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(Incorporated in Hong Kong with limited liability)

(Stock code: 00123)

ANNOUNCEMENT

- (1) MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF
100% OF THE TARGET COMPANY WHICH OWNS A COMMERCIAL
PROPERTY IN GUANGZHOU AND
(2) MODIFICATION OF DEFERRED UNITS ARRANGEMENT**

THE DISPOSAL

On 24 October 2021, the Vendor (as seller), the Purchaser (as purchaser) and the Company (as guarantor) entered into the Acquisition Deed pursuant to which the Vendor agreed to sell the Property (through the sale of the Sale Shares representing the entire equity interest in the Target Company) to the Purchaser. The Target Company indirectly holds 100% of the Project Companies (being the registered legal owners of the land use rights and current ownership rights underlying the Property) through the Intermediary Entities.

The Property is an International Grade A office building, which is one of the ten tallest skyscrapers in Guangzhou and a landmark building strategically located in the core area of Guangzhou Zhujiang New Town (廣州珠江新城). Further details regarding the Property are contained in the paragraph headed “Information of the Property and the Target Group” in this announcement.

The Disposal Consideration is equal to the sum of: (1) the Share Consideration (for the disposal of the Sale Shares); and (2) the Repayment Amounts (being the outstanding amount of the Intercompany Payables as at Disposal Completion). The Share Consideration shall be paid by the Purchaser to the Vendor, and is equal to the sum of: (a) the Agreed Disposal Amount; and (b) the Target Group Adjusted NAV as set out in the Completion Statement. For illustrative purpose, assuming Disposal Completion took place on 31 August 2021, the Disposal Consideration was approximately RMB7,792,834,000.

IRREVOCABLE UNDERTAKINGS BY THE COMPANY AND YUE XIU

As disclosed in the announcement dated 24 October 2021 of Yuexiu REIT, the Manager intends to fund approximately HKD3,919 million (being equivalent to approximately RMB3,261 million) of the Disposal Consideration and the One-Off Fees and Charges from the net proceeds of the Rights Issue.

In connection the proposed Rights Issue, on 24 October 2021, the Company gave the Irrevocable Undertaking in favour of the Manager, pursuant to which the Company has irrevocably undertaken to the Manager that, among other things, subject to the Manager despatching the Rights Issue Offering Documents to the Rights Issue Qualifying Unitholders and the Whitewash Waiver having been granted by the Executive prior to the Rights Issue Offering Circular Despatch Date and not having been revoked or withdrawn, (i) it shall accept and pay for or procure the acceptance and payment for the Company Entitlement Units provisionally allotted to it; (ii) it shall remain to be the beneficial owner of the 1,289,767,022 Units on the Rights Issue Record Date; and (iii) it shall not, and shall procure its nominees not to, acquire any further Units on or before the Rights Issue Record Date. The Company understands that Yue Xiu has given an irrevocable undertaking on similar terms in favour of the Manager.

In addition, the Rights Issue Units (other than those agreed to be taken up by Yue Xiu and the Company pursuant to the Irrevocable Undertakings, being the Yue Xiu Entitlement Units and the Company Entitlement Units) will be fully underwritten by the Underwriter in accordance with the terms of the Underwriting Agreement.

MODIFICATION OF DEFERRED UNITS ARRANGEMENT

As it is the intention of the Company and the Manager to maintain the number of Deferred Units issued each year at a similar level as previous years (which reflects the commercial arrangement of the parties under the original Deferred Units Arrangement), for the purpose of extending such commercial arrangement, the Company and the Manager agree to modify the mechanism for the issuance of Deferred Units under the Indebtedness Agreement such that the number of Deferred Units to be issued each year shall be the lower of: (a) the maximum number of Units that may be issued to the Company (or YXP Nominee) which, when aggregated with the Manager Fee Units that are expected to be issued during the period of 12 months after the relevant Deferred Units Issue Date, will not trigger an obligation on the part of the Company (and parties acting in concert with it) to make a mandatory general offer under Rule 26 of the Takeovers Code for all Units not already owned or agreed to be acquired by them at the relevant time; and (b) 83,000,000 Units (subject to adjustment for consolidation and sub-division of Units).

On 24 October 2021, the Company (as assignor), the Trustee and the Manager entered into the Second Supplemental Indebtedness Agreement in relation to the Deferred Units Arrangement Modification.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the Disposal exceeds 25% but is less than 75%, the Disposal and the transactions contemplated thereunder constitute a major transaction of the Company. Accordingly, the Disposal and the transactions contemplated thereunder are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As Mr. Li Feng, an executive director of the Company, is a non-executive Director of the Manager, and is interested in 34,580 Shares (representing approximately 0.001% of the total issued Shares), Mr. Li has abstained from voting on the relevant board resolutions of the Company and will abstain from voting on the relevant resolutions to approve the Disposal and the transactions contemplated under the Acquisition Deed and the Deferred Units Arrangement Modification to be proposed at the GM.

One of the conditions to the Disposal Completion is the posting of the Rights Issue Offering Documents to Unitholders and all other conditions to the Rights Issue (which includes the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms) having been fulfilled (save for the grant by the Stock Exchange of the approval for the listing of, and permission to deal in, the Rights Issue Units). The Deferred Units Arrangement Modification is an arrangement that arose as a result of the Disposal. As Yue Xiu is a party to the Underwriting Agreement, in view of the conditionality and dependency of the matters described above, Yue Xiu is considered to have a material interest in the Disposal and the Deferred Units Arrangement Modification under the Listing Rules. Accordingly, each of Yue Xiu and its close associates shall abstain from voting on the relevant resolutions to approve the Disposal and transactions contemplated under the Acquisition Deed and the Deferred Units Arrangement Modification.

IMPLICATIONS UNDER THE TAKEOVERS CODE AND PROPOSED APPLICATION FOR WHITEWASH WAIVER

As at the date of this announcement, the Yuexiu Concert Group was collectively interested in 1,361,031,432 Units, representing approximately 40.8% of the total number of issued Units.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to subscribe or procure subscriptions for the Maximum Untaken Rights Issue Units. Assuming conditions of the Underwriting Agreement are fulfilled (or waived, if applicable), the Underwriter will be required to subscribe or procure subscriptions for the Maximum Untaken Rights Issue Units, being 730,822,457 Rights Issue Units, and the voting rights of Yuexiu REIT held by the Yuexiu Concert Group will increase from approximately 40.8% to 56.8% of the issued Units as enlarged by the allotment and issue of the Rights Issue Units upon Rights Issue Completion (excluding the further issuances of the 2021 Deferred Units on 31 December 2021, which will increase the percentage further). As the Underwriter may be required to take up the Maximum Untaken Rights Issue Units pursuant to the Underwriting Agreement which would result in a possible increase in its unitholding by more than 2%, Yue Xiu and the Company would be obliged to make a mandatory general offer for all the issued Units and other securities (if any) of Yuexiu REIT not already owned or agreed to be acquired by them under Rule 26 of the Takeovers Code, unless the Whitewash Waiver is granted by the Executive.

Accordingly, Yue Xiu will apply to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, (i) the approval of the Whitewash Waiver by at least 75% of the votes cast by the REIT Independent Unitholders present and voting (either in person or by proxy) by way of a poll at the REIT EGM, and (ii) the approval of the Disposal, the Underwriting Agreement and the transactions contemplated thereunder by more than 50% votes cast by the REIT Independent Unitholders present and voting (either in person or by proxy) by way of a poll at the REIT EGM. If the Whitewash Waiver is not granted by the Executive, or if granted, either the Whitewash Waiver or the Disposal is not approved by the REIT Independent Unitholders, the Rights Issue (and the Disposal) will not proceed.

GM

The GM will be convened and held by the Company to consider and, if thought fit, to approve the Acquisition Deed, the Deferred Units Arrangement Modification and the transactions contemplated thereunder.

A circular containing, among other things: (i) further details regarding the Disposal; (ii) the valuation reports in respect of the Property and the 100% equity interest in the Target Company prepared by the Independent Property Valuer; and (iii) a notice convening the GM is expected to be despatched to the Shareholders on or before 12 November 2021.

INTRODUCTION

The Company is pleased to announce that on 24 October 2021, the Vendor (as seller), the Purchaser (as purchaser) and the Company (as guarantor) entered into the Acquisition Deed, pursuant to which the Vendor agreed to sell the Property (through the sale of the Sale Shares representing the entire equity interest in the Target Company) to the Purchaser. The Target Company indirectly holds 100% of the Project Companies (being the registered legal owners of the land use rights and current ownership rights underlying the Property) through the Intermediary Entities.

The Property is an International Grade A office building, which is one of the ten tallest skyscrapers in Guangzhou and a landmark building strategically located in the core area of Guangzhou Zhujiang New Town (廣州珠江新城). Further details regarding the Property are contained in the paragraph headed “Information of the Property and the Target Group” in this announcement.

ACQUISITION DEED

The principal terms of the Acquisition Deed are set out below:

Date

24 October 2021

Parties

The Vendor (as seller), the Purchaser (as purchaser) and the Company (as guarantor).

The Purchaser is a SPV wholly-owned by Yuexiu REIT. As at the date of this announcement, the Company indirectly holds 1,289,767,022 Units, representing approximately 38.7% of Units in issue. The Company also owns 100% of the issued share capital of the Manager.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the Trustee and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Disposal of Sale Shares

Pursuant to the Acquisition Deed: (i) the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Shares, representing the entire equity interest in the Target Company, which through the Intermediary Entities indirectly holds 100% of the Project Companies, which are the registered legal owners of the land use rights and current ownership rights underlying the Property; and (ii) the Purchaser agreed to repay or procure the repayment of the Intercompany Payables.

Consideration, payment terms and basis of determination of the Disposal consideration

The consideration for the disposal of the Property (the “**Disposal Consideration**”) is equal to the sum of: (1) the Share Consideration (for the disposal of the Sale Shares); and (2) the Repayment Amounts (being the outstanding amount of the Intercompany Payables as at Disposal Completion).

The “**Share Consideration**” shall be paid by the Purchaser to the Vendor, and is equal to the sum of: (a) the Agreed Disposal Amount; and (b) the Target Group Adjusted NAV as set out in the Completion Statement.

The “**Agreed Disposal Amount**” of RMB7,800 million was arrived at on an arm’s length basis after taking into account the Appraised Value of RMB8,030 million as at 31 August 2021 as appraised by the Independent Property Valuer. The Agreed Disposal Amount represents a discount of 2.9% to the Appraised Value.

The “**Target Group Adjusted NAV**” shall be equal to: (i) all assets of the Target Group (other than the Property and deferred assets); minus (ii) all liabilities of the Target Group (including the Intercompany Payables but excluding the deferred tax liabilities arising from the revaluation of the Property and depreciation allowances given to the Property), in each case as at Disposal Completion as shown in the Completion Statement.

For illustrative purpose, assuming Disposal Completion took place on 31 August 2021 (being the date of the valuation report prepared by the Independent Property Valuer), the Disposal Consideration was approximately RMB7,792,834,000, being (i) the Share Consideration in the aggregate amount of RMB2,364,000 (being (a) the Agreed Disposal Amount of RMB7,800 million; plus (b) the Target Group Adjusted NAV of negative RMB7,797,636,000, being all assets of the Target Group (other than the Property and deferred assets) of RMB199,669,000 minus all liabilities of the Target Group (including the Intercompany Payables but excluding the deferred tax liabilities arising from the revaluation of the Property and depreciation allowances given to the Property) of RMB7,997,305,000); and (ii) the Repayment Amounts of approximately RMB7,790,470,000.

Pursuant to the Acquisition Deed, the Disposal Consideration shall be satisfied in the following manner:

- (A) at Disposal Completion, the Purchaser shall pay to the Vendor an amount equal to:
 - i. the “**Initial Payment**” of: (1) the Agreed Disposal Amount of RMB7,800,000,000; plus/minus (2) the Target Group Adjusted NAV as set out in the Pro Forma Completion Statement; minus
 - ii. the EIT Withheld Amount of RMB10,000,000 and, if any, the Additional EIT Withheld Amount, both of which are to be retained by the Purchaser and deposited into the EIT Segregated Account (see paragraph headed “EIT Segregated Account” in this announcement for details);
- (B) at Disposal Completion, the Purchaser shall procure the repayment of the amount outstanding under the Onshore Payables in RMB as at the Completion Date (the “**Onshore Repayment Amount**”);
- (C) at Disposal Completion, the Purchaser shall pay to the Company an amount equal to the amount outstanding under the Offshore Payables as at the Completion Date (the “**Offshore Repayment Amount**”), provided that, if Rights Issue Completion has not taken place by Disposal Completion, an amount equal to 50% of the Offshore Repayment Amount shall be deferred and paid to the Company in accordance with paragraph (D) below (such deferred portion of the Offshore Repayment Amount being the “**Deferred Offshore Repayment Amount**”);
- (D) (if 50% of the Offshore Repayment Amount is deferred under paragraph (C) above) within ten Business Days after Rights Issue Completion, the Purchaser shall settle or procure the settlement of:
 - i. the Deferred Offshore Repayment Amount; plus
 - ii. interest on the amount under (D)(i) above accrued at a margin of 1.2% per annum over 1-month HIBOR from the Completion Date to the date that such amount is paid; and
- (E) within ten Business Days after agreement or determination of the Completion Statement (the draft of which will be prepared based on the audited accounts of the Target Group as at Completion Date as audited by PricewaterhouseCoopers):
 - i. if the Target Group Adjusted NAV (as set out in the Completion Statement) is higher than the Target Group Adjusted NAV (as set out in the Pro Forma Completion Statement), the Purchaser shall pay the difference to the

Vendor, without prejudice to the Purchaser's right to retain and deposit any Additional EIT Withheld Amount into the EIT Segregated Account (see paragraph headed "EIT Segregated Account" in this announcement for details); and

- ii. if the Target Group Adjusted NAV (as set out in the Completion Statement) is lower than the Target Group Adjusted NAV (as set out in the Pro Forma Completion Statement), the Vendor shall repay the difference to the Purchaser,

with such difference payable by the Purchaser or the Vendor being the "**True-up Payment**".

With respect to paragraphs (B) and (C) above, the amounts of the Offshore Payables and the Onshore Payables shall not be such that they would cause the amount payable on the Completion Date under paragraph (A) above to be negative.

EIT Segregated Account

On Disposal Completion, the Purchaser shall pay, or procure the payment of, the EIT Withheld Amount for credit to a segregated account in the name of the Purchaser or another subsidiary of Yuexiu REIT (the "**EIT Segregated Account**"). If the Purchaser reasonably expects that the amount of taxes payable by the Vendor arising out of or relating to the Disposal may be greater than the EIT Withheld Amount, the Purchaser may pay the excess amount (the "**Additional EIT Withheld Amount**") for credit to the EIT Segregated Account. The Acquisition Deed specifies that the funds in the EIT Segregated Account will only be released to the Vendor after it has provided the Purchaser with evidence that it has paid that amount of PRC Enterprises Income Tax payable by the Vendor in respect of the Disposal, provided that the funds remaining in the EIT Segregated Account are equal to or greater than the amount of unpaid taxes the Vendor may be liable for arising out of or relating to the Disposal.

Conditions Precedent

Disposal Completion is subject to and conditional upon satisfaction of the following conditions (collectively, the "**Disposal Conditions**"):

- (a) the resolutions approving the REIT Transaction Matters Requiring Approval having been passed by the REIT Independent Unitholders at the REIT EGM;
- (b) the resolutions approving the Disposal and the Deferred Units Arrangement Modification having been passed by the Independent Shareholders at the GM;

- (c) the posting of the Rights Issue Offering Documents to Unitholders and all other conditions to the Rights Issue having been fulfilled, save for the grant by the Stock Exchange of the approval for the listing of, and permission to deal in, the Rights Issue Units;
- (d) the New Bank Facility being in place and sufficient funds being available for drawdown under the New Bank Facility;
- (e) there being:
 - (i) no change or circumstance that has a material adverse effect on the Vendor's ability to perform its obligations under the Acquisition Deed before Disposal Completion which is not covered by item (iv) below (other than any change: (1) that generally affects the real estate industry in the PRC; (2) in financial markets or general economic or political conditions; (3) of law or accounting principles applicable to the Target Group);
 - (ii) none of the following circumstances having occurred: (1) the entire Property or 30% or more of the above-ground lettable area (“**material part**”) of the Property has been damaged or destroyed or has become a dangerous building according to the assessment by the relevant PRC government authority or has become inaccessible and the situation described above has not come to an end before Disposal Completion; (2) the entire Property or a material part thereof has been closed down by or normal business operation therein has been prevented by the action of relevant PRC government authorities and the situation described above has not come to an end before Disposal Completion; or (3) the entire Property or a material part thereof has been damaged or destroyed such that it is in a condition which renders it unable to generate rental income and the situation described above has not come to an end before Disposal Completion;
 - (iii) no compulsory acquisition or resumption of the Property and no notice of such intention received from any government authority before Disposal Completion; and
 - (iv) no statute, regulation or decision imposed on or affecting the Vendor, the Target Company, the Project Companies and/or the Property which would prohibit or materially delay the sale and purchase of the Sale Shares or the disposal of the Property or which would prohibit or materially restrict the operation of the Target Group or the Property having been enacted or taken by any PRC government authority;

- (f) all necessary consents or waivers being granted by third parties (including any governmental or official authorities) in connection with the transactions contemplated under the Acquisition Deed;
- (g) the warranties of the Purchaser under the Acquisition Deed remaining true and accurate in all material respects and not misleading in any material respect at Disposal Completion as if repeated at Disposal Completion (by reference to the facts and circumstances existing at Disposal Completion); and
- (h) the warranties of the Vendor under the Acquisition Deed remaining true and accurate in all material respects and not misleading in any material respect at Disposal Completion as if repeated at Disposal Completion (by reference to the facts and circumstances existing at Disposal Completion).

The Vendor and the Purchaser may not waive any of the Disposal Conditions, except for Disposal Condition (e) (which is only waivable to the extent such condition does not relate to PRC governmental authority), Disposal Condition (h) (which may be waived by the Purchaser by notice in writing to the Vendor), and Disposal Condition (g) (which may be waived by the Vendor by notice in writing to the Purchaser).

If any of the Disposal Conditions have not been fulfilled or waived (if applicable) on or before 30 June 2022, or such other date as agreed by the Purchaser and the Vendor in writing, then neither the Purchaser nor the Vendor shall be bound to proceed with the Disposal and the Acquisition Deed shall terminate without prejudice to any other right or remedy the parties to the Acquisition Deed may have.

Completion of the Disposal

Pursuant to the terms of the Acquisition Deed, Disposal Completion shall take place on a mutually agreed Business Day between the Purchaser and the Vendor failing within 10 Business Days after the date on which all the Disposal Conditions have been fulfilled (or waived, if applicable), or such other date as may be agreed by the Purchaser and the Vendor.

Termination of the Acquisition Deed

If Disposal Completion has not taken place due to one party's failure to satisfy its completion obligation under the Acquisition Deed, the other party may by written notice terminate the Acquisition Deed without prejudice to the parties' rights and remedies under law.

In addition, the Purchaser may by written notice to the Vendor terminate the Acquisition Deed if any fact, matter or event arises or occurs which constitutes a material breach by the Vendor of its covenants, obligations or warranties under the Acquisition Deed and is likely to affect the business or financial position of any member of the Target Group in a materially adverse manner, or if any change, event or circumstance occurs that is likely to have a material adverse effect on the financial position of the Target Group as a whole. The Vendor may by written notice to the Purchaser terminate the Acquisition Deed if any fact, matter or event arises or occurs which constitutes a material breach by the Purchaser of its covenants, obligations or warranties under the Acquisition Deed.

Vendor's tax obligations

Pursuant to the Acquisition Deed, the Vendor shall, at its own expense, as soon as possible and in any event no later than 30 days after the date of the Acquisition Deed, truly, accurately and completely, report all relevant information on the entry into of the Acquisition Deed to the relevant PRC tax authority. The Vendor shall, at its own expense: (a) as soon as possible and in any event no later than seven days after the Completion Date, inform or procure to inform the relevant PRC tax authority that the Disposal Completion has occurred; and (b) as soon as possible and in any event no later than seven days after agreement or determination of the Disposal Completion Statement, inform the relevant PRC tax authority of the adjustment of the Disposal Consideration and the amount of the True-up Payment.

The Vendor shall provide the Purchaser with a copy of any and all of its written submissions to the relevant PRC tax authority in respect of the Disposal, and a receipt in writing (受理單 / 回執) issued by the relevant PRC tax authority evidencing the submissions, as soon as practicable after the relevant submissions have been made. The Vendor shall promptly follow up with the relevant PRC tax authority in respect of its assessments to and payment of PRC tax on the Disposal, submit all supplemental documents requested by the relevant PRC tax authority in connection with the Disposal, and promptly keep the Purchaser informed of the foregoing (including providing the Purchaser with copies of all correspondences with the relevant PRC tax authority and all documents issued by the relevant PRC tax authority).

The Vendor has also covenanted and undertaken in the Acquisition Deed to, among other things, settle and pay in full the PRC Enterprise Income Tax payable by it arising out of or relating to the Disposal within the time period required by applicable law, rules and regulations as applied by the relevant PRC tax authority, even if the amount of PRC Enterprise Income Tax payable by the Vendor arising out of or relating to the Disposal is greater than the EIT Withheld Amount and any Additional EIT Withheld Amount. The Acquisition Deed specifies that the funds in the EIT Segregated Account will only be released to the Vendor after it has provided

the Purchaser with evidence that it has paid that amount of taxes payable by the Vendor in respect of the Disposal, provided that the funds remaining in the EIT Segregated Account are equal to or greater than the amount of unpaid taxes the Vendor may be liable for arising out of or relating to the Disposal.

Guarantee and indemnity in favour of the Purchaser

The Company (as guarantor) has unconditionally and irrevocably guaranteed to the Purchaser the due and punctual payment of all amounts payable by the Vendor under the Acquisition Deed and due and punctual performance and observance by the Vendor of all its obligations, commitments, undertakings, warranties and indemnities under or pursuant to the Acquisition Deed.

Further, the Vendor and the Company irrevocably undertook to indemnify, on a joint and several basis, Yuexiu REIT, the Trustee, the Manager, the Purchaser and each member of the Target Group, to the fullest extent permissible by law, for any liabilities, losses, damages, fines, fees, charges, penalties, premiums, expenses and costs (on a full indemnity basis) which any one of them may incur, suffer or sustain as a result of or in connection with the following:

- (1) any tax liability resulting from the Vendor's failure to fully comply with its tax obligations with respect to the Disposal;
- (2) any acts of, or transactions entered into by any member of the Target Group, before the Completion Date (save to the extent that provision in respect thereof has been made in the management accounts of the Target Group or the Completion Statement); and
- (3) the use of certain parts of the Property being inconsistent with the designated use, the lack of real estate ownership certificates in respect of the citizens passage, the change of location of certain public facilities and the non-registration of lease agreements in respect of the Property.

In addition, the Acquisition Deed contains tax covenants in respect of events occurring on or before the Disposal Completion and PRC Enterprise Income Tax payable by the Vendor in respect of the Disposal.

BASIS OF DETERMINATION OF THE DISPOSAL CONSIDERATION

As disclosed above, the Disposal Consideration is equal to the sum of: (1) the Share Consideration (for the disposal of the Sale Shares); and (2) the Repayment Amounts (being the outstanding amount of the Intercompany Payables as at Disposal Completion).

The Share Consideration shall be paid by the Purchaser to the Vendor, and is equal to the sum of: (a) the Agreed Disposal Amount; and (b) the Target Group Adjusted NAV as set out in the Completion Statement.

The Agreed Disposal Amount of RMB7,800 million was arrived at on an arm's length basis with reference to the valuation of the Property by the Independent Property Valuer.

Colliers International (Hong Kong) Limited has been appointed as the Independent Property Valuer to appraise the value of the Property for the purpose of the Disposal. The Appraised Value of the Property (as assessed by the Independent Property Valuer as at 31 August 2021) was RMB8,030 million. The Agreed Disposal Amount of RMB7,800 million, represents a discount of 2.9% to the Appraised Value.

In arriving at the Appraised Value in respect of the Property, the Independent Property Valuer has made use of the income capitalisation method cross-referenced with the market approach. The income capitalisation method estimates the value of property or assets on a market basis by capitalising net rental income on a fully leased basis. This technique considers both the current passing rental income from existing tenancies and the potential future reversionary income at market level, by capitalising both at appropriate rates. The market approach is based on comparing the Property directly with other comparable properties which were recently offered or changed hands.

The Appraised Value, which is arrived at with reference to the income generating ability of the Property, as well as recent transactions as compared with other comparable properties, does not take into account the other assets and liabilities of the Target Group and is not equivalent to the value of the Target Group. As the Disposal is conducted by way of a sale of the Sale Shares, the Disposal Consideration also takes into account the other assets and liabilities of the Target Group and please refer to the paragraph headed "Consideration, payment terms and basis of determination of the Disposal Consideration".

INFORMATION OF THE PROPERTY AND THE TARGET GROUP

Description

The Property, known as “Yuexiu Financial Tower (越秀金融大厦)”, is located at No. 28, Zhujiang East Road, Tianhe District, Guangzhou, Guangdong Province, PRC and has a total gross floor area of 210,282.94 sq.m. and comprises: (a) a 68-storey above-ground office building (comprising a 4-storey retail component and a 64-storey office component); and (b) a 4-storey basement with 827 underground carpark spaces. As an International Grade A office property, the Property has attracted multinational and reputable corporate tenants.

The Property is located in the core area of Guangzhou Zhujiang New Town (廣州珠江新城), a core central business district in Guangzhou. Guangzhou is the capital city of Guangdong province in Southern China and key strategic location in the Greater Bay Area.

The Target Group

The Target Company is an investment holding company incorporated in the British Virgin Islands. Since the Reorganisation of the Target Group has been completed as at 30 August 2021 and the Target Group has been principally engaged in leasing out of the Target Property before and after the completion of the Reorganisation, the unaudited historical financial information of the Target Group for the financial years ended 31 December 2019, 31 December 2020 and the six months ended 30 June 2021 is presented on combined basis from the perspective of the Company as follows:

	For the financial year ended 31 December 2019 (RMB'000)	For the financial year ended 31 December 2020 (RMB'000)	For the six months ended 30 June 2021 (RMB'000)
Revenue	354,232	374,886	191,182
Net profit before taxation	282,173	215,228	112,025
Net profit after taxation	211,722	161,595	83,359

As at 31 August 2021, the unaudited consolidated total assets and the unaudited consolidated net liability of the Target Group were approximately RMB8,165,183,000 and RMB1,257,204,000, respectively.

FINANCIAL EFFECTS OF THE DISPOSAL

It is estimated that the Group will record a gain (after taxation) of approximately RMB1,366 million, which comprises approximately RMB1,298 million attributable to the Group according to relevant accounting standards.

The gain related to the disposal of Yuexiu Financial Tower is calculated with reference to the net asset value of the Target Group as at 30 June 2021 taking into account the adjustments anticipated to be made for Disposal Completion and minus expenses.

As a result of the Disposal, the total assets of the Group are expected to decrease by approximately RMB2,438 million while the net assets of the Group are expected to increase by approximately RMB1,366 million.

Following the Disposal Completion, the Company will cease to have any interest in the Target Company. As such, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated into those of the Company. As such, it is expected that, immediately after the Disposal Completion, the financial position of the Company will improve as evidenced by, among other things, the reduction of the gearing level (net debt divided by net asset value) from 49.8% to 40.5%.

Shareholders should note that the above figures are for illustrative purpose only. The actual financial effect of the Disposal may be different from the above as it will be determined based on the financial position of the Target Group as at the Completion Date and review by the Group's auditors upon finalisation of the Completion Statement.

USE OF PROCEEDS

It is expected that the net proceeds from the Disposal will be applied towards the working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is committed to fostering the long-term growth of Yuexiu REIT through an interactive and capital efficient model whereby the Company focuses on the development and incubation of commercial investment properties and Yuexiu REIT acts as the designated property-owning platform that will hold part of its completed investment properties. This interactive model is expected to drive the long-term growth for the Company and Yuexiu REIT.

The Company focuses on achieving a balanced portfolio underpinned by a strong recurrent rental-related income base from commercial properties and income growth generated by residential development properties. The Disposal is consistent with the Company's long-term strategy.

The Directors believe that the Disposal will bring the following benefits to the Shareholders:

- (1) the Disposal is key in the implementation of the Company's long-term corporate strategy to create and maintain a sustainable balance in terms of growth and stability through the interactive and capital efficient model adopted by the Company and Yuexiu REIT. This interactive model is expected to drive the long-term growth of both the Company and Yuexiu REIT;
- (2) the Directors consider the Disposal Consideration and payment terms for the Disposal to be fair and reasonable, taking into consideration (among others) the Appraised Value of the Property, including:
 - (i) the net cash proceeds after taxation from the Disposal, which are expected to be approximately RMB3,134 million (after deducting the borrowings of the Project Companies from financial institutions of approximately RMB2,855 million that should be settled by the Vendor prior to Disposal Completion, and the intended subscription by the Company of the Placing Units of approximately RMB1,267 million) (equivalent to approximately HKD3,766 million), will provide the Company with ample funds to enhance its gearing and liquidity position as well as general working capital; and
 - (ii) the existing debt associated with the Property will be de-consolidated from the Company upon the Disposal Completion; and
- (3) the Company, as a substantial and the single largest Unitholder of Yuexiu REIT, and its Shareholders will continue to enjoy the long-term growth potential of the Property as well as other properties held by Yuexiu REIT generally.

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

IRREVOCABLE UNDERTAKINGS BY THE COMPANY AND YUE XIU

As disclosed in the announcement dated 24 October 2021 of Yuexiu REIT, the Manager intends to fund approximately HKD3,919 million (equivalent to approximately RMB3,261 million) of the Disposal Consideration and the One-Off Fees and Charges from the net proceeds of the Rights Issue.

In connection the proposed Rights Issue, on 24 October 2021, the Company gave the Irrevocable Undertaking in favour of the Manager, pursuant to which the Company has irrevocably undertaken to the Manager that, among other things, subject to the Manager despatching the Rights Issue Offering Documents to the Rights Issue Qualifying Unitholders and the Whitewash Waiver having been granted by the Executive prior to the Rights Issue Offering Circular Despatch Date and not having been revoked or withdrawn: (i) it shall accept and pay for or procure the acceptance and payment for the Company Entitlement Units provisionally allotted to it; (ii) it shall remain to be the beneficial owner of the 1,289,767,022 Units on the Rights Issue Record Date; and (iii) it shall not, and shall procure its nominees not to, acquire any further Units on or before the Rights Issue Record Date. The Company understands that Yue Xiu has given an irrevocable undertaking on similar terms in favour of the Manager.

In addition, the Rights Issue Units (other than those agreed to be taken up by Yue Xiu and the Company pursuant to the Irrevocable Undertakings, being the Yue Xiu Entitlement Units and the Company Entitlement Units) will be fully underwritten by the Underwriter in accordance with the terms of the Underwriting Agreement. As the Underwriter is the indirect holding company of a substantial unitholder of Yuexiu REIT (being Dragon Yield), pursuant to Rule 7.21(1)(b) and 7.21(2) of the Listing Rules, the Manager has entered into the Placing Agreement with DBS Asia Capital Limited, BOCI Asia Limited, China International Capital Corporation Hong Kong Securities Limited, Haitong International Securities Company Limited and Yue Xiu Securities to place the Placing Units to independent places.

ILLUSTRATIVE PRO FORMA UNITHOLDING STRUCTURE

For illustrative purposes only, the following table sets forth information with respect to holdings of Units: (a) as at the date of this announcement; (b) immediately after the Rights Issue Completion assuming all Rights Issue Units are fully subscribed for by Rights Issue Qualifying Unitholders; (c) immediately after the Rights Issue Completion assuming only the Company and Yue Xiu but no other Rights Issue Qualifying Unitholders subscribe for the Rights Issue Units provisionally allotted to them, no Placing Units are subscribed for by the Placees and the Underwriter takes up all the Maximum Untaken Rights Issue Units; and (d) under scenarios (b) and (c) after issue of the Deferred Units required to be issued to settle the remaining Guangzhou IFC Consideration (but assuming no other additional Units are issued post-Disposal Completion).

	Immediately after the Rights Issue Completion (Note 1)						After issue of the Deferred Units (assuming no other additional Units are issued post-Disposal Completion)			
	As at the date of this announcement		Assuming full acceptance by all Rights Issue Qualifying Unitholders under the Rights Issue (Note 1)		Assuming (a) no subscription by the Rights Issue Qualifying Unitholders (other than Yue Xiu and the Company pursuant to the Irrevocable Undertakings) under the Rights Issue and no Placing Units are subscribed for by the Placees; and (b) the Maximum Untaken Rights Issue Units are fully taken up by the Underwriter (Note 1)		Assuming full acceptance by all Rights Issue Qualifying Unitholders under the Rights Issue (Note 4)		Assuming (a) no subscription by the Rights Issue Qualifying Unitholders (other than Yue Xiu and the Company pursuant to the Irrevocable Undertakings) under the Rights Issue and no Placing Units are subscribed for by the Placees; and (b) the Maximum Untaken Rights Issue Units are fully taken up by the Underwriter (Note 4)	
<i>Yuexiu Concert Group</i>										
The Company (Note 2)	1,289,767,022	38.7%	1,766,980,819	38.7%	1,766,980,819	38.7%	2,177,789,403	43.7%	2,177,789,403	43.7%
Yue Xiu (Note 3)	71,261,585	2.1%	97,628,369	2.1%	828,450,826	18.1%	97,628,369	2.0%	828,450,826	16.6%
Ms. Ou Haijing (Note 5)	1,000	0.000030%	1,370	0.000030%	1,000	0.000022%	1,370	0.000028%	1,000	0.000020%
Mr. Li Feng (Note 5)	1,825	0.000055%	2,500	0.000055%	1,825	0.000040%	2,500	0.000050%	1,825	0.000037%
Subtotal	1,361,031,432	40.8%	1,864,613,058	40.8%	2,595,434,470	56.8%	2,275,421,642	45.7%	3,006,243,054	60.3%
<i>Existing Public</i>										
Unitholders	1,975,192,996	59.2%	2,706,014,408	59.2%	1,975,192,996	43.2%	2,706,014,408	54.3%	1,975,192,996	39.7%
Total	3,336,224,428	100.0%	4,570,627,466	100.0%	4,570,627,466	100.0%	4,981,436,050	100.0%	4,981,436,050	100.0%

Notes:

- (1) The figures for these two scenarios are for illustrative purposes only and are calculated based on the assumption that Rights Issue Completion will take place before 31 December 2021. Accordingly, the figures do not take into account the next annual issuance of the Deferred Units on 31 December 2021.

Taking into account the effect of the annual issuance of the Deferred Units on 31 December 2021, the unitholding of the members of the Yuexiu Concert Group in Yuexiu REIT immediately after the Rights Issue Completion (which is expected to take place after 31 December 2021) would be approximately 41.8% rather than 40.8% (assuming full acceptance by all Rights Issue Qualifying Unitholders under the Rights Issue), and 57.5% rather than 56.8% (assuming (a) no subscription by the Rights Issue Qualifying Unitholders (other than Yue Xiu and the Company pursuant to the Irrevocable Undertakings) under the Rights Issue and no Placing Units are subscribed for by the Placees; and (b) the Maximum Untaken Rights Issue Units are fully taken up by the Underwriter).

For avoidance of doubt, the Deferred Units Issue Price Adjustment will only take effect upon Rights Issue Completion. Therefore, based on the indicative timetable, the 2021 Deferred Units will be issued at HKD 4.00 per Unit, whereas the Deferred Units Issue Price on 31 December 2022 and thereafter will be adjusted down to HKD3.861652 per Unit.

- (2) The Units are held by the Company indirectly (through Dragon Yield and Yuexiu International Investment Limited, which hold 35.09% and 3.57%, respectively, of the issued Units as at the date of this announcement).

- (3) The Units are held by Yue Xiu directly and indirectly (through its various wholly-owned subsidiaries, but excluding the Units that are held indirectly by the Company).
- (4) In this scenario, it is expected that a further 410,808,584 Deferred Units will be issued, including an estimated approximately 81 million Deferred Units to be issued on 31 December 2021 at HKD4.00 per Unit, and a further sum of 329,808,584 Deferred Units on each of 31 December in 2022 and subsequent year-end date(s) thereafter will be issued at HKD3.861652 per Unit pursuant to the Second Supplemental Indebtedness Agreement. The actual number of 2021 Deferred Units issued will be announced by the Manager on 31 December 2021.
- (5) Ms. Ou Haijing is an executive director of the Manager. By virtue of being an executive director of the Manager, Ms. Ou is presumed to be a party acting in concert with Yue Xiu pursuant to class (6) presumption under the definition of “acting in concert” under the Takeovers Code until completion of the Rights Issue.
- (6) Mr. Li Feng is a non-executive director of the Manager. By virtue of being a non-executive director of the Manager, Mr. Li is presumed to be a party acting in concert with Yue Xiu pursuant to class (6) presumption under the definition of “acting in concert” under the Takeovers Code until completion of the Rights Issue.

Shareholders and public investors should note that the above unitholding changes are for illustration purposes only and the actual changes in the unitholding structure of Yuexiu REIT upon the Rights Issue Completion are subject to various factors, including the results of acceptance of the Rights Issue Units.

MODIFICATION OF DEFERRED UNITS ARRANGEMENT

Background

As disclosed in the 2012 Circular, the balance of the Guangzhou IFC Consideration shall be satisfied by way of issuance of Deferred Units by Yuexiu REIT to the Company (or YXP Nominee) on 31 December of each year, starting on 31 December 2016. Following the issuances of the Deferred Units between 31 December 2016 and 31 December 2020, as at the date of this announcement, the remaining balance of the Guangzhou IFC Consideration is HKD1,597,605,976.

Adjustments to Deferred Units Issue Price

As stated in the announcement of Yuexiu REIT dated 31 December 2020, assuming no Deferred Units Adjustment Events eventuate and the Deferred Units Issue Price remained at HKD4.00, it was expected that a further 399,401,494 Deferred Units would be issued to Dragon Yield in satisfaction of the balance of the Guangzhou IFC Consideration, and that all further Deferred Units would be issued by 31 December 2023.

However, in light of the Rights Issue Subscription Price being at a discount greater than 10% of the average of the daily closing prices of the Units for the five consecutive Trading Days preceding the date of this announcement being HKD3.674 (the “**Relevant Market Price**”), pursuant to the existing Indebtedness Agreement and as disclosed in the 2012 Circular, the Deferred Units Issue Price shall be adjusted by multiplying the Deferred Units Issue Price in force immediately before such issue by the following fraction (being the “**Deferred Units Issue Price Adjustment**”):

$$(A + B) / (A + C)$$

where:

“A” is the number of Units in issue immediately before this announcement;

“B” is the number of Units which the aggregate amount (if any) payable for the Units issued by way of rights and for the total number of Units comprised therein would purchase at such Relevant Market Price per Unit; and

“C” is the aggregate number of Units issued or, as the case may be, comprised in the issue.

Based on the Relevant Market Price, the number of Rights Issue Units and the Rights Issue Subscription Price, following the Deferred Units Issue Price Adjustment, the Deferred Units Issue Price will be reduced from HKD4.00 to HKD3.861652 per Unit. The Deferred Units Issue Price Adjustment will take effect upon Rights Issue Completion, which is currently expected to take place after the next issue date of the Deferred Units (being 31 December 2021). Accordingly, it is expected that the 2021 Deferred Units will be issued at HKD4.00 per Unit and the Deferred Units on 31 December 2022 and thereafter will be issued at HKD3.861652 per Unit.

Following the Deferred Units Issue Price Adjustment and the Deferred Units Arrangement Modification (as further described below), and assuming no other Deferred Units Adjustment Events eventuate, it is expected that the balance of the Guangzhou IFC Consideration will be fully settled by 31 December 2025 by the issue of a further 410,808,584 Deferred Units in aggregate.

For the illustrative effect on the unitholding structure of the Yuexiu REIT after Rights Issue Completion and the issue of all the Deferred Units to settle the remaining balance of the Guangzhou IFC Consideration, please refer to the paragraph headed “Illustrative Pro Forma Unitholding Structure” in this announcement.

Deferred Units Arrangement Modification

Pursuant to the Indebtedness Agreement, the number of Deferred Units to be issued on 31 December each year to settle the remaining balance of the Guangzhou IFC Consideration mentioned above is determined by reference to the maximum number of Units that may be issued which, when aggregated with the Manager Fee Units that are expected to be issued during the period of 12 months after the date of issuance, will not trigger an obligation on the part of the Company (and the parties acting in concert with it) to make a mandatory general offer under Rule 26 of the Takeovers Code for all Units not already owned or agreed to be acquired by them at the relevant time (the “**Deferred Units Arrangement**”). The 2021 Deferred Units will be issued on 31 December 2021.

Such an arrangement was a result of a regulatory requirement as well as the commercial agreement between the parties. If as a result of the Rights Issue, the Yuexiu Concert Group’s voting rights in Yuexiu REIT exceed 50% (for example, in the unlikely scenario where only the Yue Xiu Entitlement Units and the Company Entitlement Units are taken up), the Yuexiu Concert Group may increase their unitholding in Yuexiu REIT without incurring any further obligation under Rule 26 of the Takeovers Code to make a mandatory general offer at the relevant time. If this were the case, the number of Deferred Units to be issued in the following 31 December will effectively be the number of Deferred Units (after adjustment to account for the Rights Issue) required to be issued to settle the remaining balance of the Guangzhou IFC Consideration as at the relevant time.

The Company and the Manager agree to modify the mechanism for the issuance of Deferred Units under the Indebtedness Agreement such that the number of Deferred Units to be issued each year shall be the lower of: (a) the maximum number of Units that may be issued to the Company (or YXP Nominee) which, when aggregated with the Manager Fee Units that are expected to be issued during the period of 12 months after the relevant Deferred Units Issue Date, will not trigger an obligation on the part of the Company (and parties acting in concert with it) to make a mandatory general offer under Rule 26 of the Takeovers Code for all Units not already owned or agreed to be acquired by them at the relevant time; and (b) 83,000,000 Units (subject to adjustment for consolidation and sub-division of Units) (such modification being the “**Deferred Units Arrangement Modification**”).

The reference to 83,000,000 Units in the Deferred Units Arrangement Modification was arrived at after arm's length negotiation between the parties to the Indebtedness Agreement by reference to the number of Deferred Units issued each year in the previous years, which is in-line with the parties' intention to maintain the number of Deferred Units issued each year to be at a similar level as in previous years.

Second Supplemental Indebtedness Agreement

On 24 October 2021, the Company (as assignor), the Trustee and the Manager entered into the Second Supplemental Indebtedness Agreement in relation to the Deferred Units Arrangement Modification. The Deferred Units Arrangement Modification, being a modification of a transaction of the Company previously approved by Shareholders in 2012, shall be subject to Rights Issue Completion and the approval of Shareholders at the GM. As advised by the Manager, the Deferred Units Arrangement Modification is also subject to the approval of the REIT Independent Unitholders at the REIT EGM.

INFORMATION ON THE PARTIES TO THE DISPOSAL

Information of the Company

The Company is 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). The Group is principally engaged in property development and investment, deepening the implementation of the "1+4" national strategic layout and deep cultivation of the Greater Bay Area market, and focusing on expanding its business in Eastern China, Central China, Northern China and Southwestern China.

Information of the Vendor, Target Company, Intermediary Entities and Project Companies

The Vendor is incorporated in the BVI and wholly-owned by the Company and holds the entire equity interest in the Target Company.

The Target Company is incorporated in the BVI and holds 100% of the Limited Liability Partnership indirectly through the Limited Partner, which in turn holds 100% of the General Partner and 90% of the Limited Liability Partnership.

As at the date of this announcement and prior to completion of the Reverse Merger, the Limited Liability Partnership and the General Partner hold 99.99% and 0.01% of the PRC Intermediary Companies, respectively, which hold the Project Companies. Following completion of the Reverse Merger, the Limited Liability Partnership and the General Partner will respectively hold 99.99% and 0.01% of the Project Companies, which are collectively the registered legal owners of the land use rights and ownership rights underlying the Property.

The Intermediary Entities are existing indirect subsidiaries of the Company and are engaged in the principal business activity of investment holding in the Property.

The Target Company is an existing indirect subsidiary of the Company and is engaged in the principal business activity of investment holding in the Property.

The principal business activity of the Vendor is investment holding.

The principal business activities of the Project Companies are operation of self-owned property, property management, property related advisory service, hotel management, together with conference and exhibition service.

Information of Yuexiu REIT and the Purchaser

Yuexiu REIT is a Hong Kong collective investment scheme constituted as a unit trust by the Trust Deed, and is authorised under section 104 of the SFO. Yuexiu REIT is principally engaged in the business of leasing of commercial properties in the PRC with the primary objective of generating long-term and steady distributions Unitholders through actively managing its assets and expanding its operations. The Manager is a wholly-owned subsidiary of the Company and its principal business activity is acting as the manager of Yuexiu REIT.

The Purchaser is a SPV wholly-owned by Yuexiu REIT that is incorporated in the BVI and principally engages in investment holding. The Purchaser is currently the indirect holding company for Yuexiu REIT's investment in the Hangzhou Property and, after the Disposal Completion, the Purchaser will also be the indirect holding company for Yuexiu REIT's investment in the Property, which investments will be held, and may be sold, by the Purchaser, independently of each other.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the Disposal exceeds 25% but is less than 75%, the Disposal and the transactions contemplated thereunder constitute a major transaction of the Company. Accordingly, the Disposal and the transactions contemplated thereunder are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As Mr. Li Feng, an executive director of the Company, is a non-executive Director of the Manager, and is interested in 34,580 Shares (representing approximately 0.001% of the total issued Shares), Mr. Li has abstained from voting on the relevant board resolutions of the Company and will abstain from voting on the relevant resolutions to approve the Disposal and the transactions contemplated under the Acquisition Deed and the Deferred Units Arrangement Modification to be proposed at the GM.

One of the conditions to the Disposal Completion is the posting of the Rights Issue Offering Documents to Unitholders and all other conditions to the Rights Issue (which includes the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms) having been fulfilled (save for the grant by the Stock Exchange of the approval for the listing of, and permission to deal in, the Rights Issue Units). The Deferred Units Arrangement Modification is an arrangement that arose as a result of the Disposal. As Yue Xiu is a party to the Underwriting Agreement, in view of the conditionality and dependency of the matters described above, Yue Xiu is considered to have a material interest in the Disposal and the Deferred Units Arrangement Modification under the Listing Rules. Accordingly, each of Yue Xiu and its close associates shall abstain from voting on the relevant resolutions to approve the Disposal and transactions contemplated under the Acquisition Deed and the Deferred Units Arrangement Modification.

Save as disclosed above, to the best of the Director's knowledge, information and belief having made all reasonable enquiries, no other Shareholder or any of its associates has a material interest in the Disposal and therefore no other Shareholder is required to abstain from voting on the relevant resolutions to approve the Disposal and the transactions contemplated under the Acquisition Deed and the Deferred Units Arrangement Modification for the purpose of the Listing Rules.

IMPLICATIONS UNDER THE TAKEOVERS CODE AND PROPOSED APPLICATION FOR WHITEWASH WAIVER

As at the date of this announcement, the Yuexiu Concert Group was collectively interested in 1,361,031,432 Units, representing approximately 40.8% of the total number of issued Units.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to subscribe or procure subscriptions for the Maximum Untaken Rights Issue Units. Assuming conditions of the Underwriting Agreement are fulfilled (or waived, if applicable), the Underwriter will be required to subscribe or procure subscriptions for the Maximum Untaken Rights Issue Units, being 730,822,457 Rights Issue Units, and the voting rights of Yuexiu REIT held by the Yuexiu Concert Group will increase from approximately 40.8% to 56.8% of the issued Units as enlarged by the allotment and issue of the Rights Issue Units upon Rights Issue Completion (excluding the further issuances of the 2021 Deferred Units on 31 December 2021, which will increase the percentage further). As the Underwriter may be required to take up the Maximum Untaken Rights Issue Units pursuant to the Underwriting Agreement which would result in a possible increase in its unitholding by more than 2%, Yue Xiu and the Company would be obliged to make a mandatory general offer for all the issued Units and other securities (if any) of Yuexiu REIT not already owned or agreed to be acquired by them under Rule 26 of the Takeovers Code, unless the Whitewash Waiver is granted by the Executive.

Accordingly, Yue Xiu will apply to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, (i) the approval of the Whitewash Waiver by at least 75% of the votes cast by the REIT Independent Unitholders present and voting (either in person or by proxy) by way of a poll at the REIT EGM, and (ii) the approval of the Disposal, the Underwriting Agreement and the transactions contemplated thereunder by more than 50% votes cast by the REIT Independent Unitholders present and voting (either in person or by proxy) by way of a poll at the REIT EGM. If the Whitewash Waiver is not granted by the Executive, or if granted, either the Whitewash Waiver or the Disposal is not approved by the REIT Independent Unitholders, the Rights Issue (and the Disposal) will not proceed.

GM

The GM will be convened and held by the Company to consider and, if thought fit, to approve the Acquisition Deed, the Deferred Units Arrangement Modification and the transactions contemplated thereunder.

A circular containing, among other things: (i) further details regarding the Disposal; (ii) the valuation reports in respect of the Property and the 100% equity interest in the Target Company prepared by the Independent Property Valuer; and (iii) a notice convening the GM is expected to be despatched to the Shareholders on or before 12 November 2021.

Shareholders and potential investors of the Company should be aware that the Disposal is subject to certain conditions being satisfied, therefore the Disposal 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, the following expressions have the meanings set out below unless the context requires otherwise:

“2012 Circular”	the circular dated 30 June 2012 issued by Yuexiu REIT to Unitholders in respect of, among other things, the acquisition of Guangzhou IFC
“2021 Deferred Units”	the deferred units to be issued by Yuexiu REIT to the Company (or its nominee) on 31 December 2021 in accordance with the Indebtedness Agreement for settlement of the balance of the Guangzhou IFC Consideration, which is more fully described in the 2012 Circular
“Acquisition Deed”	the deed in respect of the Acquisition dated 24 October 2021 and entered into between the Purchaser, the Vendor and the Company
“Additional EIT Withheld Amount”	has the meaning ascribed to this term under the paragraph headed “EIT Segregated Account”
“Agreed Disposal Amount”	has the meaning ascribed to this term in the paragraph headed “Consideration, payment terms and basis of determination of the Disposal Consideration”
“Appraised Value”	RMB8,030 million, being the value of the Property as at 31 August 2021 as appraised by the Independent Property Valuer
“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between the hours of 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general business in Hong Kong
“BVI”	the British Virgin Islands
“close associate”	has the meaning ascribed to this term in the Listing Rules

“Company”	Yuexiu Property Company Limited, a limited liability company incorporated under the laws of Hong Kong and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00123)
“Company Entitlement Units”	477,213,797 Rights Issue Units to be provisionally allotted to the Company in respect of the Units held by it pursuant to the Rights Issue
“Completion Date”	the date on which Disposal Completion takes place
“Completion Statement”	the combined statement of financial position and combined statements of comprehensive income of the Target Group as at the close of business on Completion Date, which will be prepared and delivered by the Purchaser and agreed by the Vendor, the Purchaser and the Manager within two days of the Vendor’s receipt thereof and, failing such agreement, audited by PricewaterhouseCoopers or such other auditors appointed by the Vendor or the Purchaser
“Deferred Offshore Repayment Amount”	has the meaning ascribed to this term in the paragraph headed “Consideration, payment terms and basis of determination of the Disposal Consideration”
“Deferred Unit(s)”	the deferred Unit(s) to be issued by Yuexiu REIT to the Company (or its nominee) for settlement of the balance of the Guangzhou IFC Consideration, which is more fully described in the 2012 Circular
“Deferred Units Adjustment Events”	the events that would cause the Deferred Units Issue Price to be adjusted under the Indebtedness Agreement, namely consolidation, sub-division or reclassification of the Units and rights issues of Units or other securities (including open offers and options) at a discount greater than 10% of the Relevant Market Price
“Deferred Units Arrangement”	has the meaning ascribed to this term in the paragraph headed “Deferred Units Arrangement Modification”

“Deferred Units Arrangement Modification”	the modification to the mechanism relating to the number of Deferred Units to be issued under the Indebtedness Agreement, as more particularly described in the paragraph headed “Modification of Deferred Units Arrangement”
“Deferred Units Issue Date”	each of the dates on which the Deferred Units are issued, being 31 December of each year commencing from 31 December 2016 until the Deferred Units have been fully issued
“Deferred Units Issue Price”	being HKD4.00, subject to adjustments for the events that would cause the Deferred Units Issue Price to be adjusted under the Indebtedness Agreement, namely consolidation, sub-division or reclassification of the Units and rights issues of Units or other securities (including open offers and options) at a discount greater than 10%
“Deferred Units Issue Price Adjustment”	the adjustment to the Deferred Units Issue Price in respect of the Deferred Units and rights issues to be issued following the Rights Issue Completion, as more particularly described in the paragraph headed “Adjustments to Deferred Units Issue Price”
“Director(s)”	director(s) of the Company
“Disposal”	the proposed disposal by the Vendor of the Property to Yuexiu REIT (through the Purchaser) through the sale of the Sale Shares pursuant to the Acquisition Deed
“Disposal Completion”	completion of the Disposal pursuant to the Acquisition Deed
“Disposal Condition(s)”	has the meaning ascribed to this term in the paragraph headed “Conditions Precedent under the Acquisition Deed”
“Disposal Consideration”	has the meaning ascribed to this term in the paragraph headed “Consideration, payment terms and basis of determination of the Disposal Consideration”

“Dragon Yield”	Dragon Yield Holding Limited, a BVI business company incorporated in the BVI and which is directly wholly-owned by the Company and is a substantial unitholder (as defined under the REIT Code) of Yuexiu REIT holding approximately 35.09% of the issued Units
“EIT”	the PRC Enterprise Income Tax
“EIT Segregated Account”	has the meaning ascribed to it in the paragraph headed “EIT Segregated Account”
“EIT Withheld Amount”	RMB10,000,000
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his/her delegate(s)
“GCCDL”	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, which is the original developer of the Property
“General Partner”	Guangzhou Junsheng Economic Information Consultancy Company Limited* (廣州駿盛經濟信息諮詢有限公司), a company incorporated in the PRC that is wholly-owned by the Limited Partner
“GM”	the general meeting of the Shareholders to be convened to consider, and, if thought fit, to pass the relevant resolutions in relation to the Disposal, including the approval of the Acquisition Deed and the Deferred Units Arrangement Modification
“Group”	the Company and its subsidiaries
“Guangzhou IFC”	means “Guangzhou International Finance Center” (廣州國際金融中心), located at No. 5 Zhujiang West Road, Tianhe District, Guangzhou, Guangdong Province, PRC
“Guangzhou IFC Consideration”	the consideration payable to the Company in relation to Yuexiu REIT’s acquisition of Guangzhou IFC

“GZYX”	Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團股份有限公司), a limited liability company incorporated in the PRC which is majority owned by the Guangzhou Municipal People’s Government of the PRC
“HIBOR”	the rate of interest offered on Hong Kong dollars loans by banks in the Hong Kong interbank market for a specified period ranging from overnight to one year
“HKD” or Hong Kong dollar(s)	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Indebtedness Agreement”	the indebtedness agreement dated 28 May 2012 between the Company (as assignor), the Trustee (as assignee, on behalf of Yuexiu REIT and acting on the instructions of the Manager) and the Manager (as amended and supplemented by the Supplemental Indebtedness Agreement)
“Independent Property Valuer”	Colliers International (Hong Kong) Limited
“Independent Shareholder(s)”	shareholder(s) other than (i) any Shareholder who has a material interest in the Disposal and/or the Deferred Units Arrangement Modification other than its interest as a Shareholder; and (ii) any close associate of such Shareholder referred to in (i)
“Initial Payment”	has the meaning ascribed to this term under the paragraph headed “Consideration, payment terms and basis of determination of the Disposal Consideration”
“Intercompany Payables”	collectively, the Offshore Payables and the Onshore Payables
“Intermediary Entities”	collectively, the Limited Partner, the General Partner, the Limited Liability Partnership and, before the completion of the Reverse Merger, the PRC Intermediary Companies

“Irrevocable Undertaking(s)”	the irrevocable undertaking(s) dated 24 October 2021 given by the Yue Xiu and the Company to the Manager, whereby the Yue Xiu and the Company undertook to, among other things, maintain their respective current beneficial unitholding of 71,261,585 Units and 1,289,767,022 Units, respectively, up to and including the Rights Issue Record Date and to accept and pay for, or procure the acceptance and payment for, Yue Xiu Entitlement Units and the Company Entitlement Units provisionally allotted to each of them
“Limited Liability Partnership”	Guangzhou Huisheng Industrial Investment Enterprise Partnership (Limited Partnership)* (廣州滙盛實業投資合夥企業 (有限合夥)), a limited liability partnership established under the PRC laws pursuant to the limited liability partnership agreement dated 1 July 2021 entered into between the General Partner and the Limited Partner
“Limited Partner”	Legend Smart (China) Limited (駿邦(中國)有限公司), a company incorporated in Hong Kong which is indirectly wholly-owned by the Company as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manager”	Yuexiu REIT Asset Management Limited, in its capacity as the manager of Yuexiu REIT, a company incorporated under the laws of Hong Kong
“Manager Fee Unit(s)”	the Unit(s) issued to the Manager in satisfaction of all or part of the Manager’s fees from time to time
“Maximum Untaken Rights Issue Units”	the maximum number of untaken Rights Issue Units, being 730,822,457 Rights Issue Units, which represent the total number of Rights Issue Units minus the sum of the Company Entitlement Units and the Yue Xiu Entitlement Units, and assuming no change of number in the Units on or before the Rights Issue Record Date

“New Bank Facility”	the commitment letters entered into between the Manager and the lender banks on 19 October 2021 for the provision of a Hong Kong dollar denominated unsecured term loan facility up to an amount not exceeding HKD4,600 million
“Offshore Payables”	the amount owing from the Limited Partner to the Company, which is expected to be approximately RMB7,000,000,000 immediately prior to Disposal Completion
“Offshore Repayment Amount”	has the meaning ascribed to it in the paragraph headed “Consideration, payment terms and basis of determination of the Disposal Consideration”
“One-Off Fees and Charges”	the total fees and charges payable in relation to the Disposal, including the one-time additional fee by the Trustee for duties undertaken by it in connection with the Disposal, advisory fees, professional fees and expenses that are incidental to the Disposal but does not include expenses that occur due to the Rights Issue, which are estimated to amount to approximately RMB64.5 million
“Onshore Payables”	the amount owing from the General Partner to Guangzhou Grandcity Development Ltd.* (廣州宏城發展有限公司) being a subsidiary of the Company, which is expected to be approximately RMB800,000,000 immediately prior to Disposal Completion
“Onshore Repayment Amount”	has the meaning ascribed to it in the paragraph headed “Consideration, payment terms and basis of determination of the Disposal Consideration”
“Placee(s)”	any individual, corporate, institutional investor(s) or other investor(s), who and whose ultimate beneficial owner(s) shall not be a party acting in concert with the Yuexiu Concert Group or any of its members, and shall be Placing Independent Third Party(ies) of Yuexiu REIT or the Manager, procured by the Placing Agents and/ or its sub-placing agent(s) to subscribe for any of the Placing Units pursuant to the Placing Agreement

“Placing Agents”	DBS Asia Capital Limited, BOCI Asia Limited, China International Capital Corporation Hong Kong Securities Limited, Haitong International Securities Company Limited and Yue Xiu Securities Company Limited, each being a placing agent appointed by the Manager to place any Placing Unit under the arrangement involving the placing of the Unsubscribed Rights Issue Units, if any, by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Yuexiu REIT’s obligations under Rule 7.21(1)(b) of the Listing Rules
“Placing Agreement”	the placing agreement dated 24 October 2021 entered into between the Manager and the Placing Agents in relation to placing of the Placing Units
“Placing Independent Third Party”	any person or company and their respective ultimate beneficial owner(s) who, as far as the directors of Yuexiu REIT are aware after having made all reasonable enquiries, are not connected persons of Yuexiu REIT and are third parties independent of Yuexiu REIT and its connected persons within the meaning of the REIT Code and the Listing Rules (modified as appropriate pursuant to the REIT Code)
“Placing Unit(s)”	the Unsubscribed Rights Issue Units, the Rights Issue Unit(s) which would otherwise has/have been provisionally allotted to the Rights Issue Non-Qualifying Unitholder(s) in nil-paid form that has/have not been sold by Yuexiu REIT, and/or unsold fractions of the Rights Issue Units
“PRC”	the People’s Republic of China but excluding, for the purposes of this announcement, Hong Kong, Taiwan and the Macao Special Administrative Region

“PRC Intermediary Companies”	Guangzhou Lingsheng Economic Information Consultancy Company Limited* (廣州領盛經濟信息諮詢有限公司), Guangzhou Chuangsheng Economic Information Consultancy Company Limited* (廣州創盛經濟信息諮詢有限公司), Guangzhou Hongsheng Economic Information Consultancy Company Limited* (廣州弘盛經濟信息諮詢有限公司), and Guangzhou Kaisheng Economic Information Consultancy Company Limited* (廣州凱盛經濟信息諮詢有限公司), being companies incorporated in the PRC each of which is the direct owner of a Project Company respectively as at the date of this announcement
“Pro Forma Completion Statement”	the pro forma statement of financial position of the Target Group as at the close of business on Completion Date, to be delivered by the Vendor at least four Business Days prior to the Completion Date
“Project Companies”	collectively, Guangzhou Jiayao Real Estate Co., Ltd.* (廣州佳耀置業有限公司), Guangzhou Jinyao Real Estate Co., Ltd.* (廣州晉耀置業有限公司), Guangzhou Jingyao Real Estate Co., Ltd.* (廣州景耀置業有限公司) and Guangzhou Yuyao Real Estate Co., Ltd.* (廣州譽耀置業有限公司), being companies incorporated in the PRC and the direct owners of the Property
“Property”	the property subject to the Disposal, particulars of which have been provided in the paragraph headed “Information of the Property and the Target Group”
“Purchaser”	Yuexiu REIT 2018 Company Limited, a BVI business company incorporated in the BVI and a SPV wholly-owned by of Yuexiu REIT
“REIT”	real estate investment trust
“REIT Code”	the Code on Real Estate Investment Trusts published by the SFC as amended, supplemented or otherwise modified for the time being

“REIT Connected Leasing Transactions”	the leasing and licensing transactions entered or to be entered into by the members of the Yuexiu REIT Group and GZYYX and its subsidiaries and associates (as defined in the REIT Code) (which, for the avoidance of doubt, excludes the Yuexiu REIT Group)
“REIT EGM”	the extraordinary general meeting of Unitholders of Yuexiu REIT to be convened by Yuexiu REIT to consider and, if thought fit, approve the REIT Transaction Matters Requiring Approval
“REIT Independent Unitholder(s)”	<ul style="list-style-type: none"> (i) for the purpose of the REIT Matters Requiring Approval (other than the Whitewash Waiver), Unitholder(s) other than those who have a material interest in the relevant resolutions that is different from that of all other Unitholders, within the meaning of paragraphs 8.7F and 9.9(f) of the REIT Code, and who are entitled to vote at the REIT EGM; and (ii) for the purpose of the Whitewash Waiver and the Transaction Matters Requiring Approval, Unitholder(s) other than any Unitholder who is interested or involved in the Whitewash Waiver, the Disposal, the Placing Agreement and/or the Underwriting Agreement and the transactions contemplated thereunder
“REIT Matters Requiring Approval”	collectively, REIT Transaction Matters Requiring Approval and the REIT Connected Leasing Transactions under the Yuexiu Leasing Framework Agreement and the proposed annual caps applicable thereto for the financial years ending 31 December 2022 and 31 December 2023

“REIT Transaction Matters Requiring Approval”	the matters which require the approval of Unitholders at the REIT EGM being: (a) the Disposal and the transactions contemplated under the Acquisition Deed; (b) the entry into of the Underwriting Agreement and the transactions contemplated thereunder; (c) the entry into of the Placing Agreement and the transactions contemplated thereunder; (d) the Deferred Units Arrangement Modification and the entry into of the Second Supplemental Indebtedness Agreement and the transactions contemplated thereunder; and (e) the Whitewash Waiver
“Relevant Market Price”	has the meaning ascribed to it in the paragraph headed “Modification of Deferred Units Arrangement - Adjustments to Deferred Units Issue Price”
“Reorganisation”	certain steps undertaken by the Company prior to the date of this announcement to restructure the holding structure of the Property, specifically: (a) the establishment of the Limited Liability Partnership by the General Partner and the Limited Partner; (b) the incorporation of the PRC Intermediary Companies; and (c) the transfer of the entire equity interest in the Project Companies from GCCDL to the PRC Intermediary Companies
“Repayment Amounts”	the aggregate amounts outstanding as at the Completion Date under the Offshore Payables owing from the Limited Partner to the Company and the Onshore Payables owing from the General Partner to Guangzhou Grandcity Development Ltd.* (廣州宏城發展有限公司), which are expected to be approximately RMB7,800,000,000 in total immediately prior to Disposal Completion
“Reverse Merger”	the PRC Intermediary Companies and the Project Companies entered into a merger agreement on 16 September 2021 pursuant to which the parties agreed to merge by the Project Companies’ absorption of the PRC Intermediary Companies

“Rights Issue”	the proposed rights issue by Yuexiu REIT on the basis of thirty seven (37) Rights Issue Units for every one hundred (100) existing Units held on the Rights Issue Record Date
“Rights Issue Completion”	the completion of the Rights Issue, which is currently expected to take place on or about Thursday, 27 January 2022
“Rights Issue Non-Qualifying Unitholder(s)”	the Unitholder(s) with registered address(es) (as shown on the register of Unitholders on the Rights Issue Record Date) which is/are outside Hong Kong, whom the board of directors of the Manager, based on legal opinions provided by the Manager’s legal advisers, consider it necessary and expedient not to offer the Rights Issue to such Unitholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Rights Issue Offering Circular”	the offering circular to be despatched to the Unitholders in connection with the Rights Issue
“Rights Issue Offering Circular Despatch Date”	Friday, 17 December 2021 (or such other date as may be determined by the Manager), being the date of despatch of the Rights Issue Offering Documents to the Rights Issue Qualifying Unitholders (or the Rights Issue Offering Circular to the Rights Issue Non-Qualifying Unitholders for information only, as the case may be)
“Rights Issue Offering Documents”	collectively, the Rights Issue Offering Circular and the provisional allotment letter(s) for the Rights Issue
“Rights Issue Qualifying Unitholder(s)”	the Unitholder(s) whose names appear on the register of unitholders of Yuexiu REIT and any person holding Units through the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited at 5:00 p.m. on the Rights Issue Record Date (other than the Rights Issue Non-Qualifying Unitholders)

“Rights Issue Record Date”	Thursday, 16 December 2021 (or such other date as may be determined by the Manager), being the date by reference to which entitlements of Unitholders to participate in the Rights Issue will be determined
“Rights Issue Subscription Price”	HKD3.20 per Rights Issue Unit under the Rights Issue
“Rights Issue Unit(s)”	the new Unit(s) to be allotted and issued by Yuexiu REIT under the Rights Issue
“RMB”	Renminbi, the official currency of the PRC
“Sale Shares”	all of the issued shares of the Target Company, representing the entire equity interest in the Target Company
“Second Supplemental Indebtedness Agreement”	the agreement dated 24 October 2021 entered into amongst the Company (as assignor), the Trustee and the Manager in respect of the Deferred Units Arrangement Modification which is conditional upon, among other things, the passing of an ordinary resolution approving the same
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
“Shareholder(s)”	any person(s) registered as holding an ordinary share on the register of members of the Company
“Share Consideration”	has the meaning ascribed to this term in the paragraph headed “Consideration, payment terms and basis of determination of the Disposal Consideration”
“SPV”	a special purpose vehicle that is owned and controlled by Yuexiu REIT in accordance with the REIT Code and the Trust Deed
“sq.m.”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Supplemental Indebtedness Agreement”	the supplemental agreement dated 27 June 2012 between the Trustee (as assignee, on behalf of the REIT and acting on the instructions of the Manager), the Manager and the Company for the purpose of (among other things) amending the issue price of the Deferred Units
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the SFC (as amended from time to time)
“Target Company”	Gain Force Investments Ltd., a BVI business company incorporated in the BVI which is the indirect owner of the Project Companies, which in turn directly own the Property
“Target Group”	collectively, the Target Company, the Intermediary Entities and the Project Companies
“Target Group Adjusted NAV”	has the meaning ascribed to it in the paragraph headed “Consideration, payment terms and basis of determination of the Disposal Consideration”
“Trading Day”	a day on which, in the usual course, the Stock Exchange is open for the conduct of trading of securities
“True-up Payment”	has the meaning ascribed to it in the paragraph headed “Consideration, payment terms and basis of determination of the Disposal Consideration”
“Trust Deed”	the trust deed constituting Yuexiu REIT dated 7 December 2005 and entered into between the Trustee and the Manager, as may be amended and supplemented from time to time
“Trustee”	HSBC Institutional Trust Services (Asia) Limited, in its capacity as trustee of Yuexiu REIT. All references to the Trustee in this announcement are, as the context may require, to the Trustee acting on behalf of Yuexiu REIT and on the instructions of the Manager
“Underwriter”	Yue Xiu Enterprises (Holdings) Limited (越秀企業(集團)有限公司), a wholly-owned subsidiary of GZYS and the holding company of the Company

“Underwriting Agreement”	the underwriting agreement dated 24 October 2021 entered into between the Manager and the Underwriter in relation to the Rights Issue
“Unit”	one undivided unit in Yuexiu REIT
“Unitholder”	any person registered as holding a unit on the register of unitholders of Yuexiu REIT
“Unsubscribed Rights Issue Units”	those Rights Issue Units that are not subscribed by the Rights Issue Qualifying Unitholders under the provisional allotment letter(s) for the Rights Issue or renouncee(s) or transferee(s) of nil-paid rights or not
“Vendor”	Guangzhou Construction & Development Holdings (China) Limited (城市建設開發集團(中國)有限公司), a BVI business company incorporated in the BVI and a direct wholly-owned subsidiary of the Company, and as at the date of this announcement, the direct owner of the Target Group, which in turn indirectly owns the Property
“Whitewash Waiver”	the whitewash waiver by the Executive under Note 1 on Dispensations from Rule 26 of the Takeovers Code of the obligation on the part of Yue Xiu and the Company to make a general offer for all issued Units and other securities of Yuexiu REIT (if any) not already owned or agreed to be acquired by Yue Xiu and parties acting in concert with it as a result of the taking up and subscription of the Untaken Rights Issue Units pursuant to the Underwriting Agreement
“Yue Xiu”	Yue Xiu Enterprises (Holdings) Limited (越秀企業(集團)有限公司), a limited liability company incorporated in Hong Kong which is wholly-owned by GZYX
“Yue Xiu Entitlement Units”	26,366,784 Rights Issue Units to be provisionally allotted to Yue Xiu in respect of the Units held by it pursuant to the Rights Issue

“Yue Xiu Securities”	Yue Xiu Securities Company Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO and its ordinary course of business includes placing and underwriting of securities
“Yuexiu Concert Group”	Yue Xiu and parties acting in concert with it under the Takeovers Code, including (but not limited to) the Company (which for the avoidance of doubt, excludes the Yuexiu REIT Group)
“Yuexiu Leasing Framework Agreement”	the framework agreement dated 24 October 2021 entered into by the Manager (on behalf of the Yuexiu REIT Group) and GZYS setting out the terms and conditions and pricing policy governing the REIT Connected Leasing Transactions which are either in place or to be entered into or renewed from time to time for the period from 1 January 2022 to 31 December 2023
“Yuexiu REIT”	Yuexiu Real Estate Investment Trust, a Hong Kong collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO subject to applicable conditions from time to time (whose Units are listed on the Stock Exchange) and the companies controlled by it, as the context requires
“Yuexiu REIT Group”	Yuexiu REIT and its subsidiaries
“YXP Nominee”	a wholly-owned subsidiary of the Company designated by the Company for the purpose of holding, among other things, Deferred Units in accordance with the Indebtedness Agreement
“%”	per cent or percentage

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

Hong Kong, 24 October, 2021

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

Executive Directors: LIN Zhaoyuan (Chairman), LIN Feng, LI Feng, CHEN Jing and LIU Yan

Non-executive Director: OUYANG Changcheng

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

For illustrative purposes only, RMB is converted into HKD at an exchange rate of HKD1 = RMB0.8321 in this announcement.

** for identification purpose only*