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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 AND NOTICE

**SUBSTITUTION OF ISSUER AND PRINCIPAL DEBTOR OF
US\$500,000,000 4.50% NOTES DUE 2023 (stock code: 4597) AND
HK\$2,300,000,000 6.10% NOTES DUE 2029 (stock code: 5846)
ISSUED BY YUEXIU PROPERTY COMPANY LIMITED**

AND

CHANGES IN STOCK SHORT NAMES OF NOTES

The Board announces, and notice is hereby given, that pursuant to Clause 14.2 (*Substitution*) of the Trust Deed, with effect from 29 December 2016: (i) the Company has substituted in its place Leading Affluence Limited, a wholly-owned subsidiary of the Company, as the issuer and the principal debtor in respect of the 2023 and 2029 Notes; and (ii) the 2023 and 2029 Notes are unconditionally and irrevocably guaranteed by the Company.

The Substitution is being effected to streamline the treasury functions and offshore debt management within the Group.

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the provisions under Part XIVA of the SFO.

Reference is made to the announcement of Yuexiu Property Company Limited (the “**Company**”) dated 17 January 2013 in relation to the issuance of US\$500,000,000 4.50% Notes due 2023 (“**2023 Notes**”), and the announcement of the Company dated 24 November 2014 in relation to the issuance of HK\$2,300,000,000 6.10% Notes due 2029 (“**2029 Notes**”), in each case by the Company under its US\$2,000,000,000 Medium Term Note Programme (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as defined in the Announcements.

SUBSTITUTION OF ISSUER AND PRINCIPAL DEBTOR OF 2023 AND 2029 NOTES

The Board announces, and notice is hereby given, that pursuant to Clause 14.2 (*Substitution*) of the trust deed dated 11 January 2013 entered into between the Company and The Hongkong and Shanghai Banking Corporation Limited as trustee (the “**Trustee**”) (the “**Trust Deed**”), with effect from 29 December 2016: (i) the Company has substituted in its place Leading Affluence Limited (“**Leading Affluence**”), a wholly-owned subsidiary of the Company, as the issuer and the principal debtor in respect of each of the 2023 Notes and the 2029 Notes (collectively, the “**2023 and 2029 Notes**”); and (ii) the 2023 and 2029 Notes are unconditionally and irrevocably guaranteed by the Company (collectively, the “**Substitution**”).

Leading Affluence is a limited liability incorporated in Hong Kong. The Substitution is part of the Company’s current process of streamlining the treasury functions and offshore debt management within the Company and its subsidiaries (collectively, the “**Group**”). In addition, the Company considers that the Substitution would also have the ancillary impacts of improving the retained earnings position of the Company at the listed company level (notwithstanding there will be no change or impact to such position at the consolidated Group level) and aligning the accounting treatment of certain of the Group’s assets and properties in Hong Kong and debts.

The 2023 Notes and the 2029 Notes will remain listed following the completion of the Substitution.

In connection with the Substitution, the following documents (the “**Documents**”) were executed on 29 December 2016:

- (a) an amended and restated trust deed (the “**Amended and Restated Trust Deed**”) in respect of the 2023 and 2029 Notes; and

(b) an amended and restated agency agreement in respect of the 2023 and 2029 Notes.

Details of the terms of the Substitution and the amended and restated Terms and Conditions in respect of the 2023 and 2029 Notes are set out in the Amended and Restated Trust Deed.

Copies of the Documents are available for inspection at the specified office of the Company at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong during normal business hours or at the principal office of the Trustee, The Hongkong and Shanghai Banking Corporation Limited, at Level 30, HSBC Main Building, 1 Queen's Road Central, Hong Kong during normal business hours, upon written request and satisfactory proof of holding so long as any of the 2023 and 2029 Notes are outstanding.

This announcement and notice is made and given by the Company and Leading Affluence to the holders of the 2023 Notes and the 2029 Notes (collectively, the “**2023 and 2029 Noteholders**”), respectively, pursuant to Clause 14.2.2 (*Release of Substituted Issuer*) and Clause 14.2.3 (*Completion of Substitution*) of the Trust Deed.

For further information regarding the Substitution, 2023 and 2029 Noteholders should contact the Company at 26th Floor, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong.

CHANGES IN STOCK SHORT NAMES OF 2023 AND 2029 NOTES

With effect from 9:00 a.m. on 9 January 2017, the stock short name of the 2023 Notes will be changed from YUEXIU PT N2301 to LEAD AFFL N2301, and the stock short name of the 2029 Notes will be changed from YUEXIU PT N2911 to LEAD AFFL N2911. The stock codes of the 2023 Notes and the 2029 Notes will remain unchanged as 4597 and 5846 respectively.

This announcement and notice does not constitute or form part of an offer to sell or the solicitation of an offer to subscribe for or otherwise acquire any securities of the Company or the 2023 and 2029 Notes. Shareholders and potential investors of the Company are advised to exercise caution when dealing or investing in the securities of the Company or the 2023 and 2029 Notes.

By Order of the Board
Leading Affluence Limited
Yu Tat Fung
Company Secretary

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

Hong Kong, 29 December 2016

As at the date of this announcement, the board of directors of Leading Affluence comprises OU Junming, ZENG Zhizhao, WU Wei and ZHANG Bo.

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

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

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