relating to GZYX, Guangzhou Metro and the GZ Metro Subscriber) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

The directors of GZYX, ZHANG Zhaoxing (張招興), ZHU Chunxiu (朱春秀), WU Shanghui (伍尚輝), ZENG Yun (曾昀), LI Xinchun (李新春), HUANG Benjian (黃本堅), CHEN Shu (陳舒), CHEN Ping (陳平) and TAN Yue (譚躍) jointly and severally accept full responsibility for the accuracy of the information contained in this circular (other than the information relating to the Company, the GZ Metro Subscriber and Guangzhou Metro) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statements in this circular misleading.

The directors of the GZ Metro Subscriber, QIAN Wei (錢偉) and WANG Xiaobin (王曉斌) jointly and severally accept full responsibility for the accuracy of the information contained in this circular (other than the information relating to the Company, Guangzhou Metro and GZYX) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statements in this circular misleading.

The directors of Guangzhou Metro, DING Jianlong (丁建隆), HE Lin (何霖), MO Dongcheng (莫東成), ZHU Weibin (竺維彬), MA Renhong (馬仁洪), XING Yiqiang (邢益強), TAN Yue (譚躍) and ZHONG Xuejun (鐘學軍) jointly and severally accept full responsibility for the accuracy of the information contained in this circular (other than the information relating to the Company and GZYX) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statements in this circular misleading.

2. MARKET PRICES

(a) The table below sets out the closing prices of the Shares quoted on the Stock Exchange on (i) the last trading day of each of the six calendar months immediately preceding 27 February 2019, being the date of the Announcement, up to and including the Latest Practicable Date, being the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date, respectively:

Month	**per Share**
	HK$
Closing price	
August 2018	1.42
September 2018	1.4
October 2018	1.24
November 2018	1.45
December 2018	1.44
January 2019	1.52
26 February 2019 (being the Last Trading Day)	1.66
February 2019	1.81
15 March 2019 (being the Latest Practicable Date)	1.77

(b) The highest and the lowest closing price of the Shares as quoted on the Stock Exchange during the Relevant Period were HK$1.81 on 1 March 2019 and HK$1.2 on 18 October 2018, 19 October 2018 and 23 October 2018, respectively.

3. SHARE CAPITAL

As at the Latest Practicable Date, the issued Shares of the Company were as follows:

Issued and fully paid up (or to be issued and fully paid up) share capital

Shares

Ordinary shares	
12,401,306,631	As at the Latest Practicable Date
3,080,973,807	Subscription Shares to be allotted and issued upon Completion
15,482,280,438	Total

The Subscription Shares, when allotted, issued and fully paid, will rank pari passu in all respects among themselves and with the other Shares in issue on the date of completion of the Subscription, and together with the right to receive the dividends and other distributions the record date for which is on or after the date of completion of the Subscription. If completion of the Subscription takes place on or before the record date of the Company's final cash dividend (i.e. 6 June 2019), the GZ Metro Subscriber will be entitled to receive the Company's final cash dividend of HK$0.051 per Share (the payment of which is subject to Shareholders' approval at the forthcoming annual general meeting of the Company).

Since 31 December 2018 (being the end of the last financial year of the Company) and up to and including the Latest Practicable Date, the Company has not issued any Shares. As at the Latest Practicable Date, save as disclosed under the section headed "Effect of the Subscription on the Shareholding Structure of the Company" above in this circular and in the section headed "Disclosure of Interests" in this Appendix VII, the Company had no outstanding convertible securities, options, warrants, derivatives or conversion rights in issue which are convertible or exchangeable into Shares or which affect the Shares.

4. DISCLOSURE OF INTERESTS

(a) Interest of Directors/ chief executive of the Company

As at the Latest Practicable Date, the interests and short positions, if any, of each Director and chief executive (if any) of the Company in the Shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were deemed or taken to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies adopted by the Company (the "Model Code") were as follows:

Long positions in the shares and underlying shares

Name of Director	Capacity in which interests are held	Number of Shares	% of the total number of issued Shares as at the Latest Practicable Date
Lin Zhaoyuan *(Note 1)*	Beneficial Owner/Beneficiary of a trust	2,186,985	0.018
Li Feng *(Note 2)*	Beneficial Owner	172,900	0.001%
Lin Feng *(Note 3)*	Beneficial Owner/Beneficiary of a trust/spouse interest	4,415,752	0.036%
Liu Yan *(Note 4)*	Beneficial Owner	17,000	0.00014%
Yu Lup Fat Joseph	Beneficial Owner	4,000,000	0.032%
Lee Ka Lun	Beneficial Owner	3,200,000	0.026%
Lau Hon Chuen Ambrose	Beneficial Owner	4,841,200	0.039%

Note 1: Mr. Lin Zhaoyuan is a director of certain Relevant YXE Subsidiaries and is presumed to be a party acting in concert with GZYX. Mr. Lin is also an executive Director who is interested in 2,186,985 Shares, out of which 373,464 Shares are owned by him as beneficial owner, 1,813,521 Shares are held for him as a beneficiary of the Yuexiu Property Company Limited Share Incentive Scheme Trust For Directors and Senior Management.

Note 2: Mr. Li Feng is a director of certain Relevant YXE Subsidiaries and is presumed to be a party acting in concert with GZYX. Mr. Li is also an executive Director.

Note 3: Mr. Lin Feng is an executive Director who is interested in 4,415,752 Shares, out of which 1,357,276 Shares are owned by him as beneficial owner, 2,958,476 Shares are held for him as a beneficiary of the Yuexiu Property Company Limited Share Incentive Scheme Trust For Directors and Senior Management and 100,000 Shares are held by his spouse. By virtue of being an executive Director, Mr. Lin is presumed to be a party acting in concert with GZYX pursuant to class (6) presumption under the definition of "acting in concert" under the Takeovers Code until completion of the Subscription.

Note 4: Ms. Liu Yan is an executive Director. By virtue of being an executive Director, Ms. Liu is presumed to be a party acting in concert with GZYX pursuant to class (6) presumption under the definition of "acting in concert" under the Takeovers Code until completion of the Subscription.

Long positions in the shares and underlying shares of associated corporation

Name of Director	Name of associated corporation	Capacity in which interests are held	Number of shares in associated corporation	% of the total number of issued shares in associated corporation as at the Latest Practicable Date
Lau Hon Chuen Ambrose	Yuexiu Transport Infrastructure Limited	Beneficial Owner	195,720	0.012%
Lin Zhaoyuan	Yuexiu Transport Infrastructure Limited	Beneficial Owner	120	0.00001%
Liu Yan	Yuexiu Transport Infrastructure Limited	Beneficial Owner	485	0.00003%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive (if any) of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 Part XV of the SFO (including interests and short positions which the Directors and chief executive were deemed or taken to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) **Substantial Shareholders**

As at the Latest Practicable Date, so far as is known to the Directors and the chief executive (if any) of the Company, companies and/or persons (other than a Director or chief executive (if any) of the Company) who had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long position in the shares and underlying shares

Name of Shareholder	Capacity in which interests are held	Number of Shares	% of the total number of issued Shares as at the Latest Practicable Date
GZYX(Note 1)	Interests of controlled corporations	6,159,447,662	49.67%
Yue Xiu Enterprises (Holdings) Limited	Interests of controlled corporations	6,159,447,662	49.67%
GZ Metro Subscriber(Note 2)	Beneficial Owner	3,080,973,807	24.84%

Note 1: Pursuant to the SFO, GZYX is deemed to be interested in 6,159,447,662 shares in the Company as a result of its indirect holding of such shares through its wholly-owned subsidiaries, details of which are set out below:

Name	Long Position in Shares
Yue Xiu Enterprises (Holdings) Limited	6,159,447,662
Superb Master Ltd.	401,989,620
Excellence Enterprises Co., Ltd. ("**Excellence**")	5,749,874,187
Bosworth International Limited ("**Bosworth**") (Note i)	4,202,934,153
Sun Peak Enterprises Ltd. ("**Sun Peak**")	978,065,907
Novena Pacific Limited ("**Novena**") (Note ii)	978,065,907
Shine Wah Worldwide Limited ("**Shine Wah**")	273,266,721
Morrison Pacific Limited ("**Morrison**") (Note iii)	273,266,721
Perfect Goal Development Co., Ltd. ("**Perfect Goal**")	234,689,273
Greenwood Pacific Limited ("**Greenwood**") (Note iv)	234,689,273
Seaport Development Limited ("**Seaport**")	60,918,133
Goldstock International Limited ("**Goldstock**") (Note v)	60,918,133
Yue Xiu Finance Company Limited	7,583,855

(i) 4,202,934,153 Shares were held by Bosworth, which was wholly-owned by Excellence which was, in turn, wholly-owned by Yue Xiu Enterprises (Holdings) Limited.

(ii) 978,065,907 Shares were held by Novena, which was wholly-owned by Sun Peak which was, in turn, wholly-owned by Excellence.

(iii) 273,266,271 Shares were held by Morrison, which was wholly-owned by Shine Wah which was, in turn, wholly-owned by Excellence.

(iv) 234,689,273 Shares were held by Greenwood, which was wholly-owned by Perfect Goal which was, in turn, wholly-owned by Excellence.

(v) 60,918,133 Shares were held by Goldstock, which was wholly-owned by Seaport which was, in turn, wholly-owned by Excellence.

Note 2: These Shares represent the Subscription Shares to be issued to the GZ Metro Subscriber upon completion of the Subscription. The Subscription Shares represent approximately 19.9% of the total number of issued Shares as enlarged by the allotment and the issue of the Subscription Shares (assuming there being no other changes in the total number of issued Shares between the Latest Practicable Date and the date of completion of the Subscription).

Save as disclosed above, so far as is known to the Directors or chief executive of the Company, as at the Latest Practicable Date, no other person (other than a Director or chief executive (if any) of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or who was, directly or indirectly, interested in 10% or more of the issued voting shares of the Company or any options in respect of such capital.

As at the Latest Practicable Date: (i) Mr. Lin Zhaoyuan is a director of Excellence and Bosworth; (ii) Mr. Li Feng is a director of Excellence and Bosworth; and (iii) Ms. Chen Jing is a director of Excellence. Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or proposed Director was a director or employee of a company which had an interest in the Shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date:

(i) none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which would not expire or was not determinable within one year without payment of compensation, other than statutory compensation;

(ii) there were no service contracts between any of the Directors and the Company or any of its subsidiaries or associated companies which (including both continuous and fixed term contracts) had been entered into or amended within the Relevant Period;

(iii) there were no service contracts between any of the Directors and the Company or any of its subsidiaries or associated companies which are continuous contracts with a notice period of 12 months or more; and

(iv) there were no service contracts between any of the Directors and the Company or any of its subsidiaries or associated companies which are fixed term contracts with more than 12 months to run irrespective of the notice period.

6. DIRECTORS' INTEREST IN ASSETS/CONTRACTS AND OTHER INTEREST

Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2018, being the date to which the latest audited consolidated financial statements of the Company were made up.

Interests in contracts

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting and which was significant in relation to the business of the Group.

7. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or arbitration of material importance and, so far as the Directors were aware, there was no litigation or claim of material importance pending or threatened by or against the Company or any member of the Group.

9. MATERIAL CONTRACTS OF THE GROUP

During the two years immediately preceding the date of the Announcement and up to and including the Latest Practicable Date, the following contracts (not being contracts in the ordinary course of business carried on or intended to be carried on by the Group) have been entered into by the Group and are or may be material:

1) the Transaction Documents;

2) the equity transfer agreement dated 21 December 2018 entered into between 慶和投資有限公司 (Kingwell Investment Ltd.) (an indirectly wholly-owned subsidiary of the Company) as seller, and 廣州嘉創經濟信息諮詢有限公司 (Guangzhou Jiachuang Economic Information Consulting Co., Ltd.*) (a wholly-owned subsidiary of 廣州明睿一號實業投資合夥企業(有限合夥) (Guangzhou Ming Rui No. I Business Investment Enterprise (Limited Partnership)*), the general partner is 廣州越秀中聯股權投資基金管理有限公司

(Guangzhou Yuexiu United Equity Investment Fund Management Company Limited*), which is in turn indirectly owned as to 45% by the Company), as purchaser, in relation to the disposal of 77.79% equity interest in 廣州市越滙房地產有限公司 (Guangzhou Yuehui Property Co., Ltd.*) at a consideration of RMB2,417,500,000;

3) the equity transfer agreement dated 30 May 2018 entered into between 廣州明睿一號實業投資合夥企業(有限合夥) (Guangzhou Ming Rui No. I Business Investment Enterprise (Limited Partnership)*) (an independent third party) as seller, and 廣州盈勝投資有限公司 (Guangzhou Yingsheng Investments Co., Ltd.*) (a 95.48%-owned subsidiary of the Company) as purchaser, in relation to the acquisition of 100% of the equity interest in the 廣州雲秀房地產有限公司 (Guangzhou Yunxiu Real Estate Co., Ltd.*) at a consideration of RMB116,000,000;

4) the call option exercise agreement dated 14 February 2018 entered into between 廣州力超經濟信息諮詢有限公司 (Guangzhou Superland Economic & Information Consulting Company Limited*) (an indirectly wholly-owned subsidiary of the Company), and 廣州越秀仁達四號實業投資合夥企業(有限合夥) (Guangzhou Yuexiu Renda No.4 Business Investment Enterprise (Limited Partnership)*) (the general partner of which is an entity of which GZYX is a majority shareholder), in relation to the exercise of call option by 廣州力超經濟信息諮詢有限公司 (Guangzhou Superland Economic & Information Consulting Company Limited*) at a consideration of RMB3,321,250,000;

5) the acquisition deed dated 14 November 2017 entered into between Guangzhou Construction & Development Holdings (China) Limited (an indirectly wholly-owned subsidiary of the Company) as seller, Yuexiu REIT 2017 Company Limited (a special purpose vehicle of Yuexiu Real Estate Investment Trust, which was owned as to approximately 35.3% by the Company as at the date of the acquisition deed) as purchaser, and the Company as guarantor in relation to (i) the sale of 67.0% of the Wuhan Property through the purchase of the entire equity interest of Fully Cheer Management Limited and (ii) the assignment of shareholder’s loan from Guangzhou Construction & Development Holdings (China) Limited, at an aggregate consideration of RMB2,280,606,300;

6) the cooperation agreement dated 27 February 2017 entered into between 杭州江幹區城市建設綜合開發有限公司 (Hangzhou Jiangan District City Construction Integrated Development Ltd.*) (an independent third party), Mega Glory Enterprise Limited (an indirectly wholly-owned subsidiary of the Company), 杭州松炬實業投資有限公司 (Hangzhou Songju Shiye Investment Ltd.*) (a subsidiary of the Company), 廣州匯企房地產開發有限公司 (Guangzhou Huiqi Real Estate Development Ltd.*) (an independent third party), 杭州東雄房地產開發有限公司 (Hangzhou Dongxiong Real Estate Development

Ltd.*) (indirectly owned by a subsidiary of the Company), and 招商局地產(杭州)有限公司 (China Merchants Property (Hangzhou) Ltd.*) (an independent third party), in relation to the transfer of equity interests in 廣州匯企房地產開發有限公司 (Guangzhou Huiqi Real Estate Development Ltd.*) at a consideration of RMB1,080,598,000.

10. MATERIAL ADVERSE CHANGE

The Directors confirm that they were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2018, being the date to which the latest audited financial statements of the Group were made up to, up to and including the Latest Practicable Date.

The Directors confirm that they were not aware of any interruptions in the business of the Group which may have or have had a significant effect on the financial position in the last twelve months.

11. EXPERTS' QUALIFICATIONS AND CONSENTS

The following are qualifications of the expert who has given its opinion or advice which is included in this circular:

Name	Qualification
Yu Ming Investment Management Limited	a corporation licensed under the SFO to carry out regulated activities of type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management)
PricewaterhouseCoopers	Certified Public Accountants
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Independent property valuer and independent valuer
Savills Valuation and Professional Services Limited	Independent property valuer

As at the Latest Practicable Date, none of Yu Ming Investment Management Limited, PricewaterhouseCoopers, JLL or Savills had any shareholding, directly or indirectly in any member of the Group, nor did any of them have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2018, being the date to which the latest audited financial statements of the Group were made up.

Each of Yu Ming Investment Management Limited, PricewaterhouseCoopers, JLL and Savills has given its written consent and has not withdrawn its written consent to the issue of this circular with the inclusion of its letters and/or reports and/or references to its name in the form and context in which they respectively appear.

12. ADDITIONAL DISCLOSURE UNDER THE TAKEOVERS CODE

(a) As at the Latest Practicable Date, the GZ Metro Subscriber may enter into financing arrangements with certain banks in connection with the Subscription, which may involve the creation of charges over Shares which the GZ Metro Subscriber will acquire pursuant to the Subscription as security. Save as disclosed above, there was no agreement, arrangement or understanding pursuant to which the Subscription Shares to be issued to the GZ Metro Subscriber under the Subscription Agreement would be transferred, charged or pledged to any other persons;

(b) As at the Latest Practicable Date, the Company did not have any interests in any shares of GZYX or any convertible securities, warrants, options or derivatives in respect of any shares of GZYX;

(c) As at the Latest Practicable Date, save as disclosed in the section headed "Disclosure of Interests" in this Appendix VII, none of GZYX or parties acting in concert with it had any interest in, owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares.

(d) As at the Latest Practicable Date, save as disclosed in the section headed "Disclosure of Interests" in this Appendix VII, none of the directors of GZYX have any interests in any Shares, or any convertible securities, warrants, options or derivatives in respect of the Shares.

(e) As at the Latest Practicable Date, save as disclosed in the section headed "Disclosure of Interests" in this Appendix VII, none of the Directors had any interests in any Shares or convertible securities, warrants, options or derivatives in respect of the Shares.

(f) As disclosed in sections headed "Takeovers Code Implications and Application for Whitewash Waiver" and "Implications under Listing Rules" of this circular, all of the Directors who are also Shareholders will abstain from voting at the GM, therefore none of the Directors will vote for or against the resolutions to be proposed at the GM to approve the Transactions and the Whitewash Waiver as at the Latest Practicable Date.

(g) As at the Latest Practicable Date, none of the Directors had any interests in any share or any convertible securities, warranties, options or derivatives in respect of any shares of GZYX.

(h) As at the Latest Practicable Date, no person had irrevocably committed themselves to vote for or against the resolutions to be proposed at the GM to approve the Transactions and the Whitewash Waiver.

(i) As at the Latest Practicable Date, save for the Transaction Documents and save as disclosed in paragraph (a) above, none of GZYX and parties acting in concert with it had arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any person.

(j) As at the Latest Practicable Date, none of GZYX and parties acting in concert with it had borrowed or lent any Shares, or any convertible securities, warrants, options or derivatives in respect of the Shares.

(k) As at the Latest Practicable Date, no agreement, arrangement or understanding (including any compensation arrangement) existed between GZYX and parties acting in concert with it on the one hand, and any of the Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Transactions and/or the Whitewash Waiver on the other hand.

(l) During the Relevant Period, the Company had not dealt for value in any share or any convertible securities, warrants, options or derivatives in respect of any shares of GZYX.

(m) During the Relevant Period, none of the Directors had dealt for value in any shares, convertible securities, warrants, options or derivatives in respect of any shares of GZYX.

(n) During the Relevant Period, save for the entering into of the Transaction Documents and the transactions contemplated thereunder, none of (a) the Directors, (b) GZYX and parties acting in concert with it; and (c) the directors of GZYX had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares

(o) As at the Latest Practicable Date, none of the subsidiaries of the Company, pension fund of the Company or of a subsidiary of the Company or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or who is an associate of the Company by virtue of class (2) of the definition of associate in the Takeovers Code but excluding exempt principal traders and exempt fund manager, owned or controlled any Shares, or any convertible securities, warrants, options or derivatives in respect of the Shares, and none of the abovementioned persons had dealt for value in any Shares, or any convertible securities, warrants, options or derivatives in respect of the Shares during the Relevant Period.

(p) As at the Latest Practicable Date, save for the parties to the Transaction Documents and save as disclosed in paragraph (a) above, no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code, and save for the entering into of the Transaction Documents, none of the parties to the Transaction Documents had dealt for value in any Shares, or any convertible securities, warrants, options or derivatives in respect of the Shares during the Relevant Period.

(q) As at the Latest Practicable Date, there was no Shares, or any convertible securities, warrants, options or derivatives in respect of the Shares which were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company, and none of them had dealt for value in any Shares, or any convertible securities, warrants, options or derivatives in respect of the Shares during the Relevant Period.

(r) As at the Latest Practicable Date, neither the Company nor any of the Directors had borrowed or lent any Shares, or any convertible securities, warrants, options or derivatives in respect of the Shares.

(s) As at the Latest Practicable Date, no benefit had been or would be given to any Director as compensation for loss of office or otherwise in connection with the Transactions and/or the Whitewash Waiver.

(t) As at the Latest Practicable Date, there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Transactions and/or the Whitewash Waiver or otherwise connected with the Transactions and/or the Whitewash Waiver.

(u) Save for the Transaction Documents, as at the Latest Practicable Date, there was no material contract entered into by GZYX in which any Director had a material personal interest.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection: (i) during normal business hours (9:00 a.m. to 6:00 p.m.) from Monday to Friday (both days inclusive) at the registered office of the Company at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong; and (ii) on the websites of the Company (http://www.yuexiuproperty.com) and the Securities and Futures Commission (www.sfc.hk), in each case from the date of this circular up and including the date of the GM. In addition, the documents referred to in items (o) and (p) below will continue to be available for inspection in the "Documents on Display" section of the website of the Company (http://www.irasia.com/listco/hk/ yuexiuproperty/inspection.htm) for a period of 12 months after the date of despatch of this circular:

(a) the articles of association of the Company;

(b) each of the material contracts referred to in the paragraph headed ''Material contracts of the Group'' in this Appendix VII;

(c) annual report for the years ended 31 December 2016 and 2017;

(d) interim reports for the six months ended 30 June 2016, 2017 and 2018;

(e) annual results announcement for the year ended 31 December 2018;

(f) the letter from the Board, the text of which is set out on pages 6 to 38 of this circular;

(g) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 39 to 41 of this circular;

(h) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 42 to 77 of this circular;

(i) the accountant's reports from PricewaterhouseCoopers in respect of the financial information of the Target Group and the Target Company respectively, the text of which are set out in Appendices II-A and II-B to this circular respectively;

(j) the report from PricewaterhouseCoopers on the unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix IV to this circular;

(k) the valuation report dated 18 March 2019 in respect of the valuation on the Target Holding Company as set out in Appendix VA of this circular;

(l) the valuation report dated 18 March 2019 in respect of the valuation on the Target Company as set out in Appendix VB of this circular;

(m) the valuation report dated 18 March 2019 in respect of the valuation on the Project as set out in Appendix VC of this circular;

(n) the letter from the Independent Financial Adviser in relation to the valuation reports on the Target Group, the text of which is set out in Appendix VD of this circular;

(o) the full property valuation report dated 18 March 2019 on the properties held by the YX Valuation Group, a summary of which is set out in Appendix VIA of this circular;

(p) the full property valuation report dated 18 March 2019 on the properties held by Yuexiu REIT, a summary of which is set out in Appendix VIB of this circular;

(q) the written consents referred to in the paragraph headed "Experts' Qualifications and Consents" in this Appendix VII;

(r) and this circular.

14. MISCELLANEOUS

(a) The company secretary of the Company is Yu Tat Fung, solicitor of the High Court of Hong Kong.

(b) The registered office of the Company is located at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong.

(c) The share registrar of the Company is Tricor Abacus Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(d) The authorized representatives of the Company are Ms. Chen Jing, executive Director and Mr. Yu Tat Fung, company secretary.

(e) The auditor of the Company is PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong.

(f) The registered office of GZYX is at 65th Floor, Guangzhou International Finance Centre, 5 Zhujiang West Road, Pearl River New City, Tianhe District, Guangzhou, China.

(g) The registered office of GZ Metro Subscriber at 16th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong.

(h) The English texts of this circular shall prevail over the Chinese texts.

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

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

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting (the "**Meeting**") of the Company (the "**Company**") will be held at Plaza I-IV, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 3 April 2019 at 10:30 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions. Words and expressions that are not expressly defined in this notice of general meeting shall bear the same meaning as that defined in the shareholder circular dated 18 March 2019 (the "**Circular**").

ORDINARY RESOLUTIONS

1. THE TRANSACTIONS

"**THAT**:

(a) each of the Transaction Documents and the consummation of transactions contemplated thereunder as more particularly described in the Circular and on the terms and conditions set out in the Transaction Documents be hereby approved, ratified and confirmed;

(b) conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Subscription Shares, the Directors be and are hereby granted the Specific Mandate to exercise the powers of the Company to allot and issue the Subscription Shares pursuant to the terms and conditions of the Subscription Agreement, and the Specific Mandate is in addition to, and shall not prejudice nor revoke any general or special mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to the passing of this resolution; and

(c) any one Director be and is hereby authorised, for and on behalf of the Company, to complete and do all such acts or things (including signing and executing all such documents, instruments and agreements as may be required, including under seal where applicable) as the Company, such Director or, as the case may be, the Board may consider necessary, desirable or expedient or in the interest of the Company to give effect to the terms of the matters contemplated under the Transaction Documents and all transactions contemplated thereunder and all other matters incidental thereto or in connection therewith.

RE-ELECTION OF DIRECTORS

2. "**THAT** Mr. Lin Feng be re-elected as an executive Director and the board of Directors be authorised to fix his remuneration."

3. "**THAT** Ms. Liu Yan be re-elected as an executive Director and the board of Directors be authorised to fix her remuneration."

SPECIAL RESOLUTION

4. WHITEWASH WAIVER

"**THAT**:

(a) the Whitewash Waiver be and is hereby approved; and

(b) any one Director be and is hereby authorised, for and on behalf of the Company, to complete and do all such acts or things (including signing and executing all such documents, instruments and agreements as may be required, including under seal where applicable) as the Company, such Director or, as the case may be, the Board may consider necessary, desirable or expedient or in the interest of the Company to give effect to the terms of the matters contemplated under the Whitewash Waiver and all other matters incidental thereto or in connection therewith.

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

Hong Kong, 18 March 2019

Registered Office:
26th Floor, Yue Xiu Building
160 Lockhart Road
Wanchai
Hong Kong

Notes:

1) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.

2) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person duly authorised to sign the same.

3) In order to be valid, the completed proxy form together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited with the share registrar of the Company, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof (as the case may be).

4) Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.

5) Where there are joint registered holders of any share, any one of such joint holders may vote at the meeting, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the share(s) shall be accepted to the exclusion of the votes of the other joint registered holders.

6) The register of members of the Company will be closed from Monday, 1 April 2019 to Wednesday, 3 April 2019, both days inclusive, during which period no transfer of shares will be registered. For the purpose of ascertaining the shareholders' eligibility to participate in the general meeting of the Company to be held on 3 April 2019, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Friday, 29 March 2019.