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ANNOUNCEMENT

- (1) PROPOSED OPEN OFFER OF UP TO 2,159,024,974 OFFER SHARES
ON THE BASIS OF 3 OFFER SHARES FOR EVERY 10 SHARES
IN ISSUE ON THE RECORD DATE**
- (2) APPLICATION FOR WHITEWASH WAIVER
AND**
- (3) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

Underwriter to the Open Offer



Coordinator for Yuexiu Property Company Limited



PROPOSED OPEN OFFER

The Board has proposed to raise not less than approximately HK\$3,447.69 million and not more than approximately HK\$3,476.03 million before expenses, by issuing not less than 2,141,422,774 Offer Shares (assuming no Outstanding Options are exercised on or before the Record Date) and not more than 2,159,024,974 Offer Shares (assuming all Outstanding Options are exercised on or before the Record Date) at a Subscription Price of HK\$1.61 per Offer Share by way of the Open

Offer, in the proportion of 3 Offer Shares for every 10 Shares in issue on the Record Date (rounded down to the nearest one) and payable in full on acceptance.

The Open Offer is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders. In order to qualify for the Open Offer and be eligible to attend the EGM, all transfers must be lodged with the Company's share registrar in Hong Kong, Tricor Abacus Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Tuesday, 5 October 2010 (Hong Kong time). Transferees in Singapore may lodge their transfer documents accompanied by the relevant share certificates for registration no later than 5:00 p.m. on Tuesday, 5 October 2010 (Singapore time) with the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623.

Pursuant to the Irrevocable Undertaking, Yue Xiu has irrevocably undertaken to take up, or to procure subscribers to take up, all its entitlement(s) under the Open Offer being an aggregate of 998,980,574 Offer Shares.

On 14 September 2010, the Company entered into the Underwriting Agreement with Yue Xiu, the controlling shareholder of the Company, pursuant to which, the Underwriter has conditionally agreed to underwrite the Offer Shares (excluding the Offer Shares to be taken up by the Underwriter pursuant to the Irrevocable Undertaking) not subscribed for by the Qualifying Shareholders on a fully underwritten basis, being not less than 1,142,442,200 Offer Shares (assuming that no Outstanding Options are exercised on or before the Record Date) and not more than 1,160,044,400 Offer Shares (assuming that all Outstanding Options are exercised on or before the Record Date), which include Offer Shares created by the aggregation of fractional entitlements which will not be provisionally allotted or issued under the Open Offer, subject to the terms and conditions of the Underwriting Agreement. The Underwriting Agreement is conditional upon, among other things, the obtaining of the approvals of the Independent Shareholders for the Open Offer and the Whitewash Waiver and the granting of the Whitewash Waiver by the Executive. No underwriting commission will be payable to the Underwriter while the Company will reimburse the Underwriter all out-of-pocket expenses reasonably incurred in connection with the underwriting under the Underwriting Agreement.

The estimated net proceeds, being approximately HK\$3,435.19 million (assuming no Outstanding Options are exercised on or before the Record Date) or approximately HK\$3,463.53 million (assuming all Outstanding Options are exercised on or before the Record Date), from the Open Offer will be used for future land bank acquisition which is in-line with the Company's overall business strategy.

WARNING OF THE RISK OF DEALING IN THE SHARES

Shareholders and potential investors of the Company should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.

Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Friday, 1 October 2010 on the SGX-ST and Monday, 4 October 2010 on the Stock Exchange respectively and that dealing in Shares will take place while the conditions to which the Open Offer is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be 4:00 p.m. on Friday, 29 October 2010), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

LISTING RULES IMPLICATIONS

The entering into the Underwriting Agreement between the Company and the Underwriter is a connected transaction under the Listing Rules. Pursuant to Rule 14A.31(3)(c) of the Listing Rules, provided that Rule 7.26A(2) of the Listing Rules has been complied with, the Underwriting Agreement will be exempted from the reporting, announcement and independent shareholders approval requirements.

Pursuant to Rule 7.26A(2) of the Listing Rules, since no excess application for the Offer Shares is available, approval shall be obtained from the Independent Shareholders in respect of the absence of such arrangement under the Open Offer, and Shareholders who have a material interest in the relevant resolution shall abstain from voting.

WHITEWASH WAIVER

In the event that, upon completion of the Open Offer, no Qualifying Shareholder (other than Yue Xiu) will take up any Offer Shares, the Underwriter will be required to subscribe for and take up all the Offer Shares, which will result in the Underwriter taking up:

- i. assuming that no Outstanding Options are exercised on or before the Record Date, 2,141,422,774 Shares representing approximately 23.08% of the entire issued share capital of the Company as enlarged by the Open Offer; and
- ii. assuming that all Outstanding Options are exercised on or before the Record Date, 2,159,024,974 Shares representing approximately 23.08% of the entire issued share capital of the Company as enlarged by the Open Offer, and

the total shareholding of Yue Xiu and parties acting in concert with it in the Company will increase from 3,330,235,248 Shares, representing approximately 46.65% of the entire issued share capital of the Company as at the date of this announcement, to:

- i. assuming that no Outstanding Options are exercised on or before the Record Date, 5,471,658,022 Shares representing approximately 58.97% of the entire issued share capital of the Company as enlarged by the Open Offer; and
- ii. assuming that all Outstanding Options are exercised on or before the Record Date, 5,489,260,222 Shares representing approximately 58.67% of the entire issued share capital of the Company as enlarged by the Open Offer.

Accordingly, the underwriting by the Underwriter will trigger an obligation for the Underwriter (together with parties acting in concert with it) to make a mandatory general offer under Rule 26 of the Takeovers Code for all the Shares not already owned or agreed to be acquired by them. An application will be made to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll. Yue Xiu and parties acting

in concert with it, not being Independent Shareholders, together with other Shareholders (if any) who have been involved in or are interested in the Open Offer and the Whitewash Waiver shall abstain from voting at the EGM in respect of the resolution to approve the Whitewash Waiver. Mr. Liang Ningguang, being a director of Yue Xiu, is deemed to be a party acting in concert with Yue Xiu under the Takeovers Code and will also abstain from voting at the EGM in respect of the resolution to approve the Whitewash Waiver. The Open Offer is conditional on, among other things, the granting of the Whitewash Waiver by the Executive and the approval of the Whitewash Waiver by the Independent Shareholders at the EGM. If the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders, the Underwriting Agreement will not become unconditional and the Open Offer will not proceed.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board has proposed to increase the authorised share capital of the Company from HK\$1,000,000,000 divided into 10,000,000,000 Shares to HK\$2,000,000,000 divided into 20,000,000,000 Shares by the creation of 10,000,000,000 new Shares to cater for possible issue of Shares in the future.

GENERAL

A circular including, among other things, details of (i) the Open Offer, (ii) the Whitewash Waiver, (iii) the increase in the authorised share capital of the Company, (iv) the recommendation of the Independent Board Committee in relation to the Open Offer and the Whitewash Waiver, (v) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Open Offer and the Whitewash Waiver together with (vi) a notice of the EGM to all Shareholders will be despatched to the Shareholders as soon as practicable. Currently, the circular is expected to be despatched on or about 24 September 2010.

The Prospectus Documents setting out, among other things, details of the Open Offer will be despatched to the Qualifying Shareholders as soon as practicable, subject to the certain conditions precedent of the Open Offer being satisfied.

PROPOSED OPEN OFFER

Basis of the Open Offer

- Basis of the Open Offer : on the basis of 3 Offer Shares for every 10 existing Shares in issue on the Record Date (rounded down to the nearest one). No Offer Share will be offered to the Excluded Shareholders, and no fractional entitlement will be provisionally allotted or issued under the Open Offer
- Subscription Price : HK\$1.61 per Offer Share payable in full upon acceptance
- Number of Shares in issue as at the date of this announcement : 7,138,075,914 Shares
- Maximum number of Shares issuable pursuant to the exercise of Outstanding Options at the date of this announcement : 58,674,000 Shares
- Number of Offer Shares : not less than 2,141,422,774 Offer Shares (assuming no Outstanding Options are exercised on or before the Record Date) and not more than 2,159,024,974 Offer Shares (assuming all Outstanding Options are exercised on or before the Record Date)
- Number of Offer Shares undertaken to be subscribed by Yue Xiu : Pursuant to the Irrevocable Undertaking, Yue Xiu has irrevocably undertaken to take up, or to procure subscribers to take up, all its entitlement(s) under the Open Offer, being an aggregate of 998,980,574 Offer Shares

- Maximum number of Offer Shares being underwritten by the Underwriter : all the Offer Shares other than those irrevocably undertaken to be taken up, or procured to be taken up, by Yue Xiu under the Irrevocable Undertaking, being not less than 1,142,442,200 Offer Shares (assuming no Outstanding Options are exercised on or before the Record Date) and not more than 1,160,044,400 Offer Shares (assuming all Outstanding Options are exercised on or before the Record Date) which include Offer Shares created by the aggregation of fractional entitlements which will not be provisionally allotted or issued under the Open Offer
- Amount to be raised by the Open Offer before expenses : not less than approximately HK\$3,447.69 million and not more than approximately HK\$3,476.03 million
- Application for excess Offer Shares : Not available

Assuming that no Outstanding Options are exercised at or before completion of the Open Offer, the Offer Shares (i.e., 2,141,422,774 Offer Shares) represent approximately 30.00% of the total issued share capital of the Company as at the date of this announcement and will represent approximately 23.08% of the entire issued share capital of the Company as enlarged by the Open Offer.

The number of Offer Shares which may be issued pursuant to the Open Offer will be increased in proportion to any additional Shares which may be allotted and issued pursuant to the exercise of the Outstanding Options on or before the Record Date. As at the date of this announcement, there were Outstanding Options attaching subscription right to subscribe for 58,674,000 Shares. Assuming that the subscription rights attaching to all Outstanding Options are fully exercised and Shares are allotted and issued pursuant to such exercise on or before the Record Date, the number of issued Shares as at the Record Date is expected to increase to 7,196,749,914 Shares and the number of Offer Shares that may be issued pursuant to the Open Offer will increase to 2,159,024,974 Offer Shares.

As at the date of this announcement, other than the Outstanding Options, the Company had no other derivatives, options, warrants and conversion rights or other similar rights which were convertible or exchangeable into Shares.

Subscription Price

The Subscription Price (i.e., HK\$1.61 per Offer Share) is payable in full on application. The Subscription Price represents:

- i. a discount of approximately 15.26% to the closing price of HK\$1.90 per Share as quoted on the Stock Exchange on the Last Trading Date;
- ii. a discount of approximately 15.26% to the average closing prices of HK\$1.90 per Share for the last five consecutive trading days up to and including the Last Trading Date;
- iii. a discount of approximately 13.90% to the average closing prices of HK\$1.87 per Share for the last ten consecutive trading days up to and including the Last Trading Date;
- iv. a discount of approximately 12.02% to the theoretical ex-entitlement price of approximately HK\$1.83 per Share based on the closing price of HK\$1.90 as quoted on the Stock Exchange on the Last Trading Date;
- v. a discount of approximately 15.26% to the closing price of HK\$1.90 as quoted on the Stock Exchange on the date of this announcement; and
- vi. a discount of approximately 19.50% to the unaudited consolidated net assets value of HK\$2.00 per Share as at 30 June 2010, being the date of which the latest unaudited consolidated financial information of the Group was made up.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter after taking into account, among other things, (i) the recent price performance of the Shares prior to the release of this announcement; and (ii) the compelling reasons to raise equity funding in order to support the increasing capital requirement for the Group's business so as to maintain its competitiveness and to finance the Group's investment plan in property business (details as set out in the section headed "REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS" below). The Directors (other than the members of the Independent Board Committee who will express their view in the circular to be issued by the Company after having received advice from the Independent Financial Adviser) consider that the terms of the Open Offer are fair and reasonable insofar as the Independent Shareholders are concerned and are in the interests of the Company and its Shareholders as a whole.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders and (ii) if and to the extent legally and practically permissible, the Prospectus, for information purposes only, to the Excluded Shareholders. To qualify for the Open Offer, a Shareholder must, at the close of business on the Record Date:

- i. be registered as a member of the Company on the register of members of the Company; and
- ii. not be an Excluded Shareholder.

In order to qualify for the Open Offer and be eligible to attend the EGM, all transfers must be lodged with the Company's share registrar in Hong Kong, Tricor Abacus Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Tuesday, 5 October 2010 (Hong Kong time). Transferees in Singapore may lodge their transfer documents accompanied by the relevant share certificates for registration no later than 5:00 p.m. on Tuesday, 5 October 2010 (Singapore time) with the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623.

Rights of the Excluded Shareholders

If, at the close of business on the Record Date, a Shareholder's registered address on the register of members of the Company is in a place outside Hong Kong or Singapore, that Shareholder may not be eligible to take part in the Open Offer as the Prospectus Documents are not expected to be registered and/or filed under the applicable securities legislation of any jurisdiction other than Hong Kong and Singapore. The Board will make enquiries with the Company's legal advisers as to whether the offer of Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant places or the requirements of the relevant regulatory body or stock exchange. If, after making such enquiry, the Board is of the opinion that it would be unduly burdensome to, or otherwise necessary or expedient not to, offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be made available to such Overseas Shareholders.

The Company will send the Prospectus, for information purposes only, to the Excluded Shareholders (if any), if and to the extent legally and practically permissible. However, so long as the Excluded Shareholders are Independent Shareholders, they are entitled to cast their votes on all resolutions at the EGM.

Closure of register of members

The register of members of the Company will be closed from Wednesday, 6 October 2010 to Tuesday, 12 October 2010, both dates inclusive, to determine the eligibility of the Shareholders to participate in the Open Offer and the EGM. No transfer of Shares will be registered during this period.

No transfer of nil-paid entitlements

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable. There will not be any trading in nil-paid entitlements on the Stock Exchange or on the SGX-ST.

No application for excess Offer Shares

The Qualifying Shareholders will not be entitled to subscribe for any Offer Share in excess of their respective assured entitlements. Considering that each Qualifying Shareholder will be given equal and fair opportunities to participate in the Company's future development by subscribing for his/her/its entitlements under the Open Offer, the Company considers that it will not put in additional effort and costs to administer the excess application procedures. All Offer Shares not taken up by the Qualifying Shareholders (excluding those to be taken up by Yue Xiu pursuant to the Irrevocable Undertaking) are underwritten by the Underwriter. As the related administration costs would be lowered, the Directors consider that the absence of application for excess Offer Shares is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Since no excess application for the Offer Shares is available and the Underwriter is the controlling shareholder of the Company, the absence of excess application under the Open Offer must be specifically approved by the Independent Shareholders at the EGM in compliance with Rule 7.26A(2) of the Listing Rules.

Status of the Offer Shares

The Offer Shares (when allotted, fully paid and issued) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

Fractions of Offer Shares

The Offer Shares will be provisionally allotted and issued in the proportion of 3 Offer Shares to 10 existing Shares in issue at the close of business on the Record Date (rounded down to the nearest one), and fractional entitlements will not be provisionally allotted or issued under the Open Offer, but will be aggregated and underwritten by the Underwriter.

Certificates of the Offer Shares

Subject to fulfilment of the conditions precedent to the Open Offer, share certificates in relation to the Offer Shares are expected to be posted on or before Wednesday, 3 November 2010 to those entitled thereto by ordinary post at their own risk.

Application for listing

Since the Shares have a primary listing on the Main Board of the Stock Exchange and a secondary listing on the SGX-ST, the Company will apply to the Listing Committee of the Stock Exchange and the SGX-ST for the listing of, and permission to deal in, the Offer Shares. Dealings in the Offer Shares will be subject to the payment of stamp duty in Hong Kong and Singapore (where applicable).

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the SGX-ST, the Offer Shares will be traded under the book entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Offer Shares effected through the SGX-ST and/or CDP shall be made in accordance with the “Terms and conditions for operation of securities account with The Central Depository (Pte) Limited” and the “Terms and conditions for CDP to act as depository for the rights shares”, as the same may be amended from time to time. Copies of these are available from CDP.

Irrevocable Undertaking

Pursuant to the Irrevocable Undertaking, Yue Xiu has irrevocably undertaken to take up, or to procure subscribers to take up, all its entitlement(s) under the Open Offer being an aggregate of 998,980,574 Offer Shares.

Conditions of the Open Offer

The Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof.

REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The Company and its subsidiaries are principally engaged in the businesses of property development and investment in the PRC, including Hong Kong.

The Directors believe that it would be in the best interests of the Company and the Shareholders as a whole to raise long-term equity capital through an Open Offer to finance its future expansion plan. Unlike borrowings or issuance of debt securities, the Directors consider that the Open Offer would be a preferred means for the Company to raise long-term funds without subjecting itself to interest burden or additional debt. The net proceeds of the Open Offer are expected to strengthen the Company's capital base and provide greater financial flexibility for the Company to fund its future expansion needs. The Open Offer will enable all Shareholders to participate in the future development of the Company on equal terms.

It is the Company's intention to strengthen the replenishment of land reserves in order to enhance Shareholder's value. It is intended that the estimated net proceeds, being approximately HK\$3,435.19 million (assuming no Outstanding Options are exercised on or before the Record Date) or approximately HK\$3,463.53 million (assuming all Outstanding Options are exercised on or before the Record Date), from the Open Offer will be used for future land bank acquisition which is in-line with the Company's overall business strategy.

The Open Offer is fully underwritten by Yue Xiu, the Company's controlling shareholder, which demonstrates its confidence and conviction in the Company's future and growth prospects.

The Directors (other than the members of the Independent Board Committee who will express their view in the circular to be issued by the Company after having received advice from the Independent Financial Adviser) consider that the Open Offer is in the

interests of the Company and its Shareholders as a whole for the reasons mentioned above. **However, the Excluded Shareholders and those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

UNDERWRITING ARRANGEMENTS

Underwriting Agreement dated 14 September 2010

- Underwriter : Yue Xiu, the controlling shareholder of the Company, whose ordinary course of business does not include underwriting
- Maximum number of Offer Shares being underwritten by the Underwriter : Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite the Offer Shares (excluding the Offer Shares to be taken up by the Underwriter pursuant to the Irrevocable Undertaking) not subscribed for by the Qualifying Shareholders on a fully underwritten basis, being not less than 1,142,442,200 Offer Shares (assuming that no Outstanding Options are exercised on or before the Record Date) and not more than 1,160,044,400 Offer Shares (assuming that all Outstanding Options are exercised on or before the Record Date) which include Offer Shares created by the aggregation of fractional entitlements which will not be provisionally allotted or issued under the Open Offer, subject to the terms and conditions of the Underwriting Agreement

No underwriting commission will be payable to the Underwriter, while the Company will reimburse the Underwriter all out-of-pocket expenses incurred in connection with the underwriting under the Underwriting Agreement.

The Underwriting Agreement also contains customary warranties and undertakings given by the Company in favour of the Underwriter.

Conditions precedent of the Underwriting Agreement

The Underwriting Agreement is conditional upon, among other things, the following conditions precedent being fulfilled:

- i. the despatch of the circular of the Company in relation to the Open Offer and the Whitewash Waiver to all Shareholders;
- ii. the obtaining of the approval of the Independent Shareholders by way of poll at the EGM for the Open Offer (in respect of the absence of arrangements for application for the Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A of the Listing Rules) and the granting of the Whitewash Waiver;
- iii. the grant by the Executive, and not having withdrawn or revoked such grant, of the Whitewash Waiver, and the fulfilment of all conditions, if any, attached thereto;
- iv. the delivery to the Stock Exchange for authorisation, and the registration with the Registrar of Companies in Hong Kong, respectively, not later than the Prospectus Posting Date, of one copy of each of the Prospectus Documents for use by the Qualifying Shareholders to apply for the Offer Shares under their entitlements, duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached to it) and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- v. the despatch of the Prospectus Documents to the Qualifying Shareholders;
- vi. the grant or the agreement to grant (subject to allotment) by the Listing Committee of the Stock Exchange and the SGX-ST, and not having withdrawn or revoked such grant, of listing of and permission to deal in all the Offer Shares, either unconditionally or subject to such conditions as are accepted by the Company; and
- vii. the compliance with and performance of the obligations and undertakings of the Company under the Underwriting Agreement.

The Underwriter may waive condition precedent (vii) above. Save for condition precedent (vii) (which may be waived by the Underwriter), none of the other conditions precedent is waivable by the Company or the Underwriter pursuant to the terms of the Underwriting Agreement.

In the event that the above conditions precedent are not fulfilled (or, where permitted, waived) on or before 30 November 2010 (or such later time and/or date as the Company and the Underwriter may agree in writing), all obligations and liabilities of the parties to the Underwriting Agreement shall cease and no party to the Underwriting Agreement shall have any claim against the other, save that all fees and expenses incurred in connection with the Open Offer and the underwriting arrangement shall be borne by the Company pursuant to the Underwriting Agreement.

The Open Offer is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the Underwriting Agreement has not become unconditional in accordance with its terms, the Open Offer will not proceed.

Termination of the Underwriting Agreement

If at any time at or before the Latest Time for Termination:

- i. there has developed, occurred, existed or come into effect:
 - (1) the introduction of any new law or regulation or any change in existing laws or regulations, or the judicial interpretation of such laws or regulations, or any other similar matter or event which has a material adverse effect on the business or financial condition of the Group as a whole; or
 - (2) any change in local, national or international economic, financial or political conditions or any matter or event beyond the control of the parties to the Underwriting Agreement (including acts of government, strikes, explosion, civil commotion, acts of God or accident) which is materially adverse in the context of the Open Offer or makes it inadvisable or inexpedient to proceed with the Open Offer; or
 - (3) any change in local, national or international stock market conditions (including any moratorium, suspension of or material restriction on trading in securities generally) which materially and adversely affects the Open Offer or makes it inadvisable or inexpedient to proceed with the Open Offer; or
 - (4) any change, or any development involving a prospective change, in taxation in Hong Kong, the PRC or any other jurisdiction to which any member of the Group is subject, or the implementation of any exchange control, which materially and adversely affects any member of the Group or its shareholders in their capacity as such; or

- ii. there comes to the notice of the Underwriter any matter or event showing any of the warranties given by the Company under the Underwriting Agreement to be untrue or inaccurate in a material respect which is materially adverse in the context of the Open Offer; or
- iii. the Company is in breach of any of its obligations under the Underwriting Agreement which is material in the context of the Open Offer,

then the Underwriter may, in its sole and absolute discretion, by notice in writing given to the Company at or before the Latest Time for Termination, terminate the Underwriting Agreement, and thereupon all obligations and liabilities of the Underwriter under the Underwriting Agreement shall cease and no party to the Underwriting Agreement shall have any claim against any other party in respect of any thing arising out of or in connection with the Underwriting Agreement, provided however that the Company shall remain liable to pay the Underwriter the expenses accrued under the Underwriting Agreement.

The Open Offer is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the Underwriting Agreement has been terminated in accordance with its terms, the Open Offer will not proceed.

WARNING OF THE RISK OF DEALING IN THE SHARES

Shareholders and potential investors of the Company should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.

Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Friday, 1 October 2010 on the SGX-ST and Monday, 4 October 2010 on the Stock Exchange and that dealing in Shares will take place while the conditions to which the Open Offer is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be 4:00 p.m. on Friday, 29 October 2010), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that no Outstanding Options are exercised on or before completion of the Open Offer, the shareholding structure of the Company immediately before and after completion of the Open Offer is set out below:

	Shareholding as at the date of this announcement		Shareholding immediately following completion of the Open Offer (assuming all Qualifying Shareholders take up their entitlements under the Open Offer)		Shareholding immediately following completion of the Open Offer (assuming no Qualifying Shareholders, other than Yue Xiu, take up their entitlements under the Open Offer)	
	<i>Approximate</i>		<i>(Note 8)</i>		<i>(Note 8)</i>	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Underwriter, i.e., Yue Xiu <i>(Note 1, 2)</i>	3,329,935,248	46.65	4,328,915,822	46.65	5,471,358,022	58.96
Mr. Liang Ningguang <i>(Note 3)</i>	300,000	0.00	390,000	0.00	300,000	0.00
Subtotal of Yue Xiu (together with parties acting in concert with it)	3,330,235,248	46.65	4,329,305,822	46.65	5,471,658,022	58.97
Mr. Lee Ka Lun <i>(Note 4)</i>	3,500,000	0.05	4,550,000	0.05	3,500,000	0.04
Mr. Lau Hon Chuen Ambrose <i>(Note 5)</i>	1,680,000	0.02	2,184,000	0.02	1,680,000	0.02
Public Shareholders	<u>3,802,660,666</u>	<u>53.28</u>	<u>4,943,458,866</u>	<u>53.28</u>	<u>3,802,660,666</u>	<u>40.97</u>
Total	<u>7,138,075,914</u>	<u>100</u>	<u>9,279,498,688</u>	<u>100</u>	<u>9,279,498,688</u>	<u>100</u>

Assuming that all Outstanding Options are exercised and Shares are allotted and issued pursuant to such exercise on or before the Record Date, the shareholding structure of the Company immediately before and after completion of the Open Offer is set out below:

	Shareholding as at the date of this announcement		Shareholding immediately following completion of the Open Offer (assuming all Qualifying Shareholders take up their entitlements under the Open Offer)		Shareholding immediately following completion of the Open Offer (assuming no Qualifying Shareholders, other than Yue Xiu, take up their entitlements under the Open Offer)	
	Approximate		(Note 8) Approximate		(Note 8) Approximate	
	Shares	%	Shares	%	Shares	%
Underwriter, i.e., Yue Xiu (Note 1,2)	3,329,935,248	46.65	4,328,915,822	46.27	5,488,960,222	58.67
Mr. Liang Ningguang (Note 3)	300,000	0.00	390,000	0.00	300,000	0.00
Subtotal of Yue Xiu (together with parties acting in concert with it)	3,330,235,248	46.65	4,329,305,822	46.27	5,489,260,222	58.67
Mr. Lee Ka Lun (Note 4)	3,500,000	0.05	4,550,000	0.05	3,500,000	0.04
Mr. Lau Hon Chuen Ambrose (Note 5)	1,680,000	0.02	3,640,000	0.04	2,800,000	0.03
Mr. Liang Youpan (Note 6)	0	0	13,455,000	0.14	10,350,000	0.11
Mr. Tang Shouchun (Note 7)	0	0	2,028,000	0.02	1,560,000	0.02
Holder of Outstanding Options (other than Mr. Tang Shouchun, Mr. Liang Youpan and Mr. Lau Hon Chuen Ambrose)	0	0	59,337,200	0.63	45,644,000	0.49
Other public Shareholders	<u>3,802,660,666</u>	<u>53.28</u>	<u>4,943,458,866</u>	<u>52.85</u>	<u>3,802,660,666</u>	<u>40.64</u>
Total	<u>7,138,075,914</u>	<u>100</u>	<u>9,355,774,888</u>	<u>100</u>	<u>9,355,774,888</u>	<u>100</u>

Notes:

- (1) 100% of the issued share capital of the Underwriter, i.e., Yue Xiu, is owned by 廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited), a limited liability company incorporated in the PRC which in turn is beneficially wholly-owned by the Guangzhou Municipal People's Government of the PRC.
- (2) Shareholding in the Company is held, directly and indirectly, by Yue Xiu through its various wholly-owned subsidiaries.
- (3) Mr. Liang Ningguang is a director of Yue Xiu and 廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited), who is deemed to be a party acting in concert with Yue Xiu pursuant to the Takeovers Code.

- (4) Mr. Lee Ka Lun is an independent non-executive Director.
- (5) Mr. Lau Hon Chuen Ambrose is an independent non-executive Director.
- (6) Mr. Liang Youpan is an executive Director.
- (7) Mr. Tang Shouchun is an executive Director.
- (8) The entitlement of each Shareholder named in the tables above is rounded down to the nearest whole number.
- (9) The Shares have been listed on the Main Board of the Stock Exchange and have a secondary listing on the SGX-ST. The shareholding structure tables above cover all the issued Shares which are traded on both the Stock Exchange and the SGX-ST.

PREVIOUS EQUITY FUND RAISING EXERCISES OF THE COMPANY

The Company has not conducted any equity fund raising exercises in connection with any issue of equity securities in the past 12 months immediately preceding the date of this announcement.

LISTING RULES IMPLICATIONS

The entering into the Underwriting Agreement between the Company and the Underwriter is a connected transaction under the Listing Rules. Pursuant to Rule 14A.31(3)(c) of the Listing Rules, provided that Rule 7.26A(2) of the Listing Rules has been complied with, the Underwriting Agreement will be exempted from the reporting, announcement and independent shareholders approval requirements.

Pursuant to Rule 7.26A(2) of the Listing Rules, since no excess application for the Offer Shares is available, specific approval shall be obtained from the Independent Shareholders in respect of the absence of such arrangement under the Open Offer, and Shareholders who have a material interest in the relevant resolution shall abstain from voting. As at the date of this announcement, Yue Xiu was interested in and controlled or was entitled to exercise control over the voting right in respect of, directly and indirectly, an aggregate of 3,329,935,248 Shares and is the controlling Shareholder of the Company. It shall abstain from voting on the resolution to approve the Open Offer (in respect of the absence of any arrangement to apply for Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A of the Hong Kong Listing Rules) at the EGM. Further, as at the date of this announcement, Mr. Liang Ningguang, being a director of the Underwriter, was interested in a total of 300,000 Shares (representing less than 0.01% of the total issued Shares). Mr. Liang Ningguang shall also abstain from voting on such resolution at the EGM.

To the extent that the Company is aware having made all reasonable enquiries, as at the date of this announcement, neither Yue Xiu nor Mr. Liang Ningguang had:

- i. any voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon it; or
- ii. any obligation or entitlement,

whereby it/he had or may have temporarily or permanently passed control over the exercise of the voting right in respect of its/his shareholding in the Company to a third party, either generally or on a case-by-case basis, and there was no discrepancy between its/his beneficial shareholding interest (direct or indirect) in the Company and the number of Shares in respect of which it/he would control or would be entitled to exercise control over the voting right at the EGM.

WHITEWASH WAIVER

In the event that upon completion of the Open Offer, no Qualifying Shareholder (other than Yue Xiu) will take up any Offer Shares, the Underwriter will be required to subscribe for and take up all the Offer Shares, which will result in the Underwriter taking up:

- i. assuming that no Outstanding Options are exercised on or before the Record Date, 2,141,422,774 Shares representing approximately 23.08% of the entire issued share capital of the Company as enlarged by the Open Offer; and
- ii. assuming that all Outstanding Options are exercised on or before the Record Date, 2,159,024,974 Shares representing approximately 23.08% of the entire issued share capital of the Company as enlarged by the Open Offer, and

the total shareholding of Yue Xiu and parties acting in concert with it in the Company will increase from 3,330,235,248 Shares, representing approximately 46.65% of the entire issued share capital of the Company as at the date of this announcement, to:

- i. assuming that no Outstanding Options are exercised on or before the Record Date, 5,471,658,022 Shares representing approximately 58.97% of the entire issued share capital of the Company as enlarged by the Open Offer; and
- ii. assuming that all Outstanding Options are exercised on or before the Record Date, 5,489,260,222 Shares representing approximately 58.67% of the entire issued share capital of the Company as enlarged by the Open Offer.

Accordingly, the underwriting by the Underwriter will trigger an obligation for the Underwriter (together with parties acting in concert with it) to make a mandatory general offer under Rule 26 of the Takeovers Code for all the Shares not already owned or agreed to be acquired by them. An application will be made to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll. Yue Xiu, Mr. Liang Ningguang (being a director of Yue Xiu who is deemed to be a party acting in concert with Yue Xiu under the Takeovers Code) and parties acting in concert with any of them, together with other Shareholders (if any) who have been involved in or are interested in the Open Offer and the Whitewash Waiver shall abstain from voting at the EGM in respect of the resolution to approve the Whitewash Waiver. The Underwriting Agreement is conditional on, among other things, the granting of the Whitewash Waiver by the Executive and the approval of the Whitewash Waiver by the Independent Shareholders at the EGM. If the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders, the Underwriting Agreement will not become unconditional and the Open Offer will not proceed.

Investors should be aware that there is a possibility that, upon completion of the Open Offer, the Underwriter will hold more than 50% of the voting rights in the Company. By then, the Underwriter may increase its shareholdings in the Company (in compliance with applicable requirements under the Takeovers Code) without incurring further obligation of making mandatory general offers pursuant to Rule 26 of the Takeovers Code.

DEALINGS OF THE SHARES BY THE UNDERWRITER AND PARTIES ACTING IN CONCERT WITH IT AND OTHER MISCELLANEOUS MATTERS

There has been no dealing of Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company by the Underwriter and parties acting in concert with it during the six months period immediately prior to the date of this announcement and up to the date of this announcement.

As at the date of this announcement, other than the approximately 46.65% of the issued share capital of the Company owned by the Underwriter and parties acting in concert with it (the details of which are set out under the section headed “SHAREHOLDING STRUCTURE OF THE COMPANY” of this announcement) and

transactions contemplated under the Underwriting Agreement, the Irrevocable Undertaking and the Commitment Letters (to which the Underwriter and/or parties acting in concert with it is/are a party(ies)) and as disclosed in this announcement:

- i. the Underwriter and parties acting in concert with it did not hold any other shares, convertible securities, warrants or options of the Company, or any outstanding derivative in respect of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- ii. there was no other arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Underwriter, parties acting in concert with it which are corporate entities or the Company and which may be material to the Whitewash Waiver and/or the Open Offer;
- iii. there was no other agreement or arrangement to which any of the Underwriter and parties acting in concert with it was a party which related to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Whitewash Waiver and/or the Open Offer;
- iv. the Underwriter and parties acting in concert with it did not receive any irrevocable commitment or arrangements to accept or reject the Open Offer or to vote in favour of or against the resolutions in respect of the Open Offer (in respect of the absence of any arrangement to apply for Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A of the Hong Kong Listing Rules) or the Whitewash Waiver; and
- v. the Underwriter and parties acting in concert with it did not borrow or lend any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

EXPECTED TIMETABLE

Last day of dealings in Shares on the Stock Exchange
and the SGX-ST on cum-entitlements basisThursday, 30 September

First day of dealing in Shares on the SGX-ST
on an ex-entitlement basisFriday, 1 October

First day of dealing in Shares on the Stock Exchange
on an ex-entitlement basisMonday, 4 October

Latest time for lodging transfers of Shares with the Company's share registrar in Hong Kong in order to qualify for the Open Offer	4:30 p.m. on Tuesday, 5 October
Latest time for lodging transfers of Shares with the Company's share transfer agent in Singapore in order to qualify for the Open Offer	5:00 p.m. on Tuesday, 5 October (Singapore time)
Register of members of the Company closes (both days inclusive)	Wednesday, 6 October to Tuesday, 12 October
Latest date for lodging forms of proxy for the purpose of the EGM	Sunday, 10 October
Record Date	Tuesday, 12 October
EGM	Tuesday, 12 October
Announcement of results of the EGM	Tuesday, 12 October
Despatch of the Prospectus Documents	Thursday, 14 October
Latest Time for Acceptance of, and payment for, Offer Shares	4:00 p.m. on Thursday, 28 October
Latest time for the termination of the Underwriting Agreement, and expected time for the Open offer to become unconditional	4:00 p.m. on Friday, 29 October
Announcement of results of the Open Offer	Tuesday, 2 November
Despatch of certificates for the Offer Shares on or before	Wednesday, 3 November

Despatch of refund cheques in respect of
invalid applications for the Offer Shares
on or beforeWednesday, 3 November

Dealings in the Offer Shares to commence onFriday, 5 November

Note:

- 1) The EGM is currently scheduled to be held on Tuesday, 12 October 2010, but the exact time when it will be held is yet to be fixed. The time of the EGM, together with the latest time for lodging forms of proxy for the purpose of the EGM, which will be not less than 48 hours before the time at which the EGM is convened to take place, will be announced by the Company in due course.
- 2) All references to time in this announcement are references to Hong Kong time unless otherwise stated.

Dates stated in this announcement for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated timetable for the Open Offer will be announced as appropriate.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company was HK\$1,000,000,000 divided into 10,000,000,000 Shares, of which 7,138,075,914 Shares had been issued and fully paid or credited as fully paid. The Board proposed to increase the authorised share capital of the Company to HK\$2,000,000,000 divided into 20,000,000,000 Shares by the creation of 10,000,000,000 new Shares to cater for possible issue of Shares in the future. As at the date of this announcement, the Directors did not have any intention of issuing any part of the increased authorised share capital of the Company, save as pursuant to exercise of any Outstanding Options.

The increase in the authorised share capital of the Company is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM and no Shareholder is required to abstain from voting in respect of such resolution.

GENERAL

The EGM will be convened for:

- i. the Independent Shareholders to consider and, if thought fit, to approve as ordinary resolutions (i) the Open Offer (in respect of the absence of any arrangement to apply for Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A of the Listing Rules) and (ii) the Whitewash Waiver; and

- ii. the Shareholders to consider and, if thought fit, to approve as an ordinary resolution the increase of the authorised share capital of the Company.

The Independent Board Committee will make recommendations to the Independent Shareholders in respect of the Open Offer and the Whitewash Waiver. The Independent Financial Adviser will advise the Independent Board Committee and the Independent Shareholders in this regard.

Application will be made to the Listing Committee of the Stock Exchange and the SGX-ST for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange and the SGX-ST, respectively.

A circular including, among other things, details of (i) the Open Offer, (ii) the Whitewash Waiver, (iii) the increase in the authorised share capital of the Company, (iv) the recommendation of the Independent Board Committee in relation to the Open Offer and the Whitewash Waiver, (v) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Open Offer and the Whitewash Waiver together with (vi) a notice of the EGM to all Shareholders will be despatched to the Shareholders as soon as practicable. Currently, the circular is expected to be despatched on or about 24 September 2010.

The Prospectus Documents setting out, among other things, details of the Open Offer will be despatched to the Qualifying Shareholders as soon as practicable, subject to the certain conditions precedent of the Open Offer being satisfied.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of the Directors
“business day”	any day (other than a Saturday or Sunday, or a day on which a tropical cyclone warning signal numbered 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which licensed banks in Hong Kong are open for business and the Stock Exchange is open for the business of dealing in securities

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CDP”	The Central Depository (Pte) Limited
“Commitment Letters”	the commitment letters dated various dates for the granting of loan facilities of not less than an aggregate amount of HK\$3.4 billion by various banks to the Underwriter for the purpose of financing its subscription obligations under the Irrevocable Undertaking and its underwriting obligations in relation to the Open Offer
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“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 and on the stock exchange operated by the SGX-ST
“connected person”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held for the purpose of approving, among other things: (i) the Open Offer (in respect of the absence of any arrangement to apply for Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A of the Listing Rules); (ii) the Whitewash Waiver; and (iii) the increase of authorised share capital of the Company

“Excluded Shareholder(s)”	those Overseas Shareholders to whom the Board, based on legal opinion or advice provided or to be provided by legal advisers to the Company and on account either of the legal restrictions under the laws of the relevant place or requirements of the relevant regulatory body or stock exchange in that place, considers it unduly burdensome to, or otherwise necessary or expedient not to, offer the Offer Shares
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Independent Board Committee”	an independent committee of the Board comprising Mr. YU Lup Fat Joseph, Mr. LEE Ka Lun and Mr. LAU Hon Chuen Ambrose, being all the independent non-executive Directors, formed or to be formed for the purpose of advising the Independent Shareholders in relation to the Open Offer and the Whitewash Waiver
“Independent Financial Adviser”	an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Open Offer and the Whitewash Waiver

“Independent Shareholders”	<p>(i) in respect of the ordinary resolution to approve the Open Offer (in respect of the absence of any arrangement to apply for Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A of the Listing Rules), Shareholders other than those who have a material interest in the relevant resolution (i.e., Shareholders other than Yue Xiu and Mr. Liang Ningguang); and</p> <p>(ii) in respect of the ordinary resolution to approve the Whitewash Waiver, Shareholders other than (i) Yue Xiu, Mr. Liang Ningguang and parties acting in concert with any of them, and (ii) those others who have been involved in or are interested in the Open Offer and the Whitewash Waiver</p>
“Irrevocable Undertaking”	<p>an irrevocable undertaking given by the Underwriter under the Underwriting Agreement in favour of the Company to, among other things, subscribe for (or procure subscribers to subscribe for) such number of Offer Shares as will be provisionally allotted and issued to it and/or its nominee(s) as its assured entitlement under the Open Offer</p>
“Last Trading Date”	<p>14 September 2010, being the last trading date of the Shares prior to the release of this announcement</p>
“Latest Time for Acceptance”	<p>4:00 p.m. on Thursday, 28 October 2010 or such later time or date as may be agreed in writing between the Company and Underwriter, being the latest time for acceptance of, and payment for, the Offer Shares</p>
“Latest Time for Termination”	<p>4:00 p.m. on Friday, 29 October 2010, or such later time and date as may be agreed in writing between the Company and the Underwriter, being the latest time that the Underwriter may terminate the Underwriting Agreement</p>
“Listing Rules”	<p>the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</p>

“Mr. Liang Ningguang”	a director of Yue Xiu and 廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited), who is deemed to be a party acting in concert with Yue Xiu pursuant to the Takeovers Code
“Offer Share(s)”	new Shares to be issued in the proportion of 3 Offer Shares to 10 existing Shares in issue at the close of business on the Record Date (rounded down to the nearest one)
“Open Offer”	the proposed offer of the Offer Shares at the Subscription Price on the terms and subject to the conditions to be set out in the Prospectus Documents and summarised in this announcement
“Outstanding Options”	the outstanding options granted by the Company to subscribe for an aggregate of 58,674,000 Shares as at the date of this announcement pursuant to the Share Option Scheme
“Overseas Shareholders”	those Shareholders whose addresses, as shown on the register of members of the Company at the close of business on the Record Date, are outside Hong Kong or Singapore
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this announcement only and unless the content otherwise requires, Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus to be issued by the Company for despatch to the Qualifying Shareholders in connection with the Open Offer, and if and to the extent legally and practically permissible, for despatch for information purposes only to the Excluded Shareholders in such usual form as may be agreed between the Company and the Underwriter
“Prospectus Documents”	the Prospectus and the assured allotment letter proposed to be issued to the Qualifying Shareholders, in such usual form as may be agreed between the Company and the Underwriter

“Prospectus Posting Date”	Thursday, 14 October 2010 or such later date as the Underwriter may agree in writing with the Company
“Qualifying Shareholders”	the Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date, other than the Excluded Shareholders
“Record Date”	Tuesday, 12 October 2010, being the date by reference to which entitlements to the Open Offer will be determined
“SFC”	the Securities and Futures Commission in Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended from time to time)
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary share(s) of HK\$0.10 par value each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company which was approved by the Shareholders on 26 June 2002
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$1.61 per Offer Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter” or “Yue Xiu”	Yue Xiu Enterprises (Holdings) Limited. (越秀企業(集團)有限公司), a company incorporated in Hong Kong which is wholly-owned by 廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited), a limited liability company incorporated in the PRC which in turn is beneficially wholly-owned by the Guangzhou Municipal People’s Government of the PRC
“Underwriting Agreement”	the underwriting agreement dated 14 September 2010 entered into between the Company and Yue Xiu in relation to the Open Offer

“Whitewash Waiver” a waiver from the obligation of the Underwriter and parties acting in concert with it to make a mandatory general offer under Rule 26 of the Takeovers Code as a result of the Open Offer and the Underwriting Agreement pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code

“%” per cent.

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

Hong Kong, 14 September 2010

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

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

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

All the Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.