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(Incorporated in Hong Kong with limited liability)

(Stock code: 00123)

**VOLUNTARY ANNOUNCEMENT
ESTABLISHMENT OF JOINT VENTURE FOR
THE DEVELOPMENT OF A PIECE OF LAND
LOCATED IN LUOGANG, GUANGZHOU**

The Directors are pleased to announce that Party A (a 95.48%-owned subsidiary of the Company) and Party B have formed a 50:50 joint venture for the development of a parcel of land located at Changling Road, Luogang District, Guangzhou City, Guangdong Province.

INTRODUCTION

This is a voluntary announcement made by Yuexiu Property Company Limited (“**Company**”).

Reference is made to the announcement of the Company dated 10 October 2012 (“**October Announcement**”) pursuant to which it was announced that the Company has acquired a parcel of land located at Changling Road, Luogang District, Guangzhou City, Guangdong Province, (“**Luogang Changling Road Land Parcel**”) by way of open tender through a 95.48%-owned subsidiary of the Company for a consideration of RMB1,650,000,000.

THE JOINT VENTURE

The directors of the Company (“**Directors**”) are pleased to announce that Party A, a 95.48%-owned subsidiary established in the PRC, and 廣東保利房地產開發有限公司 (Guangdong Poly Property Development Limited*) (“**Party B**”) have formed a 50:50 joint venture in the PRC named 廣州越禾房地產開發有限公司 (Guangzhou Yuehe Property Development Limited*) (“**JV Company**”) for the development of the Luogang Changling Road Land Parcel. Party A and Party B shall each share 50% of the profit and loss of the JV Company.

Party B is a subsidiary of 保利房地產(集團)股份有限公司 (Poly Real Estate Group Co., Ltd.*) (“Poly”), a company whose shares are listed on the Shanghai Stock Exchange.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Party B and its ultimate beneficial owners are third parties independent of, and not connected with, the Company and its connected persons.

REASONS AND BENEFITS FOR THE JOINT VENTURE

As disclosed in the October Announcement, the Directors believe that the acquisition of the Luogang Changling Road Land Parcel is in line with the Company’s strategy of “home base in Guangzhou and strategic expansion nationwide”, which can enhance the Company’s land bank in Luogang District and consolidate strategic layout in its stronghold in Guangzhou. The development of the Luogang Changling Road Land Parcel through joint venture also allows the JV Company to leverage on the brand names of both the Company and Poly.

The Directors (including the independent non-executive Directors) consider that the JV Company was formed on normal commercial terms and that such terms are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

By Order of the Board
Yuexiu Property Company Limited
LU Zhifeng
Chairman

Hong Kong, 6 December 2012

As at the date of this announcement, the directors of the Company are:

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

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

* For identification purpose only