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

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



越秀房地產投資信託基金
YUEXIU REAL ESTATE INVESTMENT TRUST

*(A Hong Kong collective investment
scheme authorised under section 104
of the Securities and Futures Ordinance
(Chapter 571 of the Laws of Hong Kong))*
(Stock code: 00405)

Managed by



越秀房託資產管理有限公司
YUEXIU REIT ASSET MANAGEMENT LIMITED

JOINT ANNOUNCEMENT IN RELATION TO

- (I) VERY SUBSTANTIAL DISPOSAL BY
YUEXIU PROPERTY COMPANY LIMITED IN RESPECT OF
GUANGZHOU INTERNATIONAL FINANCE CENTER;**
- (II) VERY SUBSTANTIAL ACQUISITION BY AND CONNECTED PARTY
TRANSACTION OF YUEXIU REAL ESTATE INVESTMENT TRUST IN
RESPECT OF GUANGZHOU INTERNATIONAL FINANCE CENTER; AND**
- (III) COMPLETION OF TRANSACTION**

Reference is made to: (a) the joint announcements of the REIT and Yuexiu Property Company Limited dated 28 May 2012 and 29 June 2012; (b) the circulars of the REIT and Yuexiu Property dated 30 June 2012; (c) the announcement of the REIT dated 27 September 2012; and (d) the announcement of Yuexiu Property dated 27 September 2012.

PICC Placement and amount drawn down under New Bank Facility

The closing of the PICC Placement did not occur by 3 October 2012, being the latest date to issue a draw down notice under the New Bank Facility. Accordingly, an additional Hong Kong dollar amount equivalent to the expected proceeds of the PICC Placement (being approximately HK\$388 million) was drawn down under the New Bank Facility on 8 October 2012 (being the Completion Date) to finance the consideration in respect of the Assignment, bringing the total amount drawn down under the New Bank Facility on the Completion Date to HK\$2,980 million. If and when the PICC Placement subsequently completes, the entire net proceeds of the PICC Placement will be used to partially repay the amount drawn down under the New Bank Facility.

Placement Units issued pursuant to Placing and Underwriting Agreement

The conditions of the Placing and Underwriting Agreement were satisfied, and the placement of 975,166,000 Placement Units (comprising 904,586,000 Firm Placement Units and 70,580,000 Option Placement Units) to Placees at an Issue Price of HK\$3.30 per Unit, was completed on the Completion Date.

Completion of Transaction and Total Consideration

The conditions of the Subscription Deed and the Indebtedness Agreement were satisfied and the Transaction was completed on the Completion Date.

The total amount owing from Tower Top to Yuexiu Property on the Completion Date, being the Assigned Indebtedness, was RMB8,850,027,004 (equivalent to HK\$10,813,683,855 applying the exchange rate of HK\$1.00 = RMB0.81841 in accordance with the Indebtedness Agreement). In consideration of the Assignment:

- (a) HK\$5,951,408,101 was paid to Yuexiu Property in cash on the Completion Date, from the net proceeds of the Unit Placement and the amount drawn down under the New Bank Facility;
- (b) HK\$1,929,153,778 was satisfied by the issuance of 584,592,054 Units to YXP Nominee as Consideration Units on the Completion Date, at the Issue Price of HK\$3.30 per Unit; and

(c) the remaining HK\$2,933,121,976 will be satisfied by the issuance of Units to YXP Nominee from 2016 onwards as Deferred Units, at the Initial Deferred Units Issue Price of HK\$4.00 per Unit (assuming no Deferred Units Adjustment Events eventuate, it is expected that 733,280,494 Deferred Units will be issued to YXP Nominee).

The REIT also paid a further US\$9,999 to Tower Top in cash on the Completion Date, from the amount drawn down under the New Bank Facility, in satisfaction of the Subscription Monies.

Further Announcements

A further announcement will be issued by the REIT Manager as soon as practicable after the completion accounts and the working capital statement have been finalised. Also, an announcement will be issued by the REIT Manager at the time the PICC Placement is completed, or if the PICC Placement has not completed by 15 December 2012, an announcement will in any event be issued on that date to keep investors informed of the progress of the PICC Placement.

Reference is made to: (a) the joint announcements of Yuexiu Real Estate Investment Trust (the “**REIT**”) and the Yuexiu Property Company Limited (“**Yuexiu Property**”) dated 28 May 2012 and 29 June 2012; (b) the circulars of the REIT and Yuexiu Property dated 30 June 2012; (c) the announcement of the REIT dated 27 September 2012 (the “**Launch Announcement**”); and (d) the announcement of Yuexiu Property dated 27 September 2012. Unless the context requires otherwise, terms used in this announcement shall have the same meaning as those defined in the Launch Announcement.

PICC Placement and amount drawn down under New Bank Facility

None of the three conditions of the PICC Placement (as summarised in the Launch Announcement) were satisfied prior to 3 October 2012, and consequentially, the closing of the PICC Placement did not occur by such date, being the latest date to issue a draw down notice under the New Bank Facility. On 4 October 2012, the Listing Committee of the Stock Exchange approved the listing of and granted permission to deal in the PICC Placement Units, subject to the other PICC Placement conditions being satisfied. As at the date of this announcement, the two other conditions to the PICC Placement have yet to be satisfied.

Accordingly, as foreshadowed in the Launch Announcement, an additional Hong Kong dollar amount equivalent to the expected proceeds of the PICC Placement (being approximately HK\$388 million) was drawn down under the New Bank Facility on 8 October 2012 (the “**Completion Date**”) to finance the consideration in respect of the Assignment, bringing the total amount drawn down under the New Bank Facility on the Completion Date to HK\$2,980 million. If and when the PICC Placement subsequently completes, the entire net proceeds of the PICC Placement will be used to partially repay the amount drawn down under the New Bank Facility.

If the completion of the PICC Placement and subsequent use of its entire net proceeds to partially repay the New Bank Facility is not taken into account (for example, if the PICC Placement is not completed), the gearing ratio of the Enlarged Portfolio is expected to be approximately 35%, based on the methodology described in section H of the Launch Announcement.

Placement Units issued pursuant to Placing and Underwriting Agreement

The conditions of the Placing and Underwriting Agreement were satisfied, and the placement of 975,166,000 Placement Units (comprising 904,586,000 Firm Placement Units and 70,580,000 Option Placement Units) to Placees at an Issue Price of HK\$3.30 per Unit, was completed on the Completion Date. The REIT Manager confirms that none of the Placees has become a significant holder (as defined in the REIT Code) of the REIT as at the date of this announcement.

As the placement was multiple times oversubscribed, the Unit Placement Underwriters elected to exercise their Option in respect of the maximum number of additional Placement Units that may be issued pursuant to the Option (being the 70,580,000 Option Placement Units stated above).

The Issue Price represents:

- (a) a discount of approximately 8.6% to the closing price of HK\$3.61 per Unit as quoted on the Stock Exchange on the last trading day immediately prior to the Unit Placement Pricing Date;
- (b) a discount of approximately 10.1% to the average closing price of HK\$3.67 per Unit as quoted on the Stock Exchange for the five trading days immediately prior to the Unit Placement Pricing Date; and
- (c) a discount of approximately 11.5% to the average closing price of HK\$3.73 per Unit as quoted on the Stock Exchange for the ten trading days immediately prior to the Unit Placement Pricing Date; and

- (d) a discount of approximately 45.5% to the unaudited consolidated net asset per Unit value as of 30 June 2012 of HK\$6.05.

As described in paragraph (c) above, the Issue Price is not at a discount of more than 20% to the average closing price of the Units on the Stock Exchange in the ten trading days immediately prior to the Unit Placement Pricing Date.

The gross proceeds of the placement of the Firm Placement Units and Option Placement Units was approximately HK\$3,218 million, and the net proceeds (after deduction of the transaction levy, trading fees, placing commission and estimated out of pocket expenses incurred by the Unit Placement Underwriters in relation to the Unit Placement) is approximately HK\$3,135 million. Unlike the Launch Announcement, only fees directly related to the Unit Placement have been deducted from gross proceeds to determine the net proceeds of the Unit Placement; in the Launch Announcement all fees incurred in respect of the Transaction, amounting to approximately RMB200 million and including those fees not directly related to the Unit Placement (such as fees paid to other professional parties), were deducted to calculate the net proceeds of the Unit Placement. The net proceeds of the placement of the Firm Placement Units and Option Placement Units will be applied towards the settlement of the cash portion of the consideration for the Assignment, as well as the fees not directly related to the Unit Placement.

On 4 October 2012, the Listing Committee of the Stock Exchange approved the listing of and granted permission to deal in the Placement Units issued pursuant to the Placing and Underwriting Agreement, subject to the conditions in the Placing and Underwriting Agreement being satisfied (as stated above, such conditions have been satisfied).

Completion of Transaction and Total Consideration

The conditions of the Subscription Deed and the Indebtedness Agreement were satisfied and the Transaction was completed on the Completion Date.

The total amount owing from Tower Top to Yuexiu Property on the Completion Date, being the Assigned Indebtedness, was RMB8,850,027,004 (equivalent to HK\$10,813,683,855 applying the exchange rate of HK\$1.00 = RMB0.81841 in accordance with the Indebtedness Agreement). In consideration of the Assignment:

- (a) HK\$5,951,408,101 was paid to Yuexiu Property in cash on the Completion Date, from the net proceeds of the Unit Placement and the amount drawn down under the New Bank Facility;

- (b) HK\$1,929,153,778 was satisfied by the issuance of 584,592,054 Units to YXP Nominee as Consideration Units on the Completion Date, at the Issue Price of HK\$3.30 per Unit; and
- (c) the remaining HK\$2,933,121,976 will be satisfied by the issuance of Units to YXP Nominee from 2016 onwards as Deferred Units, at the Initial Deferred Units Issue Price of HK\$4.00 per Unit (assuming no Deferred Units Adjustment Events eventuate, it is expected that 733,280,494 Deferred Units will be issued to YXP Nominee).

The REIT also paid a further US\$9,999 to Tower Top in cash on the Completion Date, from the amount drawn down under the New Bank Facility, in satisfaction of the Subscription Monies.

On 4 October 2012, the Listing Committee of the Stock Exchange approved the listing of and granted permission to deal in the Consideration Units and Deferred Units, subject to the conditions of the Subscription Deed and the Indebtedness Agreement being satisfied (as stated above, such conditions have been satisfied).

The number of Firm Placement Units, Option Placement Units and Consideration Units issued, and the number of Deferred Units expected to be issued, is consistent with the amounts stated in sections A to D of the Launch Announcement.

Also, assuming the PICC Placement completes and the entire net proceeds of the PICC Placement are used to partially repay the amount drawn down under the New Bank Facility, the final financing structure (including the amount outstanding under the New Bank Facility) will be consistent with the Actual Financing Structure set out in section A of the Launch Announcement.

The DPU Undertaking, calculated as at the Completion Date, is satisfied irrespective of whether the PICC Placement is completed. For further details regarding the DPU Undertaking, please refer to section F of the Launch Announcement.

Further Announcements

A further announcement will be issued by the REIT Manager as soon as practicable after the completion accounts and the working capital statement have been finalised. Also, an announcement will be issued by the REIT Manager at the time the PICC

Placement is completed, or if the PICC Placement has not completed by 15 December 2012, an announcement will in any event be issued on that date to keep investors informed of the progress of the PICC Placement.

By order of the board of directors of
Yuexiu Property Company Limited
YU Tat Fung
Company Secretary

By order of the board of directors of
Yuexiu REIT Asset Management Limited
(as manager of Yuexiu Real Estate Investment Trust)
YU Tat Fung
Company Secretary

Hong Kong, 8 October 2012

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

Executive Directors: Messrs. LU Zhifeng (Chairman), ZHANG Zhaoxing, LIANG Yi, TANG Shouchun, CHEN Zhihong and LAM Yau Fung Curt

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

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

Executive Directors: Messrs. LIANG Ningguang (Chairman) and LIU Yongjie

Non-executive Director: Mr. LI Feng

Independent Non-executive Directors: Messrs. CHAN Chi On Derek, LEE Kwan Hung Eddie and CHAN Chi Fai Brian