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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**

### **PROPOSED ISSUE OF U.S.\$350,000,000 3.25 PER CENT. NOTES DUE 2018 AND U.S.\$500,000,000 4.50 PER CENT. NOTES DUE 2023 UNDER THE U.S.\$2,000,000,000 MEDIUM TERM NOTE PROGRAMME**

This announcement is made pursuant to Rules 13.09 and 13.18 of the Listing Rules.

Reference is made to the Announcement of the Company dated 11 January 2013 in relation to the Programme.

The Board wishes to announce that on 16 January 2013, the Company and the Managers entered into the Subscription Agreement, pursuant to which the Managers (except Yue Xiu Securities) have agreed to severally and not jointly to subscribe and pay for the net subscription moneys for the Notes.

The Notes will be offered and issued only to professional investors. The Company will apply for the listing of, and permission to deal in, the Notes on the Stock Exchange by way of debts issues to professional investors only.

The gross proceeds of the Proposed Notes Issue will amount to approximately US\$846,703,500. The net proceeds are intended to be used by the Company for refinancing certain indebtedness and for general corporate purposes.

**Completion of the Subscription Agreement is subject to the satisfaction, or waiver, of the conditions precedent therein. In addition, the Subscription Agreement may be terminated under certain circumstances. As the Subscription Agreement may or may not be completed and the Proposed Notes Issue may or may not proceed, Shareholders and prospective investors are reminded to exercise caution when dealing in the Shares.**

## **SUBSCRIPTION AGREEMENT**

**Date:** 16 January 2013

**Parties:** (1) the Company  
(2) Bank of China (Hong Kong) Limited, BOCI Asia Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Morgan Stanley & Co. International plc and Yue Xiu Securities as managers

Subject to and in accordance with the provisions of the Subscription Agreement, the Managers (except Yue Xiu Securities) have agreed severally and not jointly to subscribe and pay for the net subscription moneys for the Notes, and the Company agrees to issue the Notes on the Issue Date, to the Managers (except Yue Xiu Securities) or as the Managers (except Yue Xiu Securities) may direct.

The Company has agreed to pay to each Manager (except Yue Xiu Securities) a combined management and underwriting commission for certain of their expenses in connection with the issue of the Notes. Such commission(s) will be deducted from the subscription moneys by the Managers (except Yue Xiu Securities) prior to payment to the Company.

The Notes will be offered and issued only to professional investors. The Notes will be offered and sold only outside the US in reliance on Regulation S under the Securities Act.

### **Conditions Precedent of the Subscription Agreement**

The obligations of the relevant Managers to subscribe and pay for the Notes are conditional upon, among other things:

- (a) the Company having performed all of its obligations under the Dealer Agreement to be performed on or before the Issue Date of such Notes and upon the accuracy, on the Issue Date of such Notes, of the representations and warranties of the Company given on the related Trade Date (as defined in the Dealer Agreement); and

(b) in respect of any Notes that are to be listed on a Stock Exchange, such Stock Exchange having agreed to list such Notes, subject only to their issue.

## **PRICING SUPPLEMENT**

The Company has executed respective pricing supplements dated 16 January 2013 recoding the final terms of the Series A Notes and Series B Notes respectively.

## **RATING OF THE NOTES**

The Notes have been rated “Baa3” by Moody’s Investors Services Inc., a subsidiary of Moody’s Investors Services, Inc. and “BBB-” by Fitch Ratings Limited.

## **PRINCIPAL TERMS OF THE NOTES**

### **Notes Offered**

The Notes will comprise U.S.\$350,000,000 3.25 per cent. notes and U.S.\$500,000,000 4.50 per cent. notes to be subscribed severally but not jointly by the Managers (except Yue Xiu Securities), which will mature in 2018 and 2023 respectively.

### **Issue Price**

The Notes shall be issued at a price equal to 99.831% of the nominal amount of the Series A Notes and 99.459% of the nominal amount of the Series B Notes, plus accrued interest, if any, on the Notes from the Closing Date to the Issue Date (each an “**Issue Price**”), subject to the adjustments referred to in the Dealer Agreement.

### **Interest Rate**

Series A Notes will bear interest, from and including the Issue Date at the rate of 3.25% per annum, payable semi annually in arrear, and Series B Notes will bear interest, from and including the Issue Date at the rate of 4.50% per annum, payable semi annually in arrear.

### **Ranking of the Notes**

The Notes and the receipts and coupons relating to them constitute direct, unsubordinated, unconditional, and (subject to the negative pledge condition described below) unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among themselves.

## **Redemption rights**

The Noteholders are entitled to certain redemption rights under the Terms and Conditions, including (among others) the Change of Control Put Option (as defined below).

If, at any time while any of the Notes remain outstanding, one of the Change of Control Put Events (as defined in the Terms and Conditions) occurs, then the holder of each such Note will have the option (a “**Change of Control Put Option**”), subject to certain conditions, to require the Company to redeem that Note.

A “**Change of Control Put Event**” includes, among others, the State-owned Assets Supervision and Administration Commission of the Guangzhou Municipal People’s Government, Guangzhou Yuexiu Holdings Limited (“**GZYG**”) (being the ultimate controlling shareholder of the Company) or their respective successors ceasing to have Control of the Company.

Accordingly, the condition described above imposes an obligation on GZYG to maintain Control of the Company, which constitutes a specific performance obligation on a controlling shareholder under Rule 13.18 of the Listing Rules, the breach of which would cause a default under the Terms and Conditions whereby the Noteholders are entitled to exercise their Change of Control Put Options.

The aggregate amount of Notes that may be affected if the Noteholders exercise their Change of Control Put Options is US\$850,000,000, being the aggregate nominal amount of Series A Notes and Series B Notes. The life of the facility for the purpose of Rule 13.18 is 5 years in respect of Series A Notes and 10 years in respect of Series B Notes.

## **LISTING**

The Company will apply for the listing of, and permission to deal in, the Notes on the Stock Exchange by way of debt issuance to professional investors only.

## **USE OF PROCEEDS**

The gross proceeds of the Proposed Notes Issue will amount to approximately US\$846,703,500. The net proceeds are intended to be used by the Company for refinancing certain indebtedness and for general corporate purposes.

## DEFINITIONS

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

“Agency Agreement”	the agency agreement dated 11 January 2013 entered into between the Company, the Hongkong and Shanghai Banking Corporation Limited as trustee, initial issuing and paying agent and the other agents named in it relating to the Programme
“Announcement”	the announcement issued by the Company dated 11 January 2013 in relation to the Programme and other information
“Board”	the board of directors of the Company
“Change of Control Put Option”	has the meaning given to it in the paragraph headed “Redemption rights” of this announcement
“Change of Control Put Event”	has the meaning given to it in the paragraph headed “Redemption rights” of this announcement
“Closing Date”	24 January 2013
“Company”	Yuexiu Property Company Limited (越秀地產股份有限公司), 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) and on the SGX-ST
“Control”	the acquisition or control of more than 35% of the voting rights of the Company or the right to appoint and/or remove all of the majority of the members of the Board or other governing body
“Dealer Agreement”	the dealer agreement dated 11 January 2013 entered into between the Company and Bank of China (Hong Kong) Limited, BOCI Asia Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited and Morgan Stanley & Co. International plc as arrangers in relation to the Programme
“GZYX”	has the meaning given to it in the paragraph headed “Redemption rights” of this announcement

“Hong Kong”	the Hong Kong Special Administrative Region
“Issue Date”	the Closing Date or such later date not being later than 7 February 2013 as the Company and the Managers may agree
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Managers”	Bank of China (Hong Kong) Limited, BOCI Asia Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Morgan Stanley & Co. International plc and Yue Xiu Securities, and “ <b>Manager</b> ” shall mean any one of them
“Notes”	collectively, the Series A Notes and the Series B Notes
“Noteholders”	the holders of the Notes
“Offering Circular”	the offering circular of the Company dated 11 January 2013 in relation to the Programme
“PRC”	the People’s Republic of China
“Programme”	a medium term note programme in a principal amount of up to US\$2,000,000,000
“Proposed Notes Issue”	the proposed issue of the Notes
“Relevant Dealer(s)”	the dealer or dealers with or through whom an agreement to issue notes under the Programme has been conclude, or is being negotiated, by the Company
“Securities Act”	the United States Securities Act of 1933, as amended
“Series A Notes”	U.S.\$350,000,000 3.25 per cent. Notes due 2018 to be issued under the Programme
“Series B Notes”	U.S.\$500,000,000 4.50 per cent. Notes due 2023 to be issued under the Programme
“SGX-ST”	The Singapore Exchange Securities Trading Limited
“Shares”	the shares of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription Agreement”	the subscription agreement dated 16 January 2013 entered into between the Company and the Managers in relation to the Proposed Notes Issue
“Terms and Conditions”	the terms and conditions of the Programme contained in the Offering Circular
“US”	the United States of America
“Yue Xiu Securities”	Yue Xiu Securities Company Limited
“%”	per cent

By order of the Board  
**Yu Tat Fung**  
*Company Secretary*

Hong Kong, 17 January 2013

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

*Executive Directors: Messrs. LU Zhifeng (Chairman), ZHANG Zhaoxing, 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*