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

(Incorporated in Hong Kong with limited liability)

(Stock code: 00123)

ANNOUNCEMENT

- (1) DISCLOSABLE TRANSACTION IN RELATION TO THE DISPOSAL OF 67.0% OF A PROJECT COMPANY WHICH OWNS A COMMERCIAL PROPERTY IN WUHAN AND**
- (2) FORMATION OF A JOINT VENTURE IN RELATION TO THE PROJECT COMPANY**

Acquisition Deed

The Company is pleased to announce that on 14 November 2017, the Vendor (as seller), the Purchaser (as purchaser) and the Company (as guarantor) entered into the Acquisition Deed, pursuant to which: (i) the Vendor agreed to sell, and the Purchaser agreed to purchase, 67.0% of the Wuhan Property (through the purchase of the Sale Shares representing the entire equity interest in Fully Cheer, which will (after the Reorganisation) indirectly hold 67.0% of Project Company, which is the registered legal owner of the land use rights and current ownership rights underlying the Wuhan Property); and (ii) the Vendor agreed to assign, and the Purchaser agreed to accept the assignment, of the Shareholder's Loan from the Vendor, with the rights attached to it as at the Completion Date.

The Wuhan Property comprises office, retail, commercial carpark spaces and residential carpark spaces and is a part of a larger integrated development project which also includes, among other things, a residential development known as "Starry Winking (星匯雲錦)" and its ancillary facilities.

The consideration for the sale of the Sale Shares and assignment of the Shareholder's Loan is the Agreed Disposal Amount, being RMB 2,280,606,300, subject to an adjustment to either: (a) add the amount of the Wuhan Disposal Group Adjusted NAV as at Completion (if it is a positive amount); or (b) subtract the absolute value of the amount of the Wuhan Disposal Group Adjusted NAV as at Completion (if it is a negative amount), in each case as set out in the Completion Statement. For illustrative purpose, based on the financial information of the Wuhan Disposal Group as at 30 June 2017 and assuming that the adjustments in respect of all the components set out in the definition of "Wuhan Disposal Group Adjusted NAV" below have been made, the Wuhan Disposal Group Adjusted NAV as at 30 June 2017 is approximately minus RMB364,486,700, and mostly attributable to the outstanding construction costs of the Project Company (being RMB732,191,000, 67.0% of which (being RMB490,567,970) would be taken into account in determining the Wuhan Disposal Group Adjusted NAV as a liability of the Project Company).

Following Completion, each member of the Wuhan Disposal Group will cease to be a subsidiary of the Company and their respective accounts will no longer be consolidated with those of the Company.

Joint Venture Agreement

Upon completion of the Disposal, the Vendor Subsidiary and the Intermediary Company (being the JV Shareholders) shall enter into the Joint Venture Agreement in relation to the Project Company. As a result, the Vendor (through the Vendor Subsidiary) and the Purchaser (through the Intermediary Company) will own an effective 33.0% and 67.0% interest in the Project Company, respectively.

Vendor Facility

The Purchaser (as borrower) will, on Completion, enter into a facility letter in respect of the Vendor Facility with the Vendor (as lender). In the event that there is any shortfall in the funding required for payment of the Deferred Completion Payment, the Purchaser may draw down on the Vendor Facility to fund the shortfall if the REIT Manager considers that other financing options with terms and conditions to its satisfaction cannot be secured at the time the Deferred Completion Payment is made.

The Vendor Facility is a Hong Kong dollar denominated unsecured term loan facility up to an amount equivalent to RMB 814,700,000 (based on a five-day average of the RMB/HKD central parity rate as announced by the People's Bank of China at the relevant time), bearing interest at a margin of 1.3% per annum over HIBOR.

Reasons for and benefits of the Disposal

The Directors believe that the Disposal will bring the following benefits to the Shareholders:

- 1) the Development is a composite use development and is comprised of residential, commercial, office and office portions. All residential units (other than those which form part of the Excluded Property) and certain residential carparks in the Development have been sold. The proposed Disposal is in line with the Company's operating structure of "develop, operate and securitise", which would work to the mutual benefit of the Company and Yuexiu REIT. This Disposal further exemplifies the interactive model between the Company and Yuexiu REIT;
- 2) according to policy of the Central Government of the PRC, Wuhan is designated as a national central city of the PRC. Presently, Wuhan is the only 1.5 tier city among the six provinces in central PRC and its economy is expected to benefit further from this policy. Situated in one of the new central business districts on the waterfront of Hankou District in Wuhan, the Wuhan Property will stand to enjoy the high growth potentials of Wuhan. The Disposal is to optimise the deployment of resources of the Group. After the Disposal, the Company can continue to enjoy the future growth potential of the Wuhan Property through its ownership in 33% of the equity interest in the Project Company as well as indirectly through its present approximate 35.303% interest in Yuexiu REIT;
- 3) through selling 67% interest in the Wuhan Property at market price, the Company can recoup the majority of its investment expended on the Wuhan Property, which would enhance the cash flow of the Company. Such enhanced cash flow is conducive to return of cash to the Company. Assuming that no material adjustments in respect of the Consideration will be required at Completion and nor to the amounts payable by the Vendor under the Support Arrangement, the Company is expected to record a gain (after taxation) of approximately RMB400 million, which comprises a gain on disposal of 67% equity interest in the Project Company and fair value gains on the remaining 33% equity interest held by the Group after re-measurement according to relevant accounting standards, thereby realising reasonable profits through the Disposal; and

- 4) the Disposal would be conducive to enhancing the turnover rate of the Company's projects.

Implications under the Listing Rules

As the highest applicable percentage ratio (as calculated in accordance with Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but is lower than 25%, the Disposal constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

The Company is pleased to announce that on 14 November 2017, the Vendor (as seller), the Purchaser (as purchaser) and the Company (as guarantor) entered into the Acquisition Deed, pursuant to which: (i) the Vendor agreed to sell, and the Purchaser agreed to purchase, 67.0% of the Wuhan Property (through the purchase of the Sale Shares representing the entire equity interest in Fully Cheer, which will (after the Reorganisation) indirectly hold 67.0% of Project Company, which is the registered legal owner of the land use rights and current ownership rights underlying the Wuhan Property); and (ii) the Vendor agreed to assign, and the Purchaser agreed to accept the assignment, of the Shareholder's Loan from the Vendor, with the rights attached to it as at the Completion Date. The consideration for the sale of the Sale Shares and assignment of the Shareholder's Loan is the Agreed Disposal Amount, subject to adjustments. The remaining 33.0% equity interest in Project Company will be retained by the Vendor (through the Vendor Subsidiary).

The Wuhan Property comprises office, retail, commercial carpark spaces and residential carpark spaces and is a part of a larger integrated development project (the "**Development**") which also includes, among other things, a residential development known as "Starry Winking (星匯雲錦)" and its ancillary facilities.

ACQUISITION DEED

The principal terms of the Acquisition Deed are set out below:

Date

14 November 2017

Parties

The Vendor (as seller), the Purchaser (as purchaser) and the Company (as guarantor).

The Purchaser is a SPV of Yuexiu REIT. As at the date of this announcement, the Company indirectly holds 1,040,828,490 REIT Units, representing approximately 35.303% of REIT Units in issue. The Company owns 100% of the issued share capital of the REIT Manager. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the REIT Trustee and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Disposal of Sale Shares and Assignment of Loan

Pursuant to the Acquisition Deed, the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Shares, representing the entire equity interest in Fully Cheer, which will (after the Reorganisation) indirectly hold 67.0% of Project Company, which is the registered legal owner of the land use rights and current ownership rights underlying the Wuhan Property) from the Vendor. As set out in the paragraph headed "Pre-Completion Reorganisation and disposal of Excluded Property" below, the Reorganisation will result in the creation of the Shareholder's Loan. Pursuant to the Acquisition Deed, the Vendor will assign the Shareholder's Loan to the Purchaser, with the rights attached to it as at the Completion Date.

Pre-Completion Reorganisation and disposal of Excluded Property

Pursuant to the Acquisition Deed, prior to Completion and as a Condition Precedent to Completion, the Vendor will procure the Vendor Subsidiary to transfer 67.0% of the equity interest in the Project Company to the Intermediary Company ("**Reorganisation**"). The Reorganisation will result in the creation of a shareholder loan owing from Fully Cheer to the Vendor (the "**Shareholder's Loan**"), with the amount of the Shareholder's Loan to be determined at the time of the Reorganisation.

In addition, as at the date of this announcement, the Project Company also holds the Excluded Property, which includes certain residential apartments, an ancillary clubhouse and a kindergarten which are part of the Development but do not form part of the Wuhan Property proposed to be sold to the Purchaser. The Project Company will dispose of the Excluded Property prior to Completion in accordance with the terms of the Acquisition Deed.

Consideration and payment terms

The consideration for the sale of the Sale Shares and assignment of the Shareholder's Loan is an agreed disposal amount, being RMB2,280,606,300 (the "**Agreed Disposal Amount**"), subject to an adjustment to either: (a) add the amount of the Wuhan

Disposal Group Adjusted NAV as at Completion (if it is a positive amount); or (b) subtract the absolute value of the amount of the Wuhan Disposal Group Adjusted NAV as at Completion (if it is a negative amount), in each case as set out in the Completion Statement (the “**Consideration**”).

The “**Wuhan Disposal Group Adjusted NAV**” shall be equal to: (i) 67.0% of all current assets and deferred tax assets of the Wuhan Disposal Group (other than the value of the properties held for sale (including the Wuhan Property and Excluded Property), trade receivables (including but not limited to trade receivables relating to the Excluded Property sold prior to Completion), any amounts due from fellow subsidiaries and any cash in excess of RMB300,000,000); minus (ii) 67.0% of all liabilities of the Wuhan Disposal Group (other than the Shareholder’s Loan), in each case as at Completion as shown in the Completion Statement. For illustrative purpose, based on the financial information of the Wuhan Disposal Group as at 30 June 2017 and assuming that the adjustments in respect of all the components set out in the definition of “Wuhan Disposal Group Adjusted NAV” below have been made, the Wuhan Disposal Group Adjusted NAV as at 30 June 2017 is approximately minus RMB364,486,700, and mostly attributable to the outstanding construction costs of the Project Company (being RMB732,191,000, 67.0% of which (being RMB490,567,970) would be taken into account in determining the Wuhan Disposal Group Adjusted NAV as a liability of the Wuhan Disposal Group).

As at 30 June 2017, the Wuhan Disposal Group had amounts due from and owing to its fellow subsidiaries of RMB1,591,414,000 and RMB792,078,000. Pursuant to the Acquisition Deed, the Vendor has undertaken to use its reasonable endeavours to settle all outstanding balances between the Wuhan Disposal Group and its fellow subsidiaries, and to procure the Wuhan Disposal Group to distribute cash (subject to retaining at least RMB20,000,000 cash, but no more than RMB300,000,000 cash, for general working capital purposes), prior to Completion. As at 30 June 2017, the Wuhan Disposal Group had trade receivables of RMB98,000. Amounts due from fellow subsidiaries to the Wuhan Disposal Group, any cash in excess of RMB300,000,000 and trade receivables, in each case as at Completion, shall be disregarded in the determination of Wuhan Disposal Group Adjusted NAV, and thus, not affect the Consideration payable by the Purchaser.

The Consideration shall be applied: (i) firstly, as payment on a dollar-for-dollar basis for the assignment of the Shareholder’s Loan to the Purchaser; and (ii) thereafter, as payment for the transfer of the Sale Shares to the Purchaser.

Pursuant to the Acquisition Deed, the Consideration shall be paid in the following manner:

- (1) at Completion, the Purchaser shall pay, or procure the payment of, an amount in cash equal to:
 - i. 60.0% of the sum of: (i) the Agreed Disposal Amount of RMB2,280,606,300; plus/minus (ii) the Wuhan Disposal Group Adjusted NAV as set out in the Pro Forma Completion Statement (this 60.0% portion being the “**Initial Completion Payment**” and the remaining 40.0% of such sum being the “**Deferred Completion Payment**”);
 - ii. minus the EIT Withheld Amount (being RMB44,224,087 less any PRC Enterprise Income Tax already paid in connection with the Reorganisation prior to Completion), which is to be retained by Purchaser and deposited into a segregated account in the name of the Purchaser (“**EIT Segregated Account**”);
- (2) within five Business Days after agreement or determination of the Completion Statement (which shall be agreed between the Purchaser and the Vendor, and failing such agreement, audited by PricewaterhouseCoopers or such other auditors jointly appointed by the REIT Manager and the Vendor):
 - i. if the Wuhan Disposal Group Adjusted NAV (as set out in the Completion Statement) is higher than the Wuhan Disposal Group Adjusted NAV (as set out in the Pro Forma Completion Statement), the Purchaser shall pay 60.0% of the difference to the Vendor (with the remaining 40.0% of the difference being payable in accordance with paragraph (3) below) without prejudice to the Purchaser’s right to retain and deposit any Additional EIT Withheld Amount into the EIT Segregated Account; and
 - ii. if the Wuhan Disposal Group Adjusted NAV (as set out in the Completion Statement) is lower than the Wuhan Disposal Group Adjusted NAV (as set out in the Pro Forma Completion Statement), the Vendor shall repay the difference to Purchaser,

with such difference payable by the Purchaser or the Vendor being the “**True-up Payment**”; and
- (3) within one year after Completion, the Purchaser shall pay, or procure the payment of, an amount in cash equal to:
 - i. the Deferred Completion Payment, plus the remaining 40.0% of the True-up Payment (if it is a positive amount);

- ii. plus interest on the net amount under paragraph (3)(i) above accrued at a margin of 1.0% per annum over HIBOR from the Completion Date to the date that such amount is paid.

EIT Segregated Account

On Completion, the Purchaser shall pay the EIT Withheld Amount for credit to the EIT Segregated Account. If the Purchaser reasonably expects that the amount of taxes payable by the Vendor arising out of or relating to the Reorganisation and the Disposal may be greater than the EIT Withheld Amount, the Purchaser may pay the excess amount (the “**Additional EIT Withheld Amount**”) for credit to the EIT Segregated Account. The Acquisition Deed specifies that the funds in the EIT Segregated Account will only be released to the Vendor after it has provided the Purchaser with evidence that it has paid that amount of taxes payable by the Vendor in respect of the Reorganisation and the Disposal, provided the funds remaining in the EIT Segregated Account is equal to or greater than the amount of unpaid taxes the Vendor may be liable for arising out of or relating to the Reorganisation and the Disposal.

Basis of determination of Consideration

The Agreed Disposal Amount was arrived at on a willing buyer/seller and arm’s length basis after taking into account the valuation of the Wuhan Property by the Independent Property Valuer as at 31 August 2017, and represents a discount of approximately 5.1% to the Proportionate Appraised Value of RMB 2,403,290,000 (which is 67.0% of the Appraised Value in respect of the entire Wuhan Property as at 31 August 2017, being RMB3,587,000,000).

The Directors (including the independent non-executive Directors) consider that the Consideration (including the basis of determination thereof) is fair and reasonable, on normal commercial terms and in the interests of the Company and Shareholders as a whole.

Conditions Precedent

Completion of the Disposal is conditional upon the satisfaction of the following Conditions Precedent:

- (i) the resolution approving the Transaction Matters Requiring REIT Approval having been passed by the Independent REIT Unitholders of Yuexiu REIT at the REIT EGM;
- (ii) the completion of the Reorganisation;

- (iii) all necessary consents or waivers being granted by third parties (including any governmental or official authorities) in connection with the transactions contemplated under the Acquisition Deed and no statute, regulation or decision which would prohibit or materially delay the sale and purchase of the Sale Shares, the assignment of Shareholder's Loan or which would prohibit or materially restrict the operation of the Wuhan Disposal Group or the Wuhan Property having been enacted or taken by any governmental or official authority;
- (iv) there being no material damage to the Wuhan Property, no compulsory acquisition or resumption of the Wuhan Property and no notice of such intention received from any governmental authority; and
- (v) the warranties of the Vendor under the Acquisition Deed remaining true and accurate in all material respects and not misleading in any material respect at Completion as if repeated at Completion (by reference to the facts and circumstances existing at Completion).

The Vendor and the Purchaser may not waive any of the Conditions Precedent, except for Conditions Precedent (iv) and (v) which may be waived by the Purchaser by notice in writing to the Vendor.

If any of the Conditions Precedent have not been fulfilled on or before 31 March 2018 (or such other date as Purchaser and Vendor may agree), and the parties have not agreed to postpone the date by which the Conditions Precedent must be fulfilled (or waived, if applicable), then neither the Purchaser nor the Vendor shall be bound to proceed with the Disposal and the Acquisition Deed shall terminate without prejudice to any other right or remedy either party to the Acquisition Deed may have.

Termination of the Acquisition Deed

If Completion has not taken place within 10 Business Days after the date on which all the Conditions Precedent have been fulfilled (or waived, if applicable), or such other date as may be agreed by the Purchaser and the Vendor, due to the breach of one party to the Acquisition Deed, the other Party may by written notice terminate the Acquisition Deed without prejudice to the Parties' rights and remedies under law.

In addition, the Purchaser or the Vendor may by written notice to the other Party terminate the Acquisition Deed upon the occurrence of any fact, matter or event which would constitute a material breach by that Party under the Acquisition Deed, in accordance with the terms of the Acquisition Deed. The Purchaser may also by written notice to the Vendor terminate the Acquisition Deed upon the occurrence of any fact, matter or event which would be likely to affect the business or financial position of Fully Cheer in a materially adverse manner, in accordance with the terms of the Acquisition Deed.

Support Arrangement relating to the Wuhan Property

As the Wuhan Property is still in the initial phase of its operations (with leasing of the office portion of the Wuhan Property only commencing in November 2016), to enable Yuexiu REIT to mitigate its exposure to the start-up risks associated with the operation of the Wuhan Property and to ensure Yuexiu REIT receives expected, progressive and recurrent net income during these periods, the Vendor has agreed to provide support payments to the Purchaser for the period from 1 January 2018 up to and including 31 December 2020, subject to completion of the Disposal (“**Support Arrangement**”).

Such support payments shall be made to the Purchaser (or any entity within the REIT Enlarged Group as designated by the Purchaser) in the event that:

- (1) the Actual Adjusted Net Income (as derived from the Project Company’s accounts for the six months ending 30 June of each financial year and as notified by the Purchaser to the Vendor in writing) is less than the Baseline Adjusted Net Income for the relevant six-month period (“**Interim Support Arrangement Shortfall**”), in which case the Interim Support Arrangement Shortfall shall be payable to the Purchaser (or any entity within the REIT Enlarged Group as designated by the Purchaser); or
- (2) the Actual Adjusted Net Income (as derived from the Project Company’s accounts for the financial year ending 31 December of each financial year and as confirmed by Yuexiu REIT’s auditors) is less than the Baseline Adjusted Net Income for that financial year, in which case the shortfall (“**Annual Support Arrangement Shortfall**”) less any Interim Support Arrangement Shortfall already paid in respect of the same financial year, shall be payable to the Purchaser (or any entity within the REIT Enlarged Group as designated by the Purchaser). Where the Interim Support Arrangement Shortfall already paid during a financial year is higher than the Annual Support Arrangement Shortfall for the same financial year, the difference shall be repaid by the Purchaser to the Vendor.

The Purchaser will not be penalised under the Support Arrangement where the Actual Adjusted Net Income is greater than the Baseline Adjusted Net Income for a relevant period, and except for the potential refund of overpaid support amounts per paragraph (2) above, there are no circumstances under which the Purchaser will be required to pay or make any refund to the Vendor under the Support Arrangement.

The “**Actual Adjusted Net Income**” shall be equal to:

$$67\% \times (A+B) \times (1-C) + D$$

where:

A is equal to the net income or loss after tax of the Project Company, excluding any net income or loss after tax from the disposal of Residential Carpark Spaces, as determined in accordance with CAS;

B is equal to depreciation and amortisation costs;

C is equal to 10%, being the deemed withholding tax; and

D is equal to interest expenses.

The “**Baseline Adjusted Net Income**” for the three financial years during the term of the Support Arrangement is as follows, with the amount for the relevant six-month period being half of the Baseline Adjusted Net Income for the full year.

Period	Baseline Adjusted Net Income
Financial year ending 31 December 2018	RMB78,000,000
Financial year ending 31 December 2019	RMB98,000,000
Financial year ending 31 December 2020	RMB110,000,000

The Baseline Adjusted Net Income amounts were agreed by the Vendor and the Purchaser after taking into consideration: (a) the business plans of the Wuhan Property, including revenue and expenses estimated based on their operating experiences; (b) the estimations (based on current market conditions) as to the operating performance of the Wuhan Property; and (c) the supply and demand of similar-type properties in Wuhan.

Any support payments to be made to the Purchaser pursuant to the Support Arrangement shall be payable in Hong Kong dollars pursuant to a five-day average of the RMB/HKD central parity rate as announced by the People’s Bank of China at the relevant time and such support payment shall be paid to the Purchaser in cash, within seven Business Days from the publication of Yuexiu REIT’s interim results for the relevant six-month period or as the case may be, Yuexiu REIT’s annual results for the relevant financial year.

Vendor's tax obligations

Pursuant to the Acquisition Deed, the Vendor shall, at its own expense, as soon as possible and in any event no later than 30 days after the date of the Acquisition Deed, report the entry into of the Acquisition Deed and the proposed Reorganisation to the relevant PRC tax authority. The Vendor shall at its own expense: (a) as soon as possible and in any event no later than seven days after each of the Reorganisation and Completion Date, inform the relevant PRC tax authority that the Reorganisation or Completion (as the case may be) has occurred; and (b) truly, accurately and completely report all relevant information with respect to the Reorganisation or the Disposal (as the case may be) to the relevant PRC tax authority. The Vendor shall provide the Purchaser with a copy of any and all of its written submissions to the relevant PRC tax authority in respect of the Reorganisation and Disposal, and, to the extent available, a receipt in writing issued by the relevant PRC tax authority evidencing the submission, as soon as practicable after the relevant submission has been made. The Vendor shall promptly follow up with the relevant PRC tax authority in respect of its assessments to and payment of PRC tax on the Reorganisation and Disposal, submit all documents supplementally requested by the relevant PRC tax authority in connection with the Reorganisation and Disposal, and promptly keep the Purchaser informed of the foregoing.

The Vendor has also covenanted and undertaken in the Acquisition Deed to among other things, settle and pay in full the PRC Enterprise Income Tax payable by it arising out of or relating to the Reorganisation and Disposal within the time period required by applicable law, rules and regulations as applied by the relevant PRC tax authority, even if the amount of PRC Enterprise Income Tax payable by the Vendor arising out of or relating to the Reorganisation and the Disposal is greater than the EIT Withheld Amount and any Additional EIT Withheld Amount. The Acquisition Deed specifies that the funds in the EIT Segregated Account will only be released to the Vendor after it has provided the Purchaser with evidence that it has paid that amount of taxes payable by the Vendor in respect of the Reorganisation and the Disposal, provided the funds remaining in the EIT Segregated Account is greater than the amount of unpaid taxes the Vendor may be liable for arising out of or relating to the Reorganisation and the Disposal.

Guarantee and indemnity in favour of the Purchaser

The Company, as guarantor, has unconditionally and irrevocably guaranteed to the Purchaser the due and punctual payment of all amounts payable by the Vendor under the Acquisition Deed and due and punctual performance and observance by the Vendor of all its obligations, commitments, undertakings, warranties and indemnities under or pursuant to the Acquisition Deed.

Further, the Vendor has irrevocably undertaken to indemnify Yuexiu REIT, the REIT Trustee, the REIT Manager, the Purchaser and the Wuhan Disposal Group, to the fullest extent permissible by law, for any liability, losses, damages, fines, fees and costs (on a full indemnity basis) which Yuexiu REIT, the REIT Trustee, the REIT Manager, the Purchaser and/or the Wuhan Disposal Group may suffer (insofar as attributable to Yuexiu REIT's 67.0% equity interest in the Project Company) in respect of certain matters, including as a result of or in connection with:

- (1) any property held by the Project Company on or prior to Completion, other than the Wuhan Property;
- (2) taxation resulting from or by reference to any event occurring on or before Completion including, without limitation, any PRC Enterprise Income Tax payable for the Reorganisation and/or the Disposal; and
- (3) the actual outstanding construction costs payable by the Project Company in excess of the outstanding construction costs reflected in the Completion Statement for the purpose of calculating the Wuhan Disposal Group Adjusted NAV.

Completion of the Disposal

Pursuant to the terms of the Acquisition Deed, Completion shall take place within 10 Business Days after the date on which all the Conditions Precedent have been fulfilled (or waived, if applicable), or such other date as may be agreed by the Purchaser and the Vendor.

Following Completion, the Project Company will become a joint venture indirectly owned as to 67% and 33% by Yuexiu REIT and the Company respectively. As such, following Completion, each member of the Wuhan Disposal Group will cease to be a subsidiary of the Company and their respective accounts will no longer be consolidated with those of the Company.

JOINT VENTURE AGREEMENT

Upon Completion, the Intermediary Company and the Vendor Subsidiary (being the JV Shareholders) shall enter into the Joint Venture Agreement in relation to the Project Company.

The principal terms of the Joint Venture Agreement are summarised as follows:

Scope of business

The Project Company shall not have any business other than the holding, leasing, maintenance, operation and management of the Wuhan Property.

Board structure

The board of directors of the Project Company shall comprise three directors, one of whom may be nominated by the Vendor Subsidiary (and not the REIT Trustee) and the remaining two of whom may be nominated by the REIT Trustee (through the Intermediary Company).

The quorum for board meetings of the Project Company shall be two directors, comprising at least one director nominated for appointment by each JV Shareholder. The board chairman shall be nominated by the Intermediary Company and not have a casting vote.

Joint Decision Matters

Board decisions of the Project Company will be made by simple majority, except where such decision relates to any of the matters summarised below (the “**Board Joint Decision Matters**”):

- (1) conversion of any security into any shares of the Project Company or alteration of capital structure of the Project Company;
- (2) creation of any encumbrance or any third party interest over any of the assets of the Project Company; and
- (3) giving by the Project Company of any guarantee or indemnity or acting as surety relating to the performance of the payment or other obligations of any third party.

All Board Joint Decision Matters require unanimous approval of all the directors of the Project Company, provided that no director shall withhold his approval for a Board Joint Decision Matter where such Board Joint Decision Matter is to be approved, effected or consummated to comply with any requirements of applicable laws binding on or applicable to the Project Company, any legal obligation of the Project Company, any legal obligation binding on the Wuhan Property and/or the conditions of relevant approvals from the relevant governmental authority.

If the board of directors of the Project Company cannot agree on a Board Joint Decision Matter within 45 days or any board meeting cannot be duly convened for a lack of quorum within 45 days notice of such meeting is first given, any director may refer the deadlock to the chief executive officers of the REIT Manager and the Company for joint resolution whose decision is binding. In the unlikely event that a joint resolution cannot be reached, any JV Shareholder may exercise its right to dispose of its interest in the Project Company in accordance with the share transfer mechanism provided for in the Joint Venture Agreement.

Shareholder decisions of the Project Company will be made by simple majority, except where such decision relates to any of the matters summarised below (the “**Shareholder Joint Decision Matters**”, and together with the Board Joint Decision Matters, the “**Joint Decision Matters**”):

- (a) amendment to organisational documents of the Project Company;
- (b) increase or reduction in the registered capital of the Project Company; and
- (c) merger, division, dissolution, liquidation or change of company form of the Project Company.

All Shareholder Joint Decision Matters require unanimous approval of all the JV Shareholders, provided that no JV Shareholder shall withhold his approval for a Shareholder Joint Decision Matter where such Shareholder Joint Decision Matter is to be approved, effected or consummated to comply with any requirements of applicable laws binding on or applicable to the Project Company, any legal obligation of the Project Company, any legal obligation binding on the Wuhan Property and/or the conditions of relevant approvals from the relevant governmental authority.

If the JV Shareholders cannot agree on a Shareholder Joint Decision Matter within 45 days or any shareholders meeting cannot be duly convened for a lack of quorum within 45 days notice of such meeting is first given, any director may refer the deadlock to the chief executive officers of the REIT Manager and the Company for joint resolution whose decision is binding. In the unlikely event that a joint resolution cannot be reached, any JV Shareholder may exercise its right to dispose of its interest in the Project Company in accordance with the share transfer mechanism provided for in the Joint Venture Agreement.

Funding of the Project Company

Any funding needs of the Project Company shall be funded: (a) firstly, by new or existing bank facilities obtained by the Project Company on reasonable terms having regard to debt borrowings of similar size and nature in the current loan market in Hong Kong or the PRC (as the case may be); and (b) thereafter, if the Project Company fails to obtain sufficient funding through drawing down on bank facilities within six months, by the JV Shareholders by way of shareholder loan to the Project Company in accordance with their respective interest in the Project Company, in each case subject to compliance with all the relevant laws and regulations (including, without limitation, the REIT Code). Failure by any JV Shareholder to meet its funding obligations within the prescribed time shall be an “event of default”, and such Defaulter may be forced to sell its interest in the Project Company to the Non-Defaulter or to purchase the Non-Defaulter’s Interest in the Project Company in accordance with relevant default provisions that are summarised in paragraph headed “Events of Default” below in this part.

Outstanding Construction Costs

As at 30 June 2017, the Project Company had RMB 732,191,000 of outstanding construction costs payable in connection with the development, construction and fitting-out of the Wuhan Property (among other things), which were commissioned before the Completion Date. Such costs are expected to be settled by 2021.

Pursuant to the terms of the Joint Venture Agreement, the Vendor Subsidiary (as a JV Shareholder) will, among other things, receive all invoices relating to construction costs of the Project Company and will arrange for any such invoice to be paid by the Project Company within the specified timeframe pursuant to the terms of the relevant contract or invoice. In the event that the Vendor Subsidiary (as a JV Shareholder) does not procure payment of an invoice relating to construction costs in accordance with the terms of the Joint Venture Agreement, the Vendor Subsidiary (as a JV Shareholder) will be liable for all losses that the Project Company may suffer as a result thereof. As noted in the paragraph headed “Guarantee and indemnity in favour of the Purchaser”, the Vendor shall also indemnify the Purchaser to the extent the actual outstanding construction costs payable by the Project Company are in excess of the outstanding construction costs reflected in the Completion Statement insofar as attributable to Yuexiu REIT’s 67.0% equity interest in the Project Company.

Transfer of shares

No JV Shareholder shall have the right to dispose any part of its interest in (or shareholder loans to) the Project Company to a third party transferee, unless it has first offered its entire equity interest in (and shareholder loans to) the Project Company to the other JV Shareholder (on the same or better terms agreed with the third party transferee) who declines to accept such offer. Such restriction on disposal shall not apply to a transfer by either JV Shareholder to an affiliate. The transferee of any permitted transfer of shares in the Project Company shall enter into a deed of adherence to become bound by the Joint Venture Agreement.

The non-transferring JV Shareholder shall also have a tag-along right when the transferring JV Shareholder is proposing to sell its interest to a third party transferee.

Events of default

An event of default occurs when: (a) a JV Shareholder becomes insolvent; (b) a JV Shareholder fails to fund the Project Company at the time and in the manner according to the terms of the Joint Venture Agreement; or (c) a JV Shareholder breaches certain other provisions of the Joint Venture Agreement (for example, restrictions on transfer of shares in the Project Company).

After the occurrence of an event of default in relation to a JV Shareholder, the Non-Defaulter may (but is not obliged to), without prejudice to any other rights and remedies available to the Non-Defaulter (for example, its rights and remedies under the relevant law for breach of contract, including but not limited to monetary compensation and injunction, depending on the specific circumstances), at any time give a written notice to the Defaulter requiring:

- (1) the Defaulter to sell to the Non-Defaulter all shares in the Project Company held by the Defaulter together with all shareholder loans owing to the Defaulter and interests accrued thereon which remain unpaid (together, the “**Defaulter’s Interest**”) at a price equal to 90.0% of the fair market value of the Defaulter’s Interest determined in accordance with the Joint Venture Agreement; or
- (2) the Defaulter to purchase from the Non-Defaulter all shares in the Project Company held by the Non-Defaulter together with all shareholder loans owing to the Non-Defaulter and interests accrued thereon which remain unpaid (together, the “**Non-Defaulter’s Interest**”) at a price equal to 110.0% of the fair market value of the Non-Defaulter’s Interest determined in accordance with the Joint Venture Agreement.

Subject to compliance with all the relevant laws and regulations, the Defaulter has no discretion and must comply with the Non-Defaulter’s election.

Duration and termination of the Joint Venture Agreement

Pursuant to the Joint Venture Agreement, the operating term of the Project Company as a joint venture is from the effective date of the Joint Venture Agreement to 19 January 2031. The Joint Venture Agreement may be terminated in advance at the earliest of: (i) a date agreed between the Parties to the Joint Venture Agreement; (ii) all shares in the Project Company being owned and held by one shareholder; and (iii) the dissolution of the Project Company.

INFORMATION OF THE WUHAN DISPOSAL GROUP AND THE WUHAN PROPERTY

Fully Cheer and the Intermediary Company

Fully Cheer is incorporated in the British Virgin Islands and holds 100.0% of the Intermediary Company which will, after the Reorganisation, in turn, hold 67.0% of the Project Company. Fully Cheer and the Intermediary Company are existing indirect subsidiaries of the Company, neither of which holds any material assets or capital nor has any business operations prior to the Reorganisation.

Fully Cheer and the Intermediary Company will, after the Reorganisation, be in the principal business activity of investment holding in the Wuhan Property. After the Reorganisation, the Wuhan Property will be the sole underlying asset of Fully Cheer and the Intermediary Company.

The Project Company

The principal business activities of the Project Company were investment holding in, and property development of, the Development. After Reorganisation, the Project Company will be the registered legal owner of the land use rights and current building ownership rights underlying the Wuhan Property.

The audited financial information of Project Company, for the financial years ended 31 December 2015 and 2016 and the unaudited financial information of the Project Company for the six months ended 30 June 2017, respectively, in each case presented as a whole and inclusive of financial information of the Excluded Property because the financial information of the Wuhan Property and the Excluded Property have not been accounted for separately and the two properties have not been separately managed, is as follows:

	For the financial year ended 31 December 2015	For the financial year ended 31 December 2016	For the six months ended 30 June 2017
Revenue	RMB2,145,721,000	RMB2,372,530,000	RMB 267,090,000
Net profit before taxation	RMB572,504,000	RMB686,876,000	RMB77,530,000
Net profit after taxation	RMB385,448,000	RMB407,356,000	RMB44,688,000

The revenue of the Project Company for the relevant financial periods set out above were mainly derived from proceeds from the sale of residential units and carpark spaces (which are not part of the Wuhan Property), whilst rental revenue derived from the Wuhan Property contributed approximately nil, RMB12,299,000 and RMB 14,953,000 to the total revenue of the Project Company for the financial years ended 31 December 2015 and 2016 and the six months ended 30 June 2017, respectively.

As at 30 June 2017, the total assets and the net asset value of the Project Company (presented as a whole and inclusive of financial information of the Excluded Property) were approximately RMB 4,987,843,000 and RMB 3,159,532,000, respectively.

The Wuhan Property

The Wuhan Property comprises: (a) the entire 68-storey office and commercial development known as “Wuhan Yuexiu Fortune Centre (武漢越秀財富中心)”; (b) the entire 5-storey shopping arcade known as “Starry Victoria Shopping Center (星匯維港購物中心)” (inclusive of a 1-storey basement); (c) the 1,134 Commercial Carpark Spaces with a gross floor area of 47,182.94 sq.m.; and (d) the 375 Residential Carpark Spaces with a gross floor area of 15,602.82 sq.m.. The gross floor area for office uses is 129,446.74 sq.m and the gross floor area of retail uses is 43,557.58 sq.m.. The Commercial Carpark Spaces and Residential Carpark Spaces are situated in an underground carpark comprising a total of 3,188 spaces. The remaining 1,679 spaces are held by independent third parties and do not form part of the Wuhan Property.

The Wuhan Property is located in Hankou Riverside Business District in Wuhan, the capital city of Hubei province in Central China. The Wuhan Property is a part of a larger integrated development project, which also includes, among other things, a residential development known as “Starry Winking (星匯雲錦)” and its ancillary facilities.

VENDOR FACILITY

The Purchaser (as borrower) will, on Completion, enter into a facility letter in respect of the Vendor Facility with the Vendor (as lender). In the event that there is any shortfall in the funding required for payment of the Deferred Completion Payment, the Purchaser may draw down on the Vendor Facility to fund the shortfall if the REIT Manager considers that other financing options with terms and conditions to its satisfaction cannot be secured at the time the Deferred Completion Payment is made.

The “**Vendor Facility**” relates to a Hong Kong dollar denominated unsecured term loan facility up to an amount equivalent to RMB814,700,000 (based on a five-day average of the RMB/HKD central parity rate as announced by the People’s Bank of China at the relevant time), bearing interest at a margin of 1.3% per annum over HIBOR. The Vendor Facility will mature and become repayable one year from the date on which the Vendor Facility is drawn down, subject to Yuexiu REIT having four successive options to extend the maturity date of the Vendor Facility for a further year on the same terms other than the interest margin. The interest margin applicable during the initial term of the Vendor Facility was agreed by the Vendor and, the Purchaser having regard to prevailing market conditions and, the interest margin for each extension period shall likewise be determined having regard to the market conditions then prevailing. Under the Vendor Facility, Yuexiu REIT shall obtain quotations from two independent third party banks for a loan on similar terms as the Vendor Facility prior to each extension of the Vendor Facility, and the interest margin for such extension period shall be the lower of the two quotations.

FINANCIAL EFFECTS OF THE DISPOSAL

It is estimated that the Group will record a gain (after taxation) of approximately RMB400,000,000, which comprises a gain on disposal of 67% equity interest in the Project Company and fair value gains on the remaining 33% equity interest held by the Group after re-measurement according to relevant accounting standards.

The gain on disposal is calculated with reference to net asset value of the Wuhan Disposal Group as at 30 June 2017 taking into account the adjustments anticipated to be made for Completion and minus expenses.

Shareholders should note that the above figures are for illustrative purpose only and is based on the assumption that no payment under the Support Arrangement will need to be paid by the Vendor. The actual financial effect of the Disposal may be different from the above as it will be determined based on the financial position of the Wuhan Disposal Group as at the date of the Completion and review by the Group's auditors upon finalization of the Completion Statement and any payments required to be made by the Vendor under the Support Arrangement.

USE OF PROCEEDS

It is expected that the net proceeds from the Disposal will be applied towards the working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors believe that the Disposal will bring the following benefits to the Shareholders:

- 1) the Development is a composite use development and is comprised of residential, commercial, office and office portions. All residential units (other than those which form part of the Excluded Property) and certain residential carparks in the Development have been sold. The proposed Disposal is in line with the Company's operation structure of "develop, operate and securitise", which would work to the mutual benefit of the Company and Yuexiu REIT. This Disposal further exemplifies the interactive model between the Company and Yuexiu REIT;
- 2) according to policy of the Central Government of the PRC, Wuhan is designated as a national central city of the PRC. Presently, Wuhan is the only 1.5 tier city among the six provinces in central PRC, and its economy is expected to benefit further from this policy. Situated in one of the new central business districts on the waterfront of Hankou District in Wuhan, the Wuhan Property will stand to enjoy the high growth potentials of Wuhan. The Disposal is to optimise the

deployment of resources of the Group. After the Disposal, the Company can continue to enjoy the future growth potential of the Wuhan Property through its ownership in 33% of the equity interest in the Project Company as well as indirectly through its present approximate 35.303% interest in Yuexiu REIT;

- 3) through selling 67% interest in the Wuhan Property at market price, the Company can recoup the majority of its investment expended on the Wuhan Property, which would enhance the cash flow of the Company. Such enhanced cash flow is conducive to return of cash to the Company. Assuming that no material adjustments in respect of the Consideration will be required at Completion and nor to the amounts payable by the Vendor under the Support Arrangement, the Company is expected to record a gain (after taxation) of approximately RMB400 million, which comprises a gain on disposal of 67% equity interest in the Project Company and fair value gains on the remaining 33% equity interest held by the Group after re-measurement according to relevant accounting standards, thereby realising reasonable profits through the Disposal; and
- 4) the Disposal would be conducive to enhancing the turnover rate of the Company's projects.

Taking into account the reasons and benefits described above, the Directors (including the independent non-executive Directors) consider that the terms of the Disposal are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE COMPANY, THE VENDOR AND THE PURCHASER

Information of the Company

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). The Group 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.

Information of the Vendor and the Vendor Subsidiary

Each of the Vendor and the Vendor Subsidiary is an indirect wholly-owned subsidiary of the Company. The principal business activities of the Vendor and the Vendor Subsidiary were the holding of investments in the Wuhan Property. After the Reorganisation, it will hold the entire interest in Fully Cheer. After the Disposal, the Vendor will hold the remaining 33.0% of the Project Company indirectly through its 100.0% interest in the Vendor Subsidiary.

Information of the Purchaser

The Purchaser is a SPV of the Yuexiu REIT and its principal business activity is investment holding.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as calculated in accordance with Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but is lower than 25%, the Disposal constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules.

As none of the Directors had a material interest in the Disposal, no Director abstained from voting on the relevant board resolutions of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition Deed”	the Acquisition Deed dated 14 November 2017 entered into between the Vendor, the Purchaser and the Company in respect of the sale and purchase of the Sale Shares and the assignment of the Shareholder’s Loan
“Actual Adjusted Net Income”	has the meaning ascribed to this term in paragraph headed “Support Arrangement relating to the Wuhan Property”
“Additional EIT Withheld Amount”	has the meaning ascribed to this term under the paragraph headed “EIT Segregated Account”
“Agreed Disposal Amount”	RMB2,280,606,300
“Annual Support Arrangement Shortfall”	has the meaning ascribed to this term in paragraph headed “Support Arrangement relating to the Wuhan Property”
“Appraised Value”	RMB3,587,000,000, being the value of the Wuhan Property as at 31 August 2017 as appraised by the Independent Property Valuer
“Baseline Adjusted Net Income”	has the meaning ascribed to this term in paragraph headed “Support Arrangement relating to the Wuhan Property”

“Board Joint Decision Matters”	has the meaning ascribed to this term under the paragraph “Joint Decision Matters”
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between the hours of 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general business in Hong Kong
“CAS”	the Basic Standard of the Accounting Standards for Business Enterprises issued by the Ministry of Finance on 15 February 2006 and specific standards and other relevant regulations issued thereafter
“Commercial Carpark Spaces”	has the meaning ascribed to this term the paragraph headed “The Wuhan Property”
“Company”	Yuexiu Property Company Limited, a limited liability company incorporated under the laws of Hong Kong and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00123)
“Completion”	completion of the Disposal under the Acquisition Deed in accordance with its terms
“Completion Date”	the date on which Completion takes place
“Completion Statement”	the statement of financial position of the Wuhan Disposal Group as at the close of business on Completion Date, which will be prepared by the Vendor and agreed by the REIT Manager and, failing such agreement, audited by PricewaterhouseCoopers or such other auditors jointly appointed by the Vendor and the Purchaser
“Condition Precedent”	has the meaning ascribed to this term under the paragraph headed “Conditions Precedent”
“Consideration”	has the meaning ascribed to this term under the paragraph headed “Consideration and payment terms”
“Defaulter”	the defaulting JV Shareholder after the occurrence of an event of default in relation to a JV Shareholder

“Defaulter’s Interest”	has the meaning ascribed to this term under the paragraph headed “ Events of default”
“Deferred Completion Payment”	has the meaning given to it under “Consideration and payment terms”
“Development”	has the meaning ascribed to this term under the paragraph headed “Introduction”
“Directors”	the directors of the Company, each a “ Director ”
“Disposal”	collectively, (i) the proposed disposal by the Vendor to the Purchaser of the Sale Shares; and (ii) the proposed assignment of Shareholder’s Loan by the Vendor to the Purchaser, pursuant to the Acquisition Deed
“EIT Segregated Account”	has the meaning ascribed to this term under the paragraph headed “Consideration and payment terms”
“EIT Withheld Amount”	RMB44,224,087, less any PRC Enterprise Income Tax already paid in connection with the Reorganisation prior to Completion
“Excluded Property”	assets including certain residential apartments, an ancillary clubhouse and a kindergarten which are part of the Development but do not form part of the Wuhan Property.
“Fully Cheer”	Fully Cheer Management Limited, a company incorporated in the British Virgin Islands which will (after the Reorganisation) be the indirect owner of a 67.0% interest in the Project Company, which in turn owns the Wuhan Property
“Group”	the Company and its subsidiaries
“HIBOR”	the rate of interest offered on Hong Kong dollars loans by banks in the Hong Kong interbank market for a specified period ranging from overnight to one year
“Hong Kong dollars” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Property Valuer”	Vigers Appraisal and Consulting Limited
“Independent REIT Unitholders”	REIT Unitholders other than those who have a material interest in the relevant resolutions, within the meaning of paragraph 8.11 of the REIT Code, and who are entitled to vote at the REIT EGM
“Initial Completion Payment”	has the meaning ascribed to this term under the paragraph “Consideration and payment terms”
“Interim Support Arrangement Shortfall”	has the meaning ascribed to this term under the paragraph “Support Arrangement relating to the Wuhan Property”
“Intermediary Company”	Sure Win International Holdings Limited, a company incorporated in Hong Kong which will (after the Reorganisation) be the direct owner of a 67.0% interest in the Project Company, which in turn owns the Wuhan Property
“Joint Decision Matters”	has the meaning ascribed to this term under the paragraph “Joint Decision Matters”
“Joint Venture Agreement”	the agreement in relation to the Project Company to be entered into between the Intermediary Company and the Vendor Subsidiary upon Completion
“JV Shareholders”	being the Intermediary Company and the Vendor Subsidiary, the only registered shareholders of the Project Company upon Completion, and “ JV Shareholder ” means any one of them
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Defaulter”	the non-defaulting JV Shareholder after the occurrence of an event of default in relation to a JV Shareholder
“Non-Defaulter’s Interest”	has the meaning ascribed to this term under the paragraph “Events of default”
“Parties”	the Vendor and the Purchaser, each a “ Party ”
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan

“Pro Forma Completion Statement”	the pro forma statement of financial position of the Wuhan Disposal Group as at the close of business on Completion Date, to be delivered by the Vendor at least four Business Days prior to the Completion Date
“Project Company”	Wuhan Yuexiu Property Development Limited* (武漢越秀地產開發有限公司), a company incorporated in PRC and the direct owner of the Wuhan Property
“Proportionate Appraised Value”	has the meaning ascribed to this term under the paragraph headed “Basis of determination of Consideration”
“Purchaser”	Yuexiu REIT 2017 Company Limited, a company incorporated in the British Virgin Islands and a SPV of Yuexiu REIT
“REIT Code”	the Code on Real Estate Investment Trusts published by the SFC as amended, supplemented or otherwise modified for the time being
“REIT EGM”	the extraordinary general meeting of REIT Unitholders to be convened in order to consider, and if thought fit, pass the relevant resolutions of Yuexiu REIT in relation to, among others, the Transaction Matters Requiring REIT Approval
“REIT Enlarged Group”	Yuexiu REIT, including the Wuhan Disposal Group
“REIT Manager”	Yuexiu REIT Asset Management Limited (in its capacity as the manager of Yuexiu REIT), a company incorporated under the laws of Hong Kong
“REIT Trust Deed”	the trust deed constituting Yuexiu REIT dated 7 December 2005 and entered into between the REIT Trustee and the REIT Manager, as may be amended and supplemented from time to time
“REIT Trustee”	HSBC Institutional Trust Services (Asia) Limited, in its capacity as trustee of Yuexiu REIT. All references to the REIT Trustee in this announcement are, as the context may require, to the REIT Trustee acting on behalf of Yuexiu REIT and on the instructions of the REIT Manager.
“REIT Unit”	one undivided unit in Yuexiu REIT

“REIT Unitholder”	any person registered as holding a REIT Unit on the register of REIT Unitholders
“Reorganisation”	has the meaning ascribed to this term under the paragraph “Pre-Completion Reorganisation and disposal of Excluded Property”
“Residential Carpark Spaces”	has the meaning ascribed to this term under the paragraph headed “The Wuhan Property”
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	shares representing the entire equity interest in Fully Cheer
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder Joint Decision Matters”	has the meaning ascribed to this term under the paragraph “ Joint Decision Matters”
“Shareholder’s Loan”	has the meaning ascribed to this term under the paragraph headed “ Pre-Completion Reorganisation and disposal of Excluded Property”
“Shareholders”	holders of shares of the Company
“SPV”	a special purpose vehicle that is owned and controlled by Yuexiu REIT in accordance with the REIT Code and the REIT Trust Deed
“sq.m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Support Arrangement”	has the meaning ascribed to this term under the paragraph “Support Arrangement relating to the Wuhan Property”
“Transaction Matters Requiring REIT Approval”	the transaction matters which require the approval of the REIT Unitholders at the REIT EGM being: (a) the Disposal and the consummation of the transactions contemplated under the Acquisition Deed; and (b) upon completion of the Disposal, the execution of the Joint Venture Agreement and the consummation of the transactions contemplated thereunder

“True-up Payment”	has the meaning ascribed to this term under the paragraph “Consideration and payment terms”
“Vendor Facility”	has the meaning ascribed to this term under the paragraph “Vendor Facility”
“Vendor Subsidiary”	Extra Act Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Vendor”	Guangzhou Construction & Development Holdings (China) Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Wuhan Disposal Group Adjusted NAV”	has the meaning ascribed to this term under the paragraph “Consideration and payment terms”
“Wuhan Disposal Group”	collectively, Fully Cheer, Intermediary Company and 67.0% of Project Company
“Wuhan Property”	the property subject of the Disposal, particulars of which have been provided in the paragraph headed “The Wuhan Property”
“Yuexiu REIT”	Yuexiu Real Estate Investment Trust, a Hong Kong collective investment scheme constituted as a unit trust and authorised under Section 104 of the SFO subject to applicable conditions from time to time (whose REIT Units are listed on the Stock Exchange) and the companies controlled by it, as the context requires

For and on behalf of the Board
Yuexiu Property Company Limited
Yu Tat Fung
Company Secretary

** for identification purpose only*

Hong Kong, 14 November 2017

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

Executive Directors: ZHANG Zhaoxing (Chairman), ZHU Chunxiu, LIN Zhaoyuan, LI Feng and CHEN Jing

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