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(Incorporated in Hong Kong with limited liability)

(Stock code: 00123)

ANNOUNCEMENT

DISCLOSEABLE TRANSACTION IN RELATION TO THE LAND ACQUISITION AND THE FORMATION OF JOINT VENTURE

LAND ACQUISITION

The Board is pleased to announce that, on 25 July 2022, Zhongshan Yuexiu, a 95%-owned subsidiary of the Company, and the JV Partner, as joint bidders, won the bid for the acquisition of the land use rights of the Land Parcel from the Vendor for a consideration of RMB4,774,760,000 and, on the same day, Zhongshan Yuexiu, the JV Partner and the Vendor have entered into the Land Use Rights Transfer Agreement in connection with the Land Acquisition.

FORMATION OF JOINT VENTURE

It is expected that Zhongshan Yuexiu and the JV Partner will enter into a joint venture agreement to establish the Project Company for the purpose of acquiring and developing the Land Parcel. The Project Company will be held by Zhongshan Yuexiu and the JV Partner as to 50% and 50%, respectively.

IMPLICATIONS UNDER LISTING RULES

As the highest applicable percentage ratio (calculated in accordance with Rule 14.07 of the Listing Rules) in respect of the capital commitment to be contributed by the Group exceeds 5% but is less than 25%, the Transactions constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirement under Chapter 14 of the Listing Rules.

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Principal terms of the Land Acquisition

A principal summary of the key terms of the Land Acquisition are set out as follows:

Date of Land Use Rights Transfer Agreement:	25 July 2022
Parties involved in the Land Acquisition:	(1) Zhongshan Yuexiu and the JV Partner as the purchaser; and (2) Shanghai Yangpu District Planning and Natural Resources Bureau* (上海市楊浦區規劃和自然資源局) as the vendor
Location of the Land Parcel:	Yangpu District Jiangpu Community No. R-05 Land Parcel (Block 115, Daqiao Street, Shanghai, PRC)
Site area:	Approximately 35,976.20 sq.m.
Total gross floor area:	Approximately 125,434.48 sq.m.
Plot ratio accountable gross floor area:	Approximately 85,263.59 sq.m.
Term of land use rights:	70 years
Intended land use:	The Land Parcel is for residential use. The residential properties constructed by the Project Company on the Land Parcel are intended for sale and for lease.

Pursuant to the terms of the Land Use Rights Transfer Agreement, the Project Company will be required to construct housing for lease with the plot ratio accountable gross floor area of approximately 14,863.60 sq.m., representing approximately 17.43% of total plot ratio accountable gross floor area. The remaining plot ratio accountable gross floor area are for the construction of residential properties for sale.

Consideration and Payment

The Consideration represents the bid price submitted by Zhongshan Yuexiu and the JV Partner through the open tender conducted by the Vendor in accordance with the relevant PRC laws and regulations. The Consideration was arrived at after taking into account the minimum bidding price of the Land Parcel, the current market conditions in Shanghai, the location of the Land Parcel, the development potential of the Land Parcel and the recent land price in the surrounding area of the Land Parcel.

The Consideration will be settled as follows:

- (a) a sum of RMB954,952,000, being 20% of the Consideration, as deposit will be paid by Zhongshan Yuexiu and the JV Partner on or before 1 August 2022, and the deposit will be used to satisfy part of the Consideration of the Land Acquisition; and
- (b) the remaining balance of the Consideration of RMB3,819,808,000 will be paid by Zhongshan Yuexiu and the JV Partner on or before 24 August 2022.

The Consideration will be paid by Zhongshan Yuexiu and the JV Partner on pro rata basis and Zhongshan Yuexiu will fund its 50% share of the Consideration with its internal resources.

FORMATION OF JOINT VENTURE

It is expected that Zhongshan Yuexiu and the JV Partner will enter into a joint venture agreement to establish the Project Company for the purpose of acquiring and developing the Land Parcel. The Project Company will be held by Zhongshan Yuexiu and the JV Partner as to 50% and 50%, respectively. It is expected that the Project Company will be accounted for as an associate of the Group.

The principal terms of the joint venture agreement including the capital contribution and composition of the board of directors of the Project Company, shall be negotiated in good faith between Zhongshan Yuexiu and the JV Partner.

INFORMATION OF THE PARTIES TO THE TRANSACTIONS

The Company and Zhongshan Yuexiu

The Company 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 their business in Eastern China, Central China, Northern China and Southwestern China.

Zhongsan Yuexiu is a company established under the laws of the PRC with limited liability and a 95%-owned subsidiary of the Company which is principally engaged in real estate development business.

JV Partner

The JV Partner is a company established under the laws of the PRC with limited liability, which is principally engaged in real estate development business.

The Vendor

The Vendor is a PRC governmental authority and is responsible for, among other things, the administration of the examination and approval of land planning, assignment and transfer of the land use rights of the state-owned land resources in Yangpu District, Shanghai, the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the JV Partner and the Vendor and their respective ultimate beneficial owner(s) is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Land Parcel is located in the core area of Jiangpu Community, Yangpu District, Inner Ring of Shanghai, with river landscape resources on the west side and convenient rail transportation as it is located about 500 meters walk from Ningguo Road Station of Metro Line 12. There are also various educational institutions and mature commercial, medical and other living facilities in the surrounding area. The Directors are of the view that the Land Parcel is acquired by Zhongsan Yuexiu and the JV Partner at a reasonable price and such Land Parcel will add to the Company's quality land bank in East China region. Further, the cooperation between the Group and the JV Partner will provide synergies to this development project and allow the Group and the JV Partner to contribute their respective resources and expertise in the development of the Land Parcel.

Taking into account of the above, the Directors consider that the terms of the Land Acquisition and the proposed terms of the Formation of Joint Venture are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER LISTING RULES

As the highest applicable percentage ratio (calculated in accordance with Rule 14.07 of the Listing Rules) in respect of the capital commitment to be contributed by the Group exceeds 5% but is less than 25%, the Transactions constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In addition to the expressions defined in the content of this announcement, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	Yuexiu Property Company Limited, a company 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)
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Consideration”	the total consideration for the Land Acquisition being RMB4,774,760,000
“Directors”	the directors of the Company
“Formation of Joint Venture”	formation of the Project Company for the purpose of the Land Acquisition and the development of the Land Parcel
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected to any of the connected persons of the Company
“JV Partner”	Shanghai Poly Jianjin Urban Development Co., Ltd. (上海保利建錦城市發展有限公司), a company established in the PRC with limited liability, which is wholly-owned by Poly Developments and Holdings Group Co., Ltd. (保利發展控股集團股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 600048) and is indirectly controlled by China Poly Group Corporation Limited (中國保利集團有限公司), which is in turn wholly-owned by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
“Land Acquisition”	the acquisition of the land use rights of the Land Parcel
“Land Parcel”	Yangpu District Jiangpu Community No. R-05 Land Parcel (Block 115, Daqiao Street, Shanghai, PRC)
“Land Use Rights Transfer Agreement”	the land use rights transfer agreement (上海市國有建設用地使用權出讓合同) dated 25 July 2022 entered into between Zhongshan Yuexiu, the JV Partner and the Vendor

“ Listing Rules ”	the Rules Governing the Listing of Securities on the Stock Exchange
“ PRC ”	the People’s Republic of China and for the purpose of this announcement excluding Hong Kong, Macau Special Administrative Region and Taiwan
“ Project Company ”	the project company to be established by Zhongshan Yuexiu and the JV Partner under the laws of the PRC for the purpose of the Land Acquisition and the development of the Land Parcel
“ RMB ”	Renminbi, the lawful currency of the PRC
“ Share(s) ”	ordinary share(s) of the Company
“ Shareholder(s) ”	holder(s) of the Shares
“ Stock Exchange ”	The Stock Exchange of Hong Kong Limited
“ sq.m. ”	square meters
“ Transactions ”	the Land Acquisition and the Formation of Joint Venture
“ Vendor ”	Shanghai Yangpu District Planning and Natural Resources Bureau* (上海市楊浦區規劃和自然資源局)
“ Zhongshan Yuexiu ”	Zhongshan Yuexiu Property Development Company Limited* (中山市越秀地產開發有限公司) , a company established in the PRC with limited liability which is a subsidiary owned as to 95% by the Company

* for identification purpose only

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

Hong Kong, 27 July 2022

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

<i>Executive Directors:</i>	<i>LIN Zhaoyuan (Chairman), LIN Feng, LI Feng, CHEN Jing and LIU Yan</i>
<i>Non-Executive Director:</i>	<i>ZHANG Yibing</i>
<i>Independent Non-executive Directors:</i>	<i>YU Lup Fat Joseph, LEE Ka Lun and LAU Hon Chuen Ambrose</i>