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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: 123)**

## ANNOUNCEMENT

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

This announcement is made by the board of directors of Yuexiu Property Company Limited (“Company”) pursuant to the disclosure requirements under Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

On 26 May 2011, the Company (as borrower) entered into a facility letter (“Facility Letter”) with a bank (“Lender”) pursuant to which an unsecured 3-year term loan facility of up to HK\$400 million will be made available by the Lender from the date of the acceptance of the facility subject to the terms and conditions of the Facility Letter.

It was provided in the Facility Letter that an event of default will occur if Yue Xiu Enterprises (Holdings) Limited (“Yue Xiu”), the controlling shareholder of the Company, ceases to remain the largest shareholder of the Company, or ceases to maintain at least 35% beneficial ownership in and control of the board of directors of the Company, or the Guangzhou Municipal Government ceases to own at least 51% beneficial interest in Yue Xiu. Upon the occurrence of such event of default, the Lender may declare the facility terminated and all the indebtedness under the facility would become due and payable. As of the date of this announcement, Yue Xiu beneficially owns an aggregate of about 49.89% of the issued share capital of the Company.

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

Hong Kong, 26 May 2011

As at the date of this announcement, the board of directors 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