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

ANNOUNCEMENT SECONDARY PLACEMENT OF UNITS IN YUEXIU REIT

This is a voluntary announcement made by Yuexiu Property Company Limited (越秀地產股份有限公司) (the “**Company**”, and together with its subsidiaries, the “**Group**”).

The Board announces that as at the date of this announcement, the Company owns (directly and indirectly) an aggregate of 1,156,817,137 units (“**Units**”) in Yuexiu Real Estate Investment Trust (“**Yuexiu REIT**”), representing approximately 39.40% of the total number of Units in issue. Among such 1,156,817,137 Units, 128,092,901 Units (the “**Issued Manager Fee Units**”) were previously issued as payment of the base fee and variable fee components of the management fee payable by Yuexiu REIT to Yuexiu REIT Asset Management Limited (in its capacity as manager of Yuexiu REIT) (the “**REIT Manager**”) for the period from 1 July 2012 to 31 December 2016. As designated by the REIT Manager, all of the Issued Manager Fee Units were issued to and are presently held by Yuexiu International Investment Limited (“**YXII**”), a wholly-owned subsidiary of the Company.

The Board announces that on 14 March 2017, the Company and YXII entered into a placement agreement with The Hongkong and Shanghai Banking Corporation Limited and Morgan Stanley & Co. International plc (collectively, the “**Placing Agents**”), pursuant to which YXII agreed to sell, and the Placing Agents agreed subject to certain conditions to procure placees to purchase, failing which the Placing Agents will purchase, all of the Issued Manager Fee Units for a purchase price of HK\$4.34 per Issued Manager Fee Unit (representing a discount of approximately 6.47% to the closing price of the Units on 13 March 2017) (“**Proposed Secondary Placement**”). To the best of the knowledge, information and belief of the directors’ of the Company having made reasonable enquiries, the placees in respect of the Proposed Secondary Placement are third parties independent of the Company.

