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(Incorporated in Hong Kong with limited liability)
(Stock code: 00123)

Announcement

Land Acquisition and Employee Incentive Scheme

On 5 February 2015, the Group acquired a parcel of land with a total gross floor area of approximately 221,334 sq.m. at Foping Road, Chancheng District, Foshan City, Guangdong Province, for a consideration of RMB633,050,000 by way of open tender.

The Board of Directors (the “**Board**”) of Yuexiu Property Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that, on 5 February 2015, the Group acquired a parcel of land located at Foping Road, Chancheng District, Foshan City, Guangdong Province (“**Foshan Chancheng Foping Road Land Parcel**”), for a consideration of RMB633,050,000 by way of open tender.

Foshan Chancheng Foping Road Land Parcel

The Foshan Chancheng Foping Road Land Parcel has a site area of approximately 33,973 sq.m. and a total gross floor area of approximately 221,334 sq.m., of which the permissible gross floor area amounts to approximately 171,095 sq.m., the underground gross floor area amounts to approximately 50,239 sq.m., and the average land cost based on the total gross floor area amounts to approximately RMB2,900 per sq.m.. The parcel of land has a term of 70 years for residential use and a term of 40 years for commercial use. As of the date of this announcement, the Company’s total land bank amounted to approximately 16.12 million sq.m.. In terms of the attributable interest, the Company’s land bank amounted to approximately 13.21 million sq.m..

The parcel of land is located at Chancheng District, Foshan City, Guangdong Province, at the junction of Shidong Road and Foping Road, the major roads of the city, enjoying convenient transportation. The parcel of land is located in the mature area at Foshan Tour Mall commercial district and is surrounded by well established shopping, leisure, entertainment and catering facilities, in an advantageous location. The parcel of land is adjacent to educational institutions including kindergartens, primary schools, secondary schools and two major hospitals and other public facilities, at a convenient location.

The Board believes that the Foshan Chancheng Foping Road Land Parcel is acquired by the Company for the purpose of absorbing quality land bank appropriately under the strategy of “Home base in Guangzhou and strategic expansion nationwide”. Following the acquisition of the Foshan Chancheng Foping Road Land Parcel, the Company’s land bank in the Pearl River Delta region (excluding Guangzhou) amounts to 2.56 million sq.m., which will further expand the Company’s development scale in the region and better enhance the Company’s brand image in the region.

Employee Incentive Scheme

The Company is setting up an employee incentive scheme (the “Scheme”) where certain local management team members and core staff (collectively, “Eligible Management Members”) in respect of a property development project of the Group (each a “Project”) will be required (or for some Eligible Management Members, may elect) to make an equity investment in the relevant project company (each a “Project Company”), through a fund structure. The objective of the Scheme is to align the interests of the Eligible Management Members and the interests of the Group in respect of the relevant Projects. Particularly, the Company believes the Scheme may incentivise the Eligible Management Members who are responsible for a Project on a daily basis to maximise returns of the Project and enhance the internal rate of return of the Project. Therefore, the Company considers that it is in the interest of the Company and its shareholders as a whole to establish and implement the Scheme.

