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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)

ANNOUNCEMENT
PUBLIC ISSUANCE BY A SUBSIDIARY OF
SECOND TRANCHE GUARANTEED CORPORATE BONDS IN THE PRC

This announcement is made by Yuexiu Property Company Limited (越秀地產股份有限公司) the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 9 May 2016, 27 July 2016 and 4 August 2016 (“**Announcements**”) in relation to the proposed public issuance of the Corporate Bonds by a 95%-owned subsidiary of the Company, the approval by the CSRC for the public issuance of the Corporate Bonds and the completion of the public issuance of the First Tranche Corporate Bonds, respectively. Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as defined in the Announcements.

The Board is pleased to announce that the Issuer will issue the second tranche of Corporate Bonds (the “**Second Tranche Corporate Bonds**”), which shall have an initial issuance principal amount of RMB2,000,000,000 and can be over-allotted to not more than RMB1,000,000,000. The Second Tranche Corporate Bonds will be divided into two types: (i) Second Tranche Corporate Bonds with a term of six years at a fixed coupon rate (“**Type 3 Bonds**”) and, at the end of the third year: (a) the Issuer shall have the option to adjust the coupon rate of the Type 3 Bonds; (b) the Issuer shall have the right to redeem the Type 3 Bonds; and (c) the holders of the Type 3 Bonds shall have the right to sell back the Type 3 Bonds to the Issuer; and (ii) Second Tranche Corporate Bonds with a term of five years at a fixed coupon rate (“**Type 4 Bonds**”).

The Second Tranche Corporate Bonds have received a credit rating of "AAA" from a credit rating agency, China Chengxin Securities Rating Company Limited* (中誠信證券評估有限公司).

The Issuer will commence marketing of the Second Tranche Corporate Bonds and will determine the coupon rates for the Type 3 Bonds and the Type 4 Bonds after book-building.

The proceeds from the issuance of the Second Tranche Corporate Bonds will be used for repayment of loans from financial institutions and replenishment of liquid capital. Further information in relation to the issuance of the Second Tranche Corporate Bonds is published on the website of the SSE (<http://www.sse.com.cn>).

As the issuance of the Second Tranche Corporate Bonds may or may not proceed, shareholders and potential investors of the Company should exercise caution when dealing or investing in the shares of the Company.

By Order of the Board
Yuexiu Property Company Limited
Yu Tat Fung
Company Secretary

Hong Kong, 25 August 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*