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(Incorporated in Hong Kong with limited liability)

(Stock code: 00123)

PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION

The Board proposes to adopt the New Articles of Association to replace the existing Articles of Association to, among others, bring them in line with the New Companies Ordinance.

The proposed adoption of the New Articles of Association is subject to the approval of the shareholders of the Company by way of a special resolution at the 2014 AGM. A circular containing, among other things, information relating to the major changes brought about by the adoption of the New Articles of Association when compared with the existing Articles of Association together with a notice convening the 2014 AGM will be issued by the Company and despatched to the shareholders of the Company as soon as practicable.

The board of directors (“**Board**”) of Yuexiu Property Company Limited (“**Company**”) announces that the following major statutory changes came into operation on 3 March 2014 and may have impacts on the provisions contained in the existing Articles of Association of the Company (“**Articles of Association**”) :

- (i) the new Companies Ordinance (Chapter 622 of the laws of Hong Kong) (“**New Companies Ordinance**”) has replaced the previous Companies Ordinance (Chapter 32 of the laws of Hong Kong), and the major changes include, inter alia, abolishing the par value of shares, abolishing the memorandum of association and regarding conditions in the memorandum of association of existing companies as provisions of the articles of association, removing the power to issue warrants to bearer, removing the power to convert shares into stock, requiring the company to give reasons for declining to register a transfer of shares upon request, reducing the threshold for demanding a poll and deeming consent from members to receive corporate communications via the company’s website; and

- (ii) the previous Companies Ordinance has been retitled as Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong) with core provisions affecting the operation of companies repealed except those provisions relating to prospectus, winding-up, insolvency of companies and disqualification of directors.

The Board proposes to adopt a new set of Articles of Association (“**New Articles of Association**”) to bring them in line with the New Companies Ordinance as well as to modernise and update the Articles of Association (“**Adoption of New Articles**”). A summary of the major changes brought about by the Adoption of New Articles are set out below:

A. Changes pursuant to the New Companies Ordinance

The Board proposes to make the following changes to the Articles of Association:

- (a) to formally migrate the mandatory clauses from the memorandum of association of the Company (such as the name of the Company and the limited liability of the members) to the New Articles of Association given that the New Articles of Association will become the single constitutional document of the Company due to the abolition of the memorandum of association under the New Companies Ordinance;
- (b) to remove all the references in the Articles of Association to authorised capital, par or nominal value of shares, unissued shares, capital redemption reserve fund and share premium account which have become obsolete due to the mandatory no par value regime under the New Companies Ordinance;
- (c) to delete articles relating to conversion of shares into stock and subscription right reserves as the New Companies Ordinance has repealed the power of a company to convert shares into stock and the abolition of the par value concept;
- (d) to provide a statement of the reasons for refusal of registration of a transfer of shares within 28 days, if required by the transferor or the transferee of the Company’s shares;
- (e) to include a provision for accepting as sufficient evidence of grant of probate of the will or the letters of administration of a deceased person in so far it relates to transmission of shares by operation of law;
- (f) to delete the term “extraordinary” from general meetings which is made redundant in the New Companies Ordinance;

- (g) to amend the minimum notice period for convening a general meeting (other than an annual general meeting) for passing a special resolution from 21 days to 14 days;
- (h) to allow the Company to hold general meetings in more than one location using any technology that enables the members to listen, speak and vote at the meetings;
- (i) to lower the threshold for demanding a poll from 10% to 5% of the total voting rights or 5 members having the right to vote at a general meeting;
- (j) to include the mandatory requirement for the chairman of the meeting to demand a poll if the chairman of the meeting, before or on the declaration of the result on a show of hands, knows from the proxies received by the Company that the result on a show of hands will be different from that on a poll;
- (k) to include the new statutory requirement to record result of poll in minutes of a general meeting;
- (l) to include the following new provisions in respect of appointment of proxy:
 - (i) to give flexibility for return of a proxy form by various means including by electronic means and to prescribe the statutory period in various situations for the return of proxy form; and
 - (ii) to set out the notice requirement in the case of revocation of proxy's authority;
- (m) to require members' approval for a service contract made by the Company with its Directors for a guaranteed term of employment exceeding 3 years;
- (n) to include new provisions regarding issue of debentures;
- (o) to broaden the scope of the requirement for declaration of a director's interest by requiring a director to declare the nature and extent of the interest of himself and his connected entities and the direct or indirect interest in any transaction, contract or arrangement of himself and his connected entities and to specify the timing and procedures of declaration of such interests by a director in accordance with the New Companies Ordinance;
- (p) to allow the Company having the flexibility to execute a document as a deed without using its common seal as permitted under the New Companies Ordinance with added requirement of the authority of the board;

- (q) to include the mandatory requirement in respect of disclosure of permitted indemnity provisions provided by the Company to its Directors or directors of its associated companies in the Directors' report; and
- (r) to replace the obsolete terms with the new terms used in New Companies Ordinance; and the section references to the previous Companies Ordinance (Chapter 32 of the laws of Hong Kong) with the corresponding section references to the New Companies Ordinance.

B. Miscellaneous Amendments

Certain amendments to the Articles of Association are proposed to streamline the Company's management and operational process, which include:

- (a) providing flexibility to the Directors to signify their agreement to, in place of signing, written resolutions of Directors under certain specified procedures;
- (b) permitting notice of Directors' meetings to be sent to a Director by making the same available on a website, subject to the consent of such Director;
- (c) deleting articles which have no practical use and have become obsolete.

Other house-keeping amendments to the Articles of Association are also proposed, including making consequential amendments in line with the above amendments to the Articles of Association, as well as improving on the drafting, providing more clarity for certain clauses, updating certain provisions with reference to the Listing Rules currently in force and correcting typographical errors. New definitions are also proposed to improve clarity and readability of the Articles generally.

The proposed Adoption of New Articles is subject to approval of the shareholders of the Company by way of a special resolution at the annual general meeting of the Company to be held on 29 May 2014 ("**2014 AGM**").

