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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)

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE PROPOSED ACQUISITION OF THE ENTIRE
EQUITY INTEREST IN GUANGZHOU ZHONGJING HUIFU REAL
ESTATE DEVELOPMENT CO., LTD***

AND

**(2) DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE PROPOSED DISPOSAL OF ALL OF THE
ISSUED SHARES OF TALENT SKY ENTERPRISES LIMITED**

The Company is pleased to announce that, on 7 November 2016:

- (1) the Nansha Acquisition Seller and the Nansha Acquisition Purchaser entered into the Nansha Equity Transfer Agreement pursuant to which:
 - (a) the Nansha Acquisition Seller agreed to sell, and the Nansha Acquisition Purchaser agreed to purchase, the entire equity interest in the Nansha Acquisition Company for a consideration of RMB1,396,247,800; and
 - (b) the Nansha Acquisition Seller agreed, and the Nansha Acquisition Purchaser agreed to accept the assignment of, the Nansha Loan, the amount of which as at the date of this announcement was RMB1,191,752,260.39, on a dollar-for-dollar basis;

as such, the total consideration payable by the Nansha Acquisition Purchaser for the Nansha Acquisition is RMB2,588,000,060.39.

(2) the Talent Sky Disposal Seller and the Talent Sky Disposal Purchaser entered into the Talent Sky SPA pursuant to which:

- (a) the Talent Sky Disposal Seller agreed to sell, and the Talent Sky Disposal Purchaser agreed to purchase, the Talent Sky Disposal Share for a consideration of HK\$309,194,000; and
- (b) the Talent Sky Disposal Seller agreed to assign, and the Talent Sky Disposal Purchaser agreed to accept the assignment of, the Talent Sky Loan, the amount of which as at the date of this announcement was HK\$334,963,878.20, on a dollar-for-dollar basis;

as such, the total consideration payable by the Talent Sky Disposal Purchaser for the Talent Sky Disposal is HK\$644,157,878.20.

The Nansha Acquisition Completion and the Talent Sky Disposal Completion are inter-conditional and shall take place simultaneously.

Each of GZYG and YXE (being a direct wholly-owned subsidiary of GZYG) is a controlling shareholder of the Company and therefore a connected person of the Company. As such, each of the Nansha Acquisition and the Talent Sky Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since the Nansha Acquisition and the Talent Sky Disposal are inter-conditional, they will be regarded as one transaction involving both an acquisition and a disposal under Rule 14.24 of the Listing Rules. Accordingly, the Company will classify the transaction by reference to the percentage ratios of the Nansha Acquisition, being the larger of the percentage ratios of the Nansha Acquisition and the Talent Sky Disposal, and will comply with the applicable requirements of the Listing Rules based on such classification. As the highest applicable percentage ratio in respect of the Nansha Acquisition is more than 5% but less than 25%, the Transactions are subject to the approval of the Independent Shareholders at the GM under the Chapter 14 and Chapter 14A of the Listing Rules.

The Circular containing, among other things: (i) further information on the Transactions; (ii) a letter of recommendations from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser; and (iv) a notice of the GM is expected to be despatched to the Shareholders on or before 28 November 2016.

INTRODUCTION

The Company is pleased to announce that, on 7 November 2016:

- (1) the Nansha Acquisition Seller and the Nansha Acquisition Purchaser entered into the Nansha Equity Transfer Agreement pursuant to which:
 - (a) the Nansha Acquisition Seller agreed to sell, and the Nansha Acquisition Purchaser agreed to purchase, the entire equity interest in the Nansha Acquisition Company for a consideration of RMB1,396,247,800; and
 - (b) the Nansha Acquisition Seller agreed, and the Nansha Acquisition Purchaser agreed to accept the assignment of, the Nansha Loan, the amount of which as at the date of this announcement was RMB1,191,752,260.39, on a dollar-for-dollar basis;

as such, the total consideration payable by the Nansha Acquisition Purchaser for the Nansha Acquisition is RMB2,588,000,060.39; and

- (2) the Talent Sky Disposal Seller and the Talent Sky Disposal Purchaser entered into the Talent Sky SPA pursuant to which:
 - (a) the Talent Sky Disposal Seller agreed to sell, and the Talent Sky Disposal Purchaser agreed to purchase, the Talent Sky Disposal Share for a consideration of HK\$309,194,000; and
 - (b) the Talent Sky Disposal Seller agreed to assign, and the Talent Sky Disposal Purchaser agreed to accept the assignment of, the Talent Sky Loan on a dollar-for-dollar basis, the amount of which as at the date of this announcement was HK\$334,963,878.20;

as such, the total consideration payable by the Talent Sky Disposal Purchaser for the Talent Sky Disposal is HK\$644,157,878.20.

The Nansha Acquisition Completion and the Talent Sky Disposal Completion are inter-conditional and shall take place simultaneously.

(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN GUANGZHOU ZHONGJING HUIFU REAL ESTATE DEVELOPMENT CO., LTD*

Nansha Equity Transfer Agreement

The principal terms of the Nansha Equity Transfer Agreement are set out below:

Date

7 November 2016

Parties

The Nansha Acquisition Seller (as seller) and the Nansha Acquisition Purchaser (as purchaser)

Asset to be acquired

Pursuant to the Nansha Equity Transfer Agreement: (i) the Nansha Acquisition Seller agreed to sell, and the Nansha Acquisition Purchaser agreed to purchase, the entire equity interest in the Nansha Acquisition Company; and (ii) the Nansha Acquisition Seller agreed to assign to the Nansha Acquisition Purchaser, and the Nansha Acquisition Purchaser agreed to accept the assignment of, the Nansha Loan on a dollar-for-dollar basis.

Consideration and payment terms

The Nansha Equity Transfer Consideration of RMB1,396,247,800 shall be payable in full by the Nansha Acquisition Purchaser to the Nansha Acquisition Seller on the date of the Nansha Acquisition Completion.

As at the date of this announcement, the entire amount owing from the Nansha Acquisition Company to the Nansha Acquisition Seller is RMB1,191,752,260.39. Based on the assumption that the entire amount owing from the Nansha Acquisition Company to the Nansha Acquisition Seller as at the date of the Nansha Acquisition Completion is the same as that as at the date of this announcement, the Nansha Loan Consideration payable by the Nansha Acquisition Purchaser to the Nansha Acquisition Seller, being the amount of the Nansha Loan to be assigned, shall be RMB1,191,752,260.39. The Nansha Loan Consideration shall be paid by the Nansha Acquisition Purchaser to the Nansha Acquisition Seller in full within three Business Days of the Registration Date.

Conditions precedent

Completion of the Nansha Equity Transfer is conditional on the satisfaction (or waiver) of the following conditions precedent (each a “**Nansha Equity Transfer Condition**”):

- (a) the Shareholders having passed all necessary resolutions at the GM to approve the Nansha Equity Transfer Agreement and the transactions contemplated thereunder;
- (b) the Shareholders having passed all necessary resolutions at the GM to approve the Talent Sky SPA and the transactions contemplated thereunder;
- (c) the conditions precedent under the Talent Sky SPA (other than the condition precedent relating to the satisfaction of the condition precedent in (b) above) having been satisfied or waived in accordance with the Talent Sky SPA; and
- (d) the warranties under the Nansha Equity Transfer Agreement remaining true and accurate in all material respects as at the completion of the Nansha Equity Transfer.

The Nansha Acquisition Purchaser may in its absolute discretion waive the Nansha Equity Transfer Condition in (d) above either in whole or in part at any time by notice in writing to the Nansha Acquisition Seller.

In the event that any of the Nansha Equity Transfer Conditions shall not have been fulfilled (and thereafter shall not have been waived, if applicable) prior to 30 December 2016 (or such other date as the Nansha Acquisition Purchaser and the Nansha Acquisition Seller may agree), then the Nansha Acquisition Purchaser and the Nansha Acquisition Seller shall not be bound to proceed with the Nansha Equity Transfer or the Assignment of the Nansha Loan, and the Nansha Equity Transfer Agreement shall automatically terminate and cease to be of any effect.

The Nansha Acquisition Completion (including both the Nansha Equity Transfer and the Assignment of the Nansha Loan) and the Talent Sky Disposal Completion are inter-conditional, and the Nansha Acquisition Purchaser and the Nansha Acquisition Seller shall not be obliged to carry out Nansha Acquisition Completion unless Talent Sky Disposal Completion occurs simultaneously.

Completion of the Nansha Acquisition

The Nansha Acquisition Completion shall take place on the Completion Date, which shall be a date agreed in writing between the Nansha Acquisition Purchaser and the Nansha Acquisition Seller following the satisfaction (or waiver, if applicable) of each of the Nansha Equity Transfer Conditions, and such date shall be the same date as the date of the Talent Sky Disposal Completion.

After the Nansha Acquisition Completion has taken place, the Nansha Acquisition Purchaser shall arrange for the registration of the Nansha Equity Transfer with the State Administration for Industrial and Commercial of the PRC or its relevant local counterpart (the date on which such registration takes place is referred to as the “**Registration Date**”).

Termination

The Nansha Equity Transfer Agreement may be terminated upon the occurrence of any one of the following events:

- (a) the Talent Sky Disposal Completion not being able to occur simultaneously; or
- (b) termination pursuant to any applicable laws, rules and regulations or pursuant to other terms of the Nansha Equity Transfer Agreement.

In the event that the Talent Sky SPA is terminated in accordance with its terms, the Nansha Equity Transfer Agreement shall automatically terminate forthwith.

In the event that the Nansha Equity Transfer Consideration (or any part thereof) is overdue for more than 30 days, the Nansha Acquisition Seller may terminate the Nansha Equity Transfer Agreement. The Nansha Equity Transfer Agreement and all of the transaction documents contemplated thereunder shall terminate on the date of receipt by the Nansha Acquisition Purchaser of the written notice of termination issued by the Nansha Acquisition Seller. In such event, the Nansha Acquisition Seller shall be entitled to compensation for all losses from the Nansha Acquisition Purchaser.

Basis of determination of the Nansha Acquisition Total Consideration

The Nansha Acquisition Total Consideration is estimated to be RMB2,588,000,060.39 (assuming that the net amount owing from the Nansha Acquisition Company to the Nansha Acquisition Seller as at the date of the Nansha Acquisition Completion is the same as that as at the date of this announcement). The Nansha Equity Transfer Consideration was determined with reference to, and represents a discount of approximately 8.9% to, the fair value of the Nansha Acquisition Company as at 31 August 2016 of approximately RMB1,532,527,000 as valued by the Independent Valuer. On the other hand, the Nansha Loan Consideration represents the dollar-for-dollar value of the Nansha Loan.

The Directors (including the independent non-executive Directors) consider that the Nansha Acquisition Total Consideration is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Financial Effects of the Nansha Acquisition

Following the Nansha Acquisition Completion, the Nansha Acquisition Company will become an indirect 95%-owned subsidiary of the Company, and the accounts of the Nansha Acquisition Company will be consolidated into those of the Company.

Information on the Nansha Acquisition Company and the Nansha Project

The Nansha Acquisition Company

The Nansha Acquisition Company is the current legal owner of the land use rights of Nansha Land Parcel on which the Nansha Project will be constructed.

The unaudited consolidated financial information of the Nansha Acquisition Company for the financial years ended 31 December 2014 and 31 December 2015 and the eight months ended 31 August 2016, respectively, is as follows:

	For the financial year ended 31 December 2014 <i>RMB'000</i>	For the financial year ended 31 December 2015 <i>RMB'000</i>	For the eight months ended 31 August 2016 <i>RMB'000</i>
Revenue	Nil	Nil	Nil
Net profit/(loss) before taxation	Nil	(1,359)	(203)
Net profit/(loss) after taxation	Nil	(1,359)	(203)

The total assets and the net asset value of the Nansha Acquisition Company as at 31 August 2016 were RMB1,204,917,668 and RMB2,598,480, respectively.

The Nansha Project

The Nansha Project to be constructed on the Nansha Land Parcel will be a residential project with a total gross floor area of approximately 928,590 sq.m, among which: (i) the total permitted residential gross floor area is approximately 692,637 sq.m.; (ii) the gross floor area of the basement is approximately 166,578 sq.m. (of which the saleable gross floor area is approximately 57,500 sq m.); and (iii) the gross floor area of public facilities and other supporting facilities is approximately 69,375 sq.m.

The Nansha Project is situated at the Jiaomen River city centre area in the heart of the Nansha District in Guangzhou city, and is close to the main road in the Nansha District. This area focuses on the development of the urban comprehensive service functions, and its development plans include large urban support facilities such as hotels, hospitals and schools. The Nansha Project is also close to Jinzhou, which is a developed business district, and therefore has substantial potential for appreciation in value.

Information on the Nansha Acquisition Company, the Nansha Acquisition Seller and the Nansha Acquisition Purchaser

The Nansha Acquisition Seller

The Nansha Acquisition Seller, through its various subsidiaries, engages in various businesses including (among others) financial business, property development, infrastructure, construction and others.

The Nansha Acquisition Purchaser

The Nansha Acquisition Purchaser is an investment holding company.

(2) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE PROPOSED DISPOSAL OF ALL OF THE ISSUED SHARES OF TALENT SKY ENTERPRISES LIMITED

Talent Sky SPA

The principal terms of the Talent Sky SPA are set out below:

Date

7 November 2016

Parties

The Talent Sky Disposal Seller (as seller) and the Talent Sky Disposal Purchaser (as purchaser)

Asset to be disposed of

Pursuant to the Talent Sky SPA: (i) the Talent Sky Disposal Seller agreed to sell, and the Talent Sky Disposal Purchaser agreed to purchase, the Talent Sky Disposal Share, being all of the issued shares in the capital of the Talent Sky Disposal Company; and (ii) the Talent Sky Disposal Seller agreed to assign to the Talent Sky Disposal Purchaser, and the Talent Sky Disposal Purchaser agreed to accept the assignment of, the Talent Sky Loan on a dollar-for-dollar basis.

Consideration and payment terms

The total price for the Talent Sky Disposal Share to be paid by the Talent Sky Disposal Purchaser to the Talent Sky Disposal Seller is the Talent Sky Share Consideration of HK\$309,194,000.

The total price for the assignment of the Talent Sky Loan to be paid by the Talent Sky Disposal Purchaser to the Talent Sky Disposal Seller is the Talent Sky Loan Consideration. As at the date of this announcement, the entire amount owing from the Talent Sky Disposal Company to the Talent Sky Disposal Seller is HK\$334,963,878.20.

The Talent Sky Disposal Total Consideration of HK\$644,157,878.20 (being the sum of the Talent Sky Share Consideration and the Talent Sky Loan Consideration) shall be paid on the date of Talent Sky Disposal Completion.

Conditions Precedent

Talent Sky Disposal Completion is conditional on the satisfaction (or waiver) of the following conditions precedent (each a “**Talent Sky Disposal Condition**”):

- (a) the Shareholders having passed all necessary resolutions at the GM to approve the Talent Sky SPA and the transactions contemplated thereunder;
- (b) the Shareholders having passed all necessary resolutions at the GM to approve the Nansha Equity Transfer Agreement and the transactions contemplated thereunder;

- (c) the conditions precedent under the Nansha Equity Transfer Agreement (other than the condition precedent relating to the satisfaction of the condition precedent in (a) above) having been satisfied or waived in accordance with the Nansha Equity Transfer Agreement; and
- (d) the warranties under the Talent Sky SPA remaining true and accurate in all material respects as at Talent Sky Disposal Completion.

The Talent Sky Disposal Purchaser may in its absolute discretion waive the Talent Sky Disposal Condition in (d) above either in whole or in part at any time by notice in writing to the Talent Sky Disposal Seller.

In the event that any of the Talent Sky Disposal Conditions shall not have been fulfilled (and thereafter shall not have been waived, if applicable) prior to 30 December 2016 (or such other date as the Talent Sky Disposal Purchaser and the Talent Sky Disposal Seller may agree in writing), then the Talent Sky Disposal Purchaser and the Talent Sky Disposal Seller shall not be bound to proceed with the sale of the Talent Sky Disposal Share or assignment of the Talent Sky Loan, and the Talent Sky SPA shall terminate and cease to be of any effect.

The Nansha Acquisition Completion and the Talent Sky Disposal Completion are inter-conditional, and the Talent Sky Disposal Purchaser and the Talent Sky Disposal Seller shall not be obliged to carry out the Talent Sky Disposal Completion unless the Nansha Acquisition Completion occurs simultaneously.

Completion

Talent Sky Disposal Completion shall take place on a date agreed in writing between the Talent Sky Disposal Purchaser and the Talent Sky Disposal Seller following the satisfaction (or waiver, if applicable) of each of the Talent Sky Disposal Conditions, and such date shall be the same date as the date of the Nansha Acquisition Completion.

Indemnity

The Talent Sky Disposal Seller agrees to indemnify the Talent Sky Disposal Purchaser against all losses, damages, costs, actions, proceedings, claims, demands and expenses suffered by the Talent Sky Disposal Purchaser as a result of or in connection with any breach of the warranties given by the defaulting party.

Termination

The Talent Sky Disposal Purchaser may, by written notice given to the Talent Sky Disposal Seller at Talent Sky Disposal Completion or any time prior to Talent Sky

Disposal Completion, terminate the Talent Sky SPA without liability on its part if any fact, matter or event comes to the notice of the Talent Sky Disposal Purchaser at Completion or any time prior to Talent Sky Disposal Completion which would constitute a material breach of any of the warranties at the time it is given.

In the event that the Nansha Equity Transfer Agreement is terminated in accordance with its terms, the Talent Sky SPA shall automatically terminate forthwith.

If at any time after the date of the Talent Sky SPA but prior to Talent Sky Disposal Completion either party to the Talent Sky SPA commits any breach of or omits to observe any of its material obligations or undertakings on its part under the Talent Sky SPA, then the non-defaulting party may, by notice in writing to the other party, forthwith terminate the Talent Sky SPA.

Basis of determination of the Talent Sky Disposal Total Consideration

The Talent Sky Disposal Total Consideration is estimated to be HK\$644,157,878.20 (assuming that the net amount owing from the Talent Sky Disposal Company to the Talent Sky Disposal Seller as at the Completion Date is the same as that as at the date of this announcement). The Talent Sky Share Consideration is equal to the fair value of the Talent Sky Disposal Company as at 31 August 2016 of approximately HK\$309,194,000 as valued by the Independent Valuer. On the other hand, the Talent Sky Loan Consideration represents the dollar-for-dollar value of the Talent Sky Loan.

The Directors (including the independent non-executive Directors) consider that the Talent Sky Disposal Total Consideration is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Financial Effects of the Talent Sky Disposal

The Group is expected to record a gain (after tax) of approximately HK\$265,000,000 as a result of the Talent Sky Disposal. Following the Talent Sky Disposal Completion, the Company will cease to have any interest in the Talent Sky Disposal Company, as such, the Talent Sky Disposal Company will cease to be a subsidiary of the Company and the financial results of the Talent Sky Disposal Company will cease to be consolidated into those of the Company.

As a result of the Talent Sky Disposal, each of the total assets and the net assets of the Group are expected to increase by RMB235,000,000 respectively.

Use of Proceeds

It is expected that the net proceeds from the Talent Sky Disposal will be used for the replenishment of the Group's working capital.

Information on the Talent Sky Disposal Company and the Hotel

The Talent Sky Disposal Company

The Talent Sky Disposal Company is an investment holding company. It is the legal and beneficial owner of all of the issued shares of Techon, which is in turn the registered owner of the Hotel.

The unaudited consolidated financial information of the Talent Sky Disposal Company for the financial years ended 31 December 2014 and 31 December 2015 and the eight months ended 31 August 2016, respectively, is as follows:

	For the financial year ended 31 December 2014 HK\$'000	For the financial year ended 31 December 2015 HK\$'000	For the eight months ended 31 August 2016 HK\$'000
Revenue	50,396	36,509	19,060
Net profit/(loss) before taxation	17,641	9,553	(791)
Net profit/(loss) after taxation	17,312	9,842	(791)

The total assets and the net asset value of the Talent Sky Disposal Group as at 31 August 2016 were HK\$394,635,000 and HK\$41,147,000, respectively.

The Hotel

The Hotel is a 21-storey hotel known as “The South China Hotel (粵華酒店)”, which has a total of 202 rooms comprising standard and executive rooms, and is located at the area of the eastern district of the Hong Kong Island (situated at 67-75 Java Road, North Point). The Hotel has a total gross floor area of 7,022,682 sq.m..

Information on the Company, the Talent Sky Disposal Seller and the Talent Sky Disposal Purchaser

The Company

The Company is principally engaged in property development and investment, mainly focusing on properties in Guangzhou and gradually expanding into the Pearl River Delta, Yangtze River Delta, Bohai Rim Economic Zone and Central Region.

The Talent Sky Disposal Seller

The Talent Sky Disposal Seller is an investment holding company.

The Talent Sky Disposal Purchaser

The Talent Sky Disposal Purchaser is a wholly-owned subsidiary of GZYS and, through its various subsidiaries, engages in various businesses including (among others) financial business, property development, infrastructure, construction and others.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Nansha Project (as more particularly described in the section headed “Information on the Nansha Acquisition Company and the Nansha Project - The Nansha Project” above) is located in the Nansha District of Guangzhou City, which is now a state free trade zone and a state new district. In 2016, the Nansha District was named the “second city centre” by the Guangzhou municipal government, hence the Nansha District has vast potential for future development. The Nansha Project is of a relatively large scale, has obvious geographical advantages, and thus has relatively great development potential. The Nansha Acquisition will further increase the high-quality land reserves of the Group and will increase the Group’s overall land reserves from approximately 14,640,000 sq.m to approximately 15,570,000 sq.m, thereby strengthening the core property business of the Group and solidifying the leading position of the Group in the Guangzhou property market. The further increase in land reserves in the Nansha District of Guangzhou City upon completion of the Nansha Acquisition from 1,928,000 sq.m. to 2,860,000 sq.m. will be beneficial to the stable growth of the core business of the Group. As such, the Nansha Acquisition is in line with the development strategy of the Company to focus on the Pearl River Delta, Yangtze River Delta and the central region in the PRC.

The Hotel’s business performance in 2015 and for the first eight months of 2016 has not been strong, and it is anticipated that the business environment in respect of the Hotel in 2017 will not materially change. Reconstruction of the Hotel will take a relatively long time, and it is difficult to implement such reconstruction in the short to mid term. As such, disposing of the Hotel to the Company’s controlling shareholder at fair value will enable the Company to realise reasonable profit. At the same time, incorporating the cash received from such disposal into the Company’s working capital will also be beneficial to the Company in potential acquisitions of other quality projects in the future and will increase the efficiency of utilisation of financial resources of the Group.

In view of the above, the Company considers that Transactions as a whole are beneficial to the overall development of the Group's business and will create value for the Shareholders.

Taking into account the reasons and benefits described above, the Directors (including the independent non-executive Directors) consider that the terms of the Transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Each of GZYG and YXE (being a direct wholly-owned subsidiary of GZYG) is a controlling shareholder of the Company and therefore a connected person of the Company. As such, each of the Nansha Acquisition and the Talent Sky Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since the Nansha Acquisition and the Talent Sky Disposal are inter-conditional, they will be regarded as one transaction involving both an acquisition and a disposal under Rule 14.24 of the Listing Rules. Accordingly, the Company will classify the transaction by reference to the percentage ratios of the Nansha Acquisition, being the larger of the percentage ratios of the Nansha Acquisition and the Talent Sky Disposal, and will comply with the applicable requirements of the Listing Rules based on such classification. As the highest applicable percentage ratio in respect of the Nansha Acquisition is more than 5% but less than 25%, the Transactions are subject to the approval of the Independent Shareholders at the GM under the Chapter 14 and Chapter 14A of the Listing Rules.

As YXE and GZYG are parties to the Transactions, in view that the Nansha Acquisition and the Talent Sky Disposal are inter-conditional, each of YXE and GZYG and its respective associates will abstain from voting at the GM in respect of the proposed resolutions to approve each of the Nansha Acquisition and the Talent Sky Disposal.

As none of the Directors had a material interest in any of the Transactions, no Director has abstained from voting on the relevant board resolutions of the Company.

CIRCULAR AND GM

The Independent Board Committee, comprising all of the independent non-executive Directors, has been established to advise the Independent Shareholders regarding the Transactions. Yu Ming Investment Management Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Transactions.

The GM will be convened and held by the Company to consider and, if thought fit, to approve the Nansha Equity Transfer Agreement, the Talent Sky SPA and the transactions contemplated thereunder.

As disclosed above, YXE and GZYX and its respective associates will abstain from voting at the GM in respect of the proposed resolutions to approve each of the Transactions. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholder or any of its associates has a material interest in the Nansha Acquisition and the Talent Sky Disposal, therefore no other Shareholder would be required to abstain from voting on the relevant resolutions to be proposed at the GM.

The Circular containing, among other things: (i) further information on the Transactions; (ii) a letter of recommendations from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser; and (iv) a notice of the GM is expected to be despatched to the Shareholders on or before 28 November 2016.

Shareholders and potential investors of the Company should be aware that the Transactions are subject to certain conditions being satisfied, therefore the Transactions may or may not proceed. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Assignment of Nansha Loan”	the assignment of the Nansha Loan on a dollar-for-dollar basis by the Nansha Acquisition Seller to the Nansha Acquisition Purchaser pursuant to the Nansha Equity Transfer Agreement
“Assignment of Talent Sky Loan”	the assignment of the Talent Sky Loan on a dollar-for-dollar basis by the Talent Sky Disposal Seller to the Talent Sky Disposal Purchaser pursuant to the terms of the Talent Sky SPA
“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors

“Business Day”	means a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong and the PRC
“Circular”	the circular in relation to, among others, the Nansha Acquisition and the Talent Sky Disposal to be issued by the Company in accordance with the Listing Rules
“Company”	Yuexiu Property Company Limited, 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 Singapore Exchange Securities Trading Limited
“Completion Date”	the date on which completion of the Transactions take place, which shall be a date agreed in writing between the Nansha Acquisition Purchaser and the Nansha Acquisition Seller, and between the Talent Sky Disposal Purchaser and the Talent Sky Disposal Seller, respectively
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“GCCD”	Guangzhou City Construction & Development Co. Ltd. (廣州市城市建設開發有限公司), a company incorporated in the PRC with limited liability and which is indirectly owned as to 95% by the Company and as to 5% by GZYX
“GM”	the general meeting of the Company to be convened to consider and, if thought fit, approve the Transactions
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hotel”	the hotel known as “The South China Hotel (粵華酒店)” situated at 67-75 Java Road, North Point, Hong Kong

“Independent Board Committee”	the independent board committee comprising all the independent non-executive Directors, namely Mr. YU Lup Fat Joseph, Mr. LEE Ka Lun and Mr. LAU Hon Chuen Ambrose, established to advise the Independent Shareholders in respect of the Transactions
“Independent Financial Adviser”	Yu Ming Investment Management Limited, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions
“Independent Shareholders”	Shareholders other than YXE, GYZX and their respective associates
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Independent Valuer”	Greater China Appraisal Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 December 2016
“Nansha Acquisition”	collectively, the Nansha Equity Transfer and the Assignment of Nansha Loan
“Nansha Acquisition Company”	Guangzhou Zhongjing Huifu Real Estate Development Co., Ltd* (廣州中璟慧富房地產開發有限公司), a company incorporated in the PRC with limited liability and which is a wholly-owned subsidiary of GZYG
“Nansha Acquisition Completion”	the completion of the Nansha Equity Transfer and the Assignment of Nansha Loan in accordance with the Nansha Equity Transfer Agreement
“Nansha Acquisition Purchaser”	Guangzhou Su Rong Industrial Development Co., Ltd.* (廣州速榮實業發展有限公司), a company incorporated in the PRC with limited liability and which is a wholly-owned subsidiary of GCCD

“Nansha Acquisition Seller” or “GZYX”	Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團有限公司) a company incorporated in the PRC with limited liability, which is beneficially wholly-owned by the Guangzhou Municipal People’s Government of the PRC and which is the ultimate controlling shareholder of the Company
“Nansha Acquisition Total Consideration”	the sum of the Nansha Equity Transfer Consideration and the Nansha Loan Consideration
“Nansha Equity Transfer Agreement”	the equity transfer agreement entered into between the Nansha Acquisition Seller and the Nansha Acquisition Purchaser dated 7 November 2016 regarding the Nansha Equity Transfer and the Assignment of the Nansha Loan
“Nansha Equity Transfer Conditions”	the conditions precedent to the Nansha Acquisition Completion set out in the section headed “(1) Discloseable and Connected Transaction in Relation to the Proposed Acquisition of the Entire Equity Interest of Guangzhou Zhongjing Huifu Real Estate Development Co., Ltd - Nansha Equity Transfer Agreement - Conditions precedent” in this announcement
“Nansha Equity Transfer”	the transfer of the entire equity interest in the Nansha Acquisition Company by the Nansha Acquisition Seller to the Nansha Acquisition Purchaser pursuant to the Nansha Equity Transfer Agreement
“Nansha Equity Transfer Consideration”	RMB1,396,247,800, being the consideration for the Nansha Equity Transfer payable by the Nansha Acquisition Purchaser to the Nansha Acquisition Seller
“Nansha Land Parcel”	the parcel of land for commercial and residential use as phase 16 of Yitao Wanguo Garden (逸濤萬國園) located at Huanshi Avenue North, Nansha District, Guangzhou City, Guangdong Province, the PRC
“Nansha Loan”	the entire amount owing from the Nansha Acquisition Company to the Nansha Acquisition Seller as at the date of the Nansha Acquisition Completion

“Nansha Loan Consideration”	an amount equal to the amount of the Nansha Loan, being the consideration for the Assignment of the Nansha Loan payable by the Nansha Acquisition Purchaser to the Nanshan Acquisition Seller
“Nansha Project”	a residential project to be constructed on the Nansha Land Parcel, as more particularly described in the section headed “Information on the Nansha Acquisition Company and the Nansha Project - The Nansha Project” in this announcement
“PRC”	the People’s Republic of China and for the purpose of this announcement excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Registration Date”	has the meaning as ascribed to it in the section headed (1) Discloseable and Connected Transaction in relation to the Proposed Acquisition of the Entire Equity Interest in Guangzhou Zhongjing Huifu Real Estate Development Co., Ltd. - Nansha Equity Transfer Agreement - Completion of the Proposed Nansha Acquisition” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the shares of the Company
“Talent Sky Disposal”	collectively, the sale and purchase of the Talent Sky Disposal Share and the Assignment of Talent Sky Loan in accordance with the Talent Sky SPA
“Talent Sky Disposal Company”	Talent Sky Enterprises Limited, a limited liability company incorporated in the British Virgin Islands and which is a wholly-owned subsidiary of the Talent Sky Disposal Seller
“Talent Sky Disposal Completion”	the completion of the Talent Sky Disposal in accordance with the Talent Sky SPA
“Talent Sky Disposal Conditions”	the conditions precedent to the Talent Sky Disposal Completion set out in the section headed “(2) Discloseable and Connected Transaction in Relation to the Talent Sky Disposal of all of the Issued Shares of Talent Sky Enterprises Limited - Talent Sky SPA - Conditions precedent” in this announcement

“Talent Sky Disposal Group”	collectively, the Talent Sky Disposal Company and Techon
“Talent Sky Disposal Purchaser” or “YXE”	Yue Xiu Enterprises (Holdings) Limited, a limited liability company incorporated in Hong Kong and which is a wholly-owned subsidiary of GZYY
“Talent Sky Disposal Seller”	Top Million Group Ltd., a company incorporated in the British Virgin Islands and which is a wholly-owned subsidiary of the Company
“Talent Sky Disposal Total Consideration”	the sum of the Talent Sky Share Consideration and the Talent Sky Loan Consideration
“Talent Sky Disposal Share”	one share representing all of the issued shares in the capital of the Talent Sky Disposal Company, to which the entire amount of share capital of the Company is attributable
“Talent Sky Loan”	the net amount owing in HK\$ from the Talent Sky Disposal Company to the Talent Sky Disposal Seller as at the Completion Date
“Talent Sky Loan Consideration”	an amount equal to the amount of the Talent Sky Loan
“Talent Sky Share Consideration”	an amount equal to HK\$309,194,000
“Talent Sky SPA”	the agreement for the sale and purchase of all the issued shares in the capital of the Talent Sky Disposal Company dated 7 November 2016 entered into between the Talent Sky Disposal Purchaser and the Talent Sky Disposal Seller regarding the sale and purchase of the Talent Sky Disposal Share and the Assignment of Talent Sky Loan
“Techcon”	Techon Investment Limited, a company incorporated in Hong Kong with limited liability and which is a wholly-owned subsidiary of Talent Sky
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Transactions” collectively, the Nansha Acquisition and the Talent Sky Disposal

“%” per cent.

For and on behalf of the Board
Yuexiu Property Company Limited
Yu Tat Fung
Company Secretary

Hong Kong, 7 November 2016

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

Executive Directors: ZHANG Zhaoxing (Chairman), ZHU Chunxiu,
LIN Zhaoyuan, LI Feng, OU Junming and OU Shao

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

* *For identification purpose only*