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禹洲地產股份有限公司

YUZHOU PROPERTIES COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01628)

**VOLUNTARY ANNOUNCEMENT – SUCCESSFUL BID
FOR A PROPERTY DEVELOPMENT COMPANY IN THE PRC**

This announcement is made by the Company on a voluntary basis.

The Board is pleased to announce that on 11 July 2016, the Purchaser, an indirectly wholly-owned subsidiary of the Company, won the bid for the acquisition of the entire equity interest in the Target Company and the Sale Loan at a public auction at an aggregate consideration of approximately RMB4,104 million.

The Target Company is a state-owned enterprise established under the laws of the PRC with limited liability. Its principal asset is the Land located at Hangzhou, the PRC with a total site area of approximately 145,000 sq.m. and a total gross floor area of approximately 297,000 sq.m. for residential and commercial purposes.

This announcement is made by the Company on a voluntary basis.

The Board is pleased to announce that on 11 July 2016, the Purchaser, an indirectly wholly-owned subsidiary of the Company, won the bid for the acquisition of the entire equity interest in the Target Company and the Sale Loan at an aggregate consideration of approximately RMB4,104 million through the open bidding process at the public auction conducted online by the China Beijing Equity Exchange (北京產權交易所) on 11 July 2016.

The Target Company is a state-owned enterprise established under the laws of the PRC with limited liability. Its principal asset is the Land, which consists of three parcels of land located at the southwest side of Hangzhou, Zhejiang Province, the PRC, near the north end of the Zhijiang Bridge (之江大橋北岸引橋) and close to the West Lake (西湖) and Qiantang River (錢塘江) with a total site area of approximately 145,000 sq.m. and a total gross floor area of approximately 297,000 sq.m. The two parcels of land for residential purpose have a land use rights of 70 years up to November of 2082 and the parcel of land for commercial purpose has a land use rights of 40 years up to November of 2052.

As at the date of this announcement, the Target Company is directly owned as to 40% by Zhongwei Property Co., Ltd.* (中維地產股份有限公司), as to 30% by China National Tobacco Corporation Zhejiang* (中國煙草總公司浙江省公司) and as to 30% by China Tobacco Zhejiang Industrial Co., Ltd.* (浙江中煙工業有限責任公司), each a state-owned enterprise.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Subject to the entering into a formal agreement with the Vendors, the Purchaser will acquire 100% equity interest in the Target Company from the Vendors and the Sale Loan from Zhongwei Property Co., Ltd.* (中維地產股份有限公司).

The Group intends to develop the Land into a high-end residential complex. In view of the location and the designated use of the Land, the Board considers that the Acquisition offers a good opportunity for the Group to enhance its presence in Hangzhou and its portfolio in the property market in the PRC with a view to bringing more investment return for its shareholders.

A formal equity transfer agreement in respect of the Acquisition is expected to be entered into between the Purchaser and the Vendors on or around 18 July 2016.

As at the date of this announcement, no formal agreement has been entered into in respect of the Acquisition. Further announcement in respect of the Acquisition will be made as and when appropriate in compliance with the Listing Rules and applicable laws.

DEFINITIONS

In this Announcement, unless the context requires otherwise, the following terms have the meanings set out below:

“Acquisition”	the proposed acquisition of the entire equity interest in the Target Company and the Sale Loan by the Purchaser from the Vendors
“Board”	the board of Directors

“Company”	Yuzhou Properties Company Limited (禹洲地產股份有限公司), an exempted company incorporated in the Cayman Islands on 23 April 2008 with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	shall have the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	three parcels of land located at the southwest side of Hangzhou, Zhejiang Province, the PRC, near the north end of the Zhijiang Bridge (之江大橋北岸引橋) and close to the West Lake (西湖) and Qiantang River (錢塘江) with a total site area of approximately 145,000 sq.m. and a total gross floor area of approximately 297,000 sq.m. held by the Target Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, the Hong Kong Special Administrative Region of the People’s Republic of China, the Macao Special Administrative Region of the People’s Republic of China and Taiwan)
“Purchaser”	Xiamen Yuzhou Grand Future Real Estate Development Company Limited* (廈門禹洲鴻圖地產開發有限公司), a company established under the laws of the PRC with limited liability and an indirectly wholly owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Loan”	a loan owing to Zhongwei Property Co., Ltd.* (中維地產股份有限公司) by the Target Company in the aggregate amount of RMB1,773,871,537
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning attributed to it under the Listing Rules

“Target Company”	Zhongwei Property Zhejiang Co., Ltd.* (中維地產浙江有限公司), a limited liability company established under the laws of the PRC on 20 January 2012 and a state-owned enterprise
“Vendors”	Zhongwei Property Co., Ltd.* (中維地產股份有限公司), China National Tobacco Corporation Zhejiang* (中國煙草總公司浙江省公司) and China Tobacco Zhejiang Industrial Co., Ltd.* (浙江中煙工業有限責任公司), each a state-owned enterprise established under the laws of the PRC
“%”	per cent.
“sq.m.”	square metre(s)

* *for identification purposes only*

By order of the Board
Yuzhou Properties Company Limited
Lam Lung On
Chairman

Hong Kong, 13 July 2016

As at the date of this announcement, the executive Directors of the Company are Mr. Lam Lung On (Chairman), Ms. Kwok Ying Lan, Mr. Lin Longzhi and Mr. Lin Conghui, and independent non-executive Directors of the Company are Mr. Gu Jiande, Mr. Lam Kwong Siu and Mr. Wee Henny Soon Chiang.